

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 870

S.P. 262

In Senate, February 6, 1997

An Act to Protect Pension Benefits of Participating Local District Members.

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator RAND of Cumberland.
Cosponsored by Representatives: LEMAIRE of Lewiston, TESSIER of Fairfield,
THOMPSON of Naples.

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

4 **Sec. 1. 5 MRSA §18302, sub-§3** is enacted to read:

6 3. Minimum employer contribution. Notwithstanding
8 subsections 1 and 2, a participating local district may not
10 reduce its level of employer contribution in effect on October 1,
12 1997. This subsection applies to all participating local
14 districts, notwithstanding section 18202.

16 **Sec. 2. 5 MRSA §18401**, as amended by PL 1987, c. 739, §§42
18 and 48, is repealed and the following enacted in its place:

20 **§18401. Amendment may not cause reduction in benefit**

22 An amendment to this Part may not cause any reduction in the
24 amount of benefits to which a member would be entitled on the
26 member's date of retirement based on the statutory provisions in
28 effect on the member's date of hire. The amount of benefits
30 provided in this section becomes a contractual right of the
32 member on the member's date of hire. This section applies to all
34 participating local districts, notwithstanding section 18202.

26 SUMMARY

28 This bill prohibits a Maine State Retirement System
30 participating local district from reducing its employer
32 contribution below the level in effect on October 1, 1997. The
34 bill also provides that once a member is hired, the member is
36 entitled, at a minimum, to the amount of benefits provided by
statute on the member's date of hire. This minimum amount of
benefits becomes a contractual right of the member as of the
member's date of hire. The provisions of this bill are
automatically binding on the participating local district whether
or not the participating local district adopts this amendment
pursuant to the Maine Revised Statutes, Title 5, section 18202.