

# MAINE STATE LEGISLATURE

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L.D. 1609

DATE: 3/20/96

(Filing No. H-817 )

**LABOR**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
117TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1177, L.D. 1609, Bill, "An Act to Provide a Retirement Benefit Option for Forest Rangers Equal to That Option Available to Game Wardens and Marine Patrol Officers"

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

**'An Act to Provide Consistent Retirement Plan Options for Game Wardens, Marine Patrol Officers, Forest Rangers and Baxter State Park Authority Rangers'**

Further amend the bill by inserting after section 1 the following:

**'Sec. 2. 5 MRSA §17851, sub-§5-A, as enacted by PL 1995, c. 466, Pt. A, §2, is amended to read:**

**5-A. Inland Fisheries and Wildlife officers after August 31, 1984; option.** A law enforcement officer in the Department of Inland Fisheries and Wildlife who was first employed in that capacity after August 31, 1984 or who, if employed in that capacity before August 31, 1984, ceased to be employed in that capacity on or before that date and who subsequently became reemployed in that capacity after that date qualifies for a service retirement benefit upon reaching 55 years of age after completing at least 25 years of creditable service in that capacity if notice of election of the option and payment of employee contributions and actuarial costs are made as provided in section 17852, subsection 5-A.

**COMMITTEE AMENDMENT**

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2           Sec. 3. 5 MRSA §17851, sub-§6-A, as enacted by PL 1995, c.  
466, Pt. B, §3, is amended to read:

4           **6-A. Marine resources officers after August 31, 1984;**  
6           **option.** A law enforcement officer in the Department of Marine  
8           Resources who was first employed in that capacity after August  
10           31, 1984 or who, if employed in that capacity before August 31,  
12           1984, ceased to be employed in that capacity on or before that  
14           date and who subsequently became reemployed in that capacity  
              after that date qualifies for a service retirement benefit upon  
              reaching 55 years of age after completing at least 25 years of  
              creditable service in that capacity if notice of election of the  
              option and payment of employee contributions and actuarial costs  
              are made as provided in section 17852, subsection 6-A.'

16           Further amend the bill in section 2 in subsection 8-A in the  
18           3rd line (page 2, line 3 in L.D.) by striking out the following:  
20           "August 31, 1984 qualifies" and inserting in its place the  
22           following: 'August 31, 1984 or who, if employed in that capacity  
              before August 31, 1984, ceased to be employed in that capacity on  
              or before that date and who subsequently became reemployed in  
              that capacity after that date qualifies'

24           Further amend the bill by inserting after section 2 the  
26           following:

28           'Sec. 3. 5 MRSA §17852, sub-§5-A, as enacted by PL 1995, c.  
466, Pt. A, §3, is amended to read:

30           **5-A. Inland Fisheries and Wildlife officers after August**  
32           **31, 1984; option.** The retirement benefit of a person who  
34           qualifies under section 17851, subsection 5-A and who retires  
              upon or after reaching 55 years of age is computed in accordance  
              with subsection 1 if:

36           A. The person was first employed as a law enforcement  
38           officer in the Department of Inland Fisheries and Wildlife  
40           on or after November 1, 1995, elects the option provided in  
42           section 17851, subsection 5-A and pays to the retirement  
              system an increased employee payroll contribution in an  
              amount that equals the full actuarial cost of electing that  
              option; or

44           B. The person was first employed as a law enforcement  
46           officer in the Department of Inland Fisheries and Wildlife  
48           before November 1, 1995, elects the option provided in  
50           section 17851, subsection 5-A and pays to the retirement  
              system single or periodic payment of a lump sum or by a  
              combination of single and periodic payments of the amount  
              that equals the full actuarial cost of electing that option

2 for service before that date. A person who requests  
3 calculation of the full actuarial cost, regardless of  
4 whether the person elects the option, must pay to the  
5 retirement system by single lump sum payment the reasonable  
6 administrative costs of determining the full actuarial  
7 costs. Payment of the full actuarial cost related to  
8 service on or after November 1, 1995 is made as part of the  
employee payroll contribution.

10 For the purposes of this subsection, "full actuarial cost" means  
11 that the person's payment or payments must fully offset any  
12 unfunded liability that would or does result from retirement  
13 under the option provided in section 17851, subsection 5-A and  
14 must fully fund the cost of the person's retirement prior to  
15 normal retirement age so that an additional employer contribution  
16 is not required.

18 A person who makes the election provided in section 17851,  
19 subsection 5-A at any time after the date on which the person is  
20 first employed as a law enforcement officer in the Department of  
21 Inland Fisheries and Wildlife must include interest at a rate to  
22 be set by the board not to exceed regular interest by 5 or more  
23 percentage points, applied as of the date on which the person was  
24 first employed in that capacity to the contributions the person  
25 would have paid or had picked up by the employer had the person  
26 elected that option at the date of first employment.

