

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 1370

H.P. 990

House of Representatives, March 4, 1997

Resolve, to Create Pension Portability for State and Local Government.

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 SAXL of Portland.
Cosponsored by Senator DAGGETT of Kennebec and
Representatives: AHEARNE of Madawaska, KONTOS of Windham, MITCHELL of
Vassalboro, MITCHELL of Portland, TUTTLE of Sanford, Senators: MILLS of Somerset,
NUTTING of Androscoggin, PINGREE of Knox.

2 **Sec. 1. Commission established. Resolved:** That the Commission
on Pension Portability for State and Local Government, referred
4 to in this resolve as the "commission," is established; and be it
further

6 **Sec. 2. Commission membership. Resolved:** That the commission
consists of the following members:

8
10 1. The Executive Director of the Maine State Retirement
System;

12 2. Two members of the Board of Trustees of the Maine State
Retirement System, appointed by the Governor;

14
16 3. Three members of the Maine State Retirement System,
appointed jointly by the President of the Senate and the Speaker
18 of the House of Representatives. As the following terms for
members are defined in the Maine Revised Statutes, Title 5,
20 chapter 421, one of these members must be a state employee, one
must be a teacher and one must be a participating local district
employee;

22
24 4. A member of the Maine Legislative Retirement System,
appointed jointly by the President of the Senate and the Speaker
of the House of Representatives;

26
28 5. A superintendent or chief administrator of a public
school, appointed by the Governor;

30 6. A chief fiscal officer of a participating local district
as defined in the Maine Revised Statutes, Title 5, chapter 421,
32 appointed by the Governor;

34 7. The State Court Administrator;

36 8. The Commissioner of Administrative and Financial
Services; and

38
40 9. Three members of the Legislature, appointed jointly by
the President of the Senate and the Speaker of the House of
Representatives.

42
44 A member of the Maine Judicial Retirement System selected by
the Chief Justice of the Supreme Judicial Court shall serve as a
nonvoting member; and be it further

46
48 **Sec. 3. Appointments; meetings. Resolved:** That all appointments
be made no later than 30 days following the effective date of
this resolve. The Executive Director of the

2 Legislative Council must be notified by all appointing
4 authorities when the selections are made. The Chair of the
6 Legislative Council shall call and convene the first meeting of
the commission no later than 14 days after the appointment of all
members has been completed. The commission shall select a chair
from among its members; and be it further

8 **Sec. 4. Duties. Resolved:** That the commission shall study the
10 feasibility of establishing a system of pension portability for
public sector employees. The commission shall study how to
ensure that:

12
14 1. Public sector employees have the right to take their
vested benefit with them when they change employers, including
16 the possibility of a right to roll over any vested pension
benefit amount from their former employer's plan into a qualified
18 plan, such as a defined-contribution plan, maintained by their
new employer;

20 2. Public sector employees have a benefit to take with
them, including the possibility of shortened vesting service
22 requirements for benefit eligibility, an alternative benefit
available at the employee's choice within the employer's standard
24 benefit plan designed to meet the needs of mobile employees while
maintaining cost neutrality, or social security coverage of
26 public sector employees; and

28 3. The value of a public sector employee's projected
pension benefit does not erode slowly because the employee has
30 changed jobs, including the possibility of indexing the benefits
earned or crediting interest with some underlying
32 defined-contribution guarantee; and be it further

34 **Sec. 5. Report. Resolved:** That the commission shall submit its
findings with any recommended legislation pursuant to this
36 resolve to the Second Regular Session of the 118th Legislature by
February 1, 1998; and be it further

38
40 **Sec. 6. Staff assistance. Resolved:** That the Maine State
Retirement System staff shall provide any necessary staff
42 assistance to the commission and the retirement system's
actuaries shall furnish actuarial services to the commission
44 under the actuaries' contract with the retirement system up to a
value of \$20,000; and be it further

46 **Sec. 7. Compensation. Resolved:** That the members of the
commission are not entitled to per diem compensation, but may be
48 reimbursed for their expenses. The cost of expenses must be
covered by the Maine State Retirement System.

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SUMMARY

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This resolve establishes a commission to study pension portability for public sector employees. The commission reports to the Second Regular Session of the 118th Legislature.