

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1134, L.D. 1590, Bill, "An Act to Give Fire Marshals the Same Retirement Provisions as Other State Law Enforcement Officers"

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

'An Act to Provide Retirement Benefit Options for Fire Marshals and Motor Vehicle Investigators'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 5 MRSA §§17715 and 17716 are enacted to read:

§17715. State fire marshals

A state fire marshal, state fire marshal investigator or a state fire marshal inspector who elects the retirement option provided in section 17851, subsection 13 shall contribute to the retirement system or have pick-up contributions made by the employer as provided in section 17852, subsection 13.

§17716. Motor vehicle investigators

A motor vehicle investigator, senior motor vehicle investigator, principal motor vehicle investigator or chief motor vehicle investigator who elects the retirement option provided in section 17851, subsection 14 shall contribute to the retirement system or have pick-up contributions made by the employer as provided in section 17852, subsection 15.

Sec. 2. 5 MRSA §17851, sub-§§13 and 14 are enacted to read:

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13. Fire marshals; option. A state fire marshal, state fire marshal investigator or state fire marshal inspector 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 13.

14. Motor vehicle investigators; option. A motor vehicle investigator, senior motor vehicle investigator, principal motor vehicle investigator or chief motor vehicle investigator 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 15.

Sec. 3