

MAINE STATE LEGISLATURE

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May 11, 1995
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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1518

S.P. 559

In Senate, May 11, 1995

**An Act to Amend the Maine State Retirement System with Respect to
the Consolidated Plan for Participating Local Districts.**

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.
Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator BEGLEY of Lincoln.

2 **Emergency preamble. Whereas,** Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 **Whereas,** the consolidated plan for participating local
districts has been in operation since July 1, 1994 and will
expand to include additional participating local districts that
8 will join the consolidated plan on July 1, 1995; and

10 **Whereas,** current statutes do not accurately reflect the
intent of the Participating Local District Advisory Committee as
12 was originally intended by the Legislature; and

14 **Whereas,** immediate statutory revision is needed to ensure
that the consolidated plan is established and operated to reflect
16 the advisory committee's intent; and

18 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
20 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
22 safety; now, therefore,

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

26 **Sec. 1. 5 MRSA §17001, sub-§13, ¶C,** as amended by PL 1993, c.
580, §1 and affected by §3, and as amended by c. 595, §3 and
28 affected by §16, is repealed and the following enacted in its
place:

30 C. Notwithstanding the other provisions of this subsection,
32 for the purposes of determining average final compensation,
"earnable compensation" does not include any increase that
34 exceeds the prior year's earnable compensation by more than
5% or that results in a total increase of more than 10%
36 during the 3-year period used in the calculation of average
final compensation, unless the cost of the additional
38 actuarial liability arising from the excess increase is paid
by the employer as provided in section 17154. Any payment
40 made under paragraph B, subparagraph (1) must be included in
determining the amount of increase in the year in which the
42 payment is made. This paragraph does not apply to excess
increases resulting from compensation paid prior to July 1,
44 1993, from compensation paid in accordance with an
individual employment contract executed prior to July 1,
46 1993 or a collective bargaining agreement executed or
ratified in its final form by final vote of one party to the
48 agreement prior to July 1, 1993 for the initial term of that

2 contract or agreement or from other action by the governing
3 body of a school administrative unit in effect on July 1,
4 1993. This paragraph does not apply to increases in
5 compensation of state employees during fiscal year 1993-94
6 and fiscal year 1994-95. In all circumstances in which this
7 paragraph does not apply to earnable compensation of state
8 employees and teachers, the provisions of this paragraph
9 that were in effect prior to June 30, 1993 apply. This
10 paragraph does not apply to earnable compensation of
11 employees of participating local districts.

12 **Sec. 2. 5 MRSA §17001, sub-§32, ¶B,** as repealed and replaced by
13 PL 1993, c. 250, §1, is amended to read:

14 B. For a retired participating local district employee:

15 (1) Except as provided in subparagraph (2),
16 "restoration to service" means acceptance of employment
17 with the participating local district from which the
18 employee retired; and

19 (2) After the date on which a ~~participating local~~
20 ~~district's~~ the consolidated plan under chapter 427 goes
21 into operation, for a participating local district
22 employee who retires from a participating local
23 district that at the time of the employee's retirement
24 is in the consolidated plan, "restoration to service"
25 means acceptance of employment with any district that
26 participates in the consolidated plan. This
27 subparagraph applies to employees who retire before a
28 consolidated plan goes into operation as well as to
29 those who retire after a consolidated plan has gone
30 into operation the participating local district from
31 which the employee retired or with any other
32 participating local district that is in the
33 consolidated plan at the time the employee accepts
34 employment.

35 **Emergency clause.** In view of the emergency cited in the
36 preamble, this Act takes effect when approved.

37
38
39 **STATEMENT OF FACT**

40 This bill makes changes to the provisions of the
41 consolidated plan for participating local districts related to
42 earnable compensation and restoration to service to reflect the
43 intent of the Participating Local District Advisory Committee.