

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 768

H.P. 567

House of Representatives, March 9, 1995

An Act to Permit the Buyback of Retirement Time.

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Vassalboro.
Cosponsored by Representative ADAMS of Portland and
Representative: AHEARNE of Madawaska.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 5 MRSA §17652, sub-§3** is enacted to read:

6 **3. Back contributions.** Notwithstanding subsection 2,
8 paragraph A, an elected official who began membership after
10 December 31, 1985 may receive service credit for all or part of
12 the period during which that person elected not to be a member of
14 the retirement system if the following requirements are met.

16 **A.** A member's election to pay back contributions into the
18 Members' Contribution Fund under this subsection must be
20 received by the retirement system by December 31, 1995. The
22 election must specify the period for which payments will be
24 made.

26 **B.** The payment must be made before the date any retirement
28 benefit becomes effective for the member.

30 **C.** The payment must be made to the retirement system by a
32 single direct payment or by annual direct payments. Annual
34 payments must be made as provided in section 17701,
36 subsection 4.

38 **D.** The amount of payment must be equal to the contributions
40 that the member would have paid or would have had picked up
42 by the employer had the member been a member for the period
44 elected, plus interest at a rate to be set by the board not
46 to exceed regular interest by 5 or more percentage points.
48 Interest must be computed from the end of the year when
those contributions or pick-up contributions would have been
made to the date of payment.

34 **Sec. 2. 5 MRSA §17704, sub-§4,** as enacted by PL 1985, c. 801,
36 §§5 and 7, is amended to read:

38 **4. Applicability.** This section does not apply to any member
40 who begins membership after December 31, 1985, and who had, in
42 accordance with section 17652, elected not to become a member
44 when first employed, except as provided in section 17652,
46 subsection 3.

44 STATEMENT OF FACT

46 This bill allows an elected official who had chosen not to
48 be a member of the Maine State Retirement System the opportunity
to receive service credit for part or all of the period the
official was not a member by making contributions to the Members'

2 Contribution Fund. The amount of payment required is the amount
the official would have contributed as a member for that period,
plus interest. The decision to make back contributions must be
4 made by December 31, 1995.