28 This subsection is effective November 1, 1995. Election to  
29 retire under this subsection is a one-time irrevocable election.  
30 A person who was first employed as a law enforcement officer in  
31 the Department of Inland Fisheries and Wildlife on or after  
32 November 1, 1995 must make the election no later than 90 days  
33 after the date of first employment. A person who was first  
34 employed in that capacity before November 1, 1995 must make the  
35 election no later than ~~November 1, 1996~~ January 1, 1997.

36 **Sec. 4. 5 MRSA §17852, sub-§5-B is enacted to read:**

38 **5-B. Inland Fisheries and Wildlife officers exercising**  
39 **option; retirement before 55 years of age. For a person**  
40 **exercising the option provided in section 17851, subsection 5-A,**  
41 **who makes the payments required in subsection 5-A, and who**  
42 **retires before reaching 55 years of age, the retirement benefit**  
43 **is determined as follows.**

46 **A. For members with 10 years of creditable service on July**  
47 **1, 1993, the retirement benefit is determined in accordance**  
48 **with subsection 1, except that:**

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2 (1) The amount arrived at under subsection 1 is  
3 reduced by applying to that amount the percentage that  
4 a life annuity due at 55 years of age bears to the life  
5 annuity due at the age of retirement; and

6 (2) For the purpose of making the computation under  
7 subparagraph (1), the board-approved tables of  
8 annuities in effect at the date of the member's  
9 retirement are used.

10 For the purpose of calculating creditable service under this  
11 subsection only, "creditable service" includes time during  
12 which a member participated in the voluntary cost-savings  
13 plan or the voluntary employee incentive program, authorized  
14 by Public Law 1989, chapter 702, Part F, section 6 and  
15 Public Law 1991, chapter 591, Part BB and chapter 780, Part  
16 VV; or 10 years of combined creditable service under this  
17 Part and Title 3, chapter 29; or creditable service  
18 available to a member that the member was eligible to  
19 purchase on June 30, 1993 and that the member does purchase  
20 in accordance with rules adopted by the board.

21 B. For members who do not have 10 years of creditable  
22 service on July 1, 1993, the retirement benefit is  
23 determined in accordance with subsection 1, except that the  
24 benefit is reduced by 6% for each year that the person's age  
25 precedes 55 years of age.

26 **Sec. 5. 5 MRSA §17852, sub-§6-A, as enacted by PL 1995, c.**  
27 **466, Pt. B, §4, is amended to read:**

28 **6-A. Marine resources officers after August 31, 1984;**  
29 **option.** The retirement benefit of a person qualifying under  
30 section 17851, subsection 6-A who retires upon or after reaching  
31 55 years of age is computed in accordance with subsection 1 if:

32 **A.** The person was first employed as a law enforcement  
33 officer in the Department of Marine Resources on or after  
34 November 1, 1995, elects the option provided in section  
35 17851, subsection 6-A and pays to the retirement system an  
36 increased employee payroll contribution in an amount that  
37 equals the full actuarial cost of electing that option; or

38 **B.** The person was first employed in that capacity before  
39 November 1, 1995, elects the option provided in section  
40 17851, subsection 6-A and pays to the retirement system by  
41 single or periodic payment of a lump sum or by a combination  
42 of single and periodic payments the amount that equals the  
43 full actuarial cost of electing that option for service  
44 before that date. A person who requests calculation of the  
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2 full actuarial cost, regardless of whether the person elects  
3 the option, must pay to the retirement system by single lump  
4 sum payment the reasonable administrative costs of  
5 determining the full actuarial costs. Payment of the full  
6 actuarial cost related to service on or after November 1,  
1995 is made as part of the employee payroll contribution.

8 For the purpose of this subsection, "full actuarial cost" means  
9 that the person's payment or payments must fully offset any  
10 unfunded liability that would or does result from retirement  
11 under the option provided in section 17851, subsection 6-A and  
12 must fully fund the cost of the person's retirement prior to  
13 normal retirement age so that an additional employer contribution  
14 is not required.

16 A person who makes the election provided in section 17851,  
17 subsection 6-A at any time after the date on which the person is  
18 first employed as a law enforcement officer in the Department of  
19 Marine Resources must include interest at a rate to be set by the  
20 board not to exceed regular interest by 5 or more percentage  
21 points, applied as of the date on which the person was first  
22 employed in that capacity to the contributions the person would  
23 have paid or had picked up by the employer had the person elected  
24 that option at the date of first employment.

