

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 696

DATE: April 25, 1995

(Filing No. S- 82)

LABOR

Reported by: The Majority of the Committee.

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**STATE OF MAINE
SENATE
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 260, L.D. 696, Bill, "An Act to Amend the Maine State Retirement System Laws to Authorize the Buy-back of Time Served in the Peace Corps or VISTA Programs"

Amend the bill by striking out the title and substituting the following:

'An Act to Amend the Maine State Retirement System Laws Regarding the Buy-back of Time Served in the Peace Corps'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 5 MRSA §17764, as enacted by PL 1989, c. 709, §3, is amended to read:

§17764. Vista and foreign teaching

Members who served in the ~~Peace Corps,--foreign or domestic,~~ the Volunteers in Service to America Program, or the Fulbright Exchange Program or who taught children of United States Foreign Service Corps personnel outside the continental United States or United States Armed Forces personnel located in any foreign country on a regularly established United States military base may purchase service credit for that service under the following conditions. For the purposes of this section "members" means state employees and teachers.

1. Limit on service credit. The service credit may not exceed 2 years.

COMMITTEE AMENDMENT

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2 **2. Creditable service required.** Members whose service in
4 these organizations preceded their becoming members in the Maine
6 State Retirement System must, on the date of retirement, have at
8 least 15 years of creditable service.

10 **3. Return to employment.** Members who terminated service in
12 the State as state employees or teachers prior to service with
14 these organizations must return to state employment or active
16 teaching in the State within one year of the completion of
18 service in these organizations.

20 **4. Payment to fund.** Members must, before any retirement
22 benefit becomes effective, pay into the Members' Contribution
24 Fund by a single direct payment or annual direct payments to the
26 retirement system an amount that, together with regular interest
28 on that amount, is the actuarial equivalent, at the effective
30 date of the retirement benefit, of the portion of the retirement
32 benefit based on the additional creditable service. Payments
34 must be made as provided in section 17701.

36 **Sec. 2. 5 MRSA §17765** is enacted to read:

38 **§17765. Peace Corps**

40 Members who served in the Peace Corps, foreign or domestic,
42 may purchase service credit for that service under the following
44 conditions. For the purposes of this section, "members" means
46 state employees and teachers.

48 **1. Limit on service credit.** The service credit may not
50 exceed 2 years.

2. Creditable service required. Members whose service in
the Peace Corps preceded their becoming members in the Maine
State Retirement System must, on the date of retirement, have at
least 15 years of creditable service.

3. Return to employment. Members who terminated service in
the State as state employees or teachers prior to service with
the Peace Corps must return to state employment or active
teaching in the State within one year of the completion of
service in the Peace Corps.

4. Payment to fund. Members must, before any retirement
benefit becomes effective, pay into the Members' Contribution
Fund as provided in section 17713, subsection 2, paragraph A.'

 Further amend the bill by inserting at the end before the
statement of fact the following:

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FISCAL NOTE

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Allowing additional state employees and teachers to buy service credit in the Maine State Retirement System by paying the value of member contributions and interest rather than the actuarial equivalent of the benefit will increase the unfunded liability of the Maine State Retirement System. This amount and the effect on future employer contribution rates paid by the State for state employees and teachers can not be estimated at this time.'

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STATEMENT OF FACT

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This amendment restricts purchase of retirement service credits provided in the original bill to members of the Maine State Retirement System who were formerly Peace Corps workers. The amendment requires payment for the service credit purchased at the same rate as for purchase of prior armed forces service credits under the Maine Revised Statutes, Title 5, section 17713, subsection 2, paragraph A.

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The amendment also adds a fiscal note to the bill.