26 This subsection is effective November 1, 1995. Election to  
27 retire under this subsection is a one-time irrevocable election.  
28 A person who was first employed as a law enforcement officer in  
29 the Department of Marine Resources on or after November 1, 1995  
30 must make the election no later than 90 days after the date of  
31 first employment. A person who was first employed in that  
32 capacity before November 1, 1995 must make the election no later  
33 than ~~November 1, 1996~~ January 1, 1997.

34 **Sec. 6. 5 MRSA §17852, sub-§6-B** is enacted to read:

36 **6-B. Marine resources officers exercising option;**  
37 **retirement before 55 years of age.** For a person exercising the  
38 **option provided in section 17851, subsection 6-A, who makes the**  
39 **payments required in subsection 6-A and who retires before**  
40 **reaching 55 years of age, the retirement benefit is determined as**  
41 **follows.**

44 **A. For members with 10 years of creditable service on July**  
45 **1, 1993, the retirement benefit is determined in accordance**  
46 **with subsection 1, except that:**

48 **(1) The amount arrived at under subsection 1 is**  
**reduced by applying to that amount the percentage that**

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COMMITTEE AMENDMENT "A" to H.P. 1177, L.D. 1609

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a life annuity due at 55 years of age bears to the life annuity due at the age of retirement; and

(2) For the purpose of making the computation under subparagraph (1), the board-approved tables of annuities in effect at the date of the member's retirement are used.

For the purpose of calculating creditable service under this subsection only, "creditable service" includes time during which a member participated in the voluntary cost-savings plan or the voluntary employee incentive program, authorized by Public Law 1989, chapter 702, Part F, section 6 and Public Law 1991, chapter 591, Part BB and chapter 780, Part VV; or 10 years of combined creditable service under this Part and Title 3, chapter 29; or creditable service available to a member that the member was eligible to purchase on June 30, 1993 and that the member does purchase in accordance with rules adopted by the board.

B. For members who do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.'

Further amend the bill in section 3 in subsection 7-A in the last blocked paragraph in the last 2 lines (page 3, lines 12 and 13 in L.D.) by striking out the following: "November 1, 1996" and inserting in its place the following: 'January 1, 1997'

Further amend the bill by inserting after section 3 the following:

'Sec. 4. 5 MRSA §17852, sub-§7-B is enacted to read:

7-B. Forest rangers exercising option; retirement before 55 years of age. For a person exercising the option provided in section 17851, subsection 8-A, who makes the payments required in subsection 7-A and who retires before reaching 55 years of age, the retirement benefit is determined as follows.

A. For members with 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that:

(1) The amount arrived at under subsection 1 is reduced by applying to that amount the percentage that a life annuity due at 55 years of age bears to the life annuity due at the age of retirement; and

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(2) For the purpose of making the computation under subparagraph (1), the board-approved tables of annuities in effect at the date of the member's retirement are used.

For the purpose of calculating creditable service under this subsection only, "creditable service" includes time during which a member participated in the voluntary cost-savings plan or the voluntary employee incentive program, authorized by Public Law 1989, chapter 702, Part F, section 6 and Public Law 1991, chapter 591, Part BB and chapter 780, Part VV; or 10 years of combined creditable service under this Part and Title 3, chapter 29; or creditable service available to a member that the member was eligible to purchase on June 30, 1993 and that the member does purchase in accordance with rules adopted by the board.

B. For members who do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

**Sec. 5. 5 MRSA §17852, sub-§11**, as enacted by PL 1995, c. 466, Pt. C, §3, is amended to read:

**11. Baxter State Park Authority rangers; option.** The retirement benefit of a person who qualifies under section 17851, subsection 12 and who retires upon or after reaching 55 years of age is computed in accordance with subsection 1 if:

A. The person was first employed as a law enforcement officer at the Baxter State Park Authority on or after November 1, 1995, elects the option provided in section 17851, subsection 12 and pays to the retirement system an increased employee payroll contribution in an amount that equals the full actuarial cost of electing that option; or

B. The person was first employed as a law enforcement officer at the Baxter State Park Authority before November 1, 1995, elects the option provided in section 17851, subsection 12 and pays to the retirement system single or periodic payment of a lump sum or by a combination of single and periodic payments of the amount that equals the full actuarial cost of electing that option for service before that date. A person who requests calculation of the full actuarial cost, regardless of whether the person elects the option, must pay to the retirement system by single lump sum payment the reasonable administrative costs of determining

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COMMITTEE AMENDMENT "A" to H.P. 1177, L.D. 1609

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the full actuarial costs. Payment of the full actuarial cost related to service on or after November 1, 1995 is made as part of the employee payroll contribution.

For the purposes of this subsection, "full actuarial cost" means that the person's payment or payments must fully offset any unfunded liability that would or does result from retirement under the option provided in section 17851, subsection 12 and must fully fund the cost of the person's retirement prior to normal retirement age so that an additional employer contribution is not required.

A person who makes the election provided in section 17851, subsection 12 at any time after the date on which the person is first employed as a law enforcement officer at the Baxter State Park Authority must include interest at a rate to be set by the board not to exceed regular interest by 5 or more percentage points, applied as of the date on which the person was first employed in that capacity to the contributions the person would have paid or had picked up by the employer had the person elected that option at the date of first employment.

This subsection is effective November 1, 1995. Election to retire under this subsection is a one-time irrevocable election. A person who was first employed as a law enforcement officer at the Baxter State Park Authority on or after November 1, 1995 must make the election no later than 90 days after the date of first employment. A person who was first employed in that capacity before November 1, 1995 must make the election no later than ~~November 1, 1996~~ January 1, 1997.

Sec. 6. 5 MRSA §17852, sub-§12 is enacted to read:

12. Baxter State Park Authority rangers exercising option: retirement before 55 years of age. For a person exercising the option provided in section 17851, subsection 12, who makes the payments required in subsection 11, and who retires before reaching 55 years of age, the retirement benefit is determined as follows.

A. For members with 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that:

(1) The amount arrived at under subsection 1 is reduced by applying to that amount the percentage that a life annuity due at 55 years of age bears to the life annuity due at the age of retirement; and

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(2) For the purpose of making the computation under subparagraph (1), the board-approved tables of annuities in effect at the date of the member's retirement are used.

For the purpose of calculating creditable service under this subsection only, "creditable service" includes time during which a member participated in the voluntary cost-savings plan or the voluntary employee incentive program, authorized by Public Law 1989, chapter 702, Part F, section 6 and Public Law 1991, chapter 591, Part BB and chapter 780, Part VV; or 10 years of combined creditable service under this Part and Title 3, chapter 29; or creditable service available to a member that the member was eligible to purchase on June 30, 1993 and that the member does purchase in accordance with rules adopted by the board.

B. For members who do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

**Sec. 7. Maine State Retirement System methodology.** The Maine State Retirement System shall develop a methodology for calculating the full actuarial cost, reasonable administrative cost and interest, if applicable, to be applied when a person elects to retire under the Maine Revised Statutes, Title 5, section 17851, subsection 8-A. The retirement system shall also establish the procedure for election under that subsection.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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

**FISCAL NOTE**

The Maine State Retirement System will incur some minor additional costs to develop a method to calculate the full actuarial costs and administrative costs related to certain retirements. These costs can be absorbed within the system's existing budgeted resources.'

**STATEMENT OF FACT**

2 Last year a retirement option was provided to game wardens,  
3 marine patrol officers and Baxter State Park Authority rangers  
4 allowing persons employed in those capacities to elect a  
5 retirement plan that provided full benefits at 55 years of age  
6 with at least 25 years of service. Any game warden, marine  
7 patrol officer or Baxter State Park Authority ranger electing  
8 this retirement plan is required to pay the full actuarial and  
9 administrative costs associated with the election. If the  
10 election is not made, the employee participates in the regular  
11 retirement plan for state employees, which is the plan under  
12 which wardens and rangers currently are covered. The bill  
13 proposed to extend the election to forest rangers.

14 This amendment retains the provisions of the bill and makes  
15 several technical amendments to the bill and the law enacted last  
16 year to streamline administration of retirement options and plans  
17 for various groups of employees. The amendment does the  
18 following.

20 1. It establishes January 1, 1997 as a standard date for  
21 exercise of early retirement plan election.

22 2. It permits game wardens, marine patrol officers, Baxter  
23 State Park Authority rangers and forest rangers who elect the  
24 retirement plan to retire before 55 years of age with at least 25  
25 years of service at a reduced benefit. The rate of reduction is  
26 the same as for state police, prison guards and other state  
27 employees who retire before normal retirement age.

30 3. It clarifies that game wardens, marine patrol officers  
31 and forest rangers electing to retire at 55 years of age with 25  
32 years of service may have been first employed in those capacities  
33 both before and after August 31, 1984, the date when the prior  
34 special retirement plans for those employees were eliminated.  
35 Without this clarification, the election may not be available to  
36 employees having this employment history. The date of first hire  
37 may have implications for the rate of reduction applied to the  
38 benefits of a person electing the retirement plan available to  
39 these employers.

40 4. It adds a fiscal note to the bill.  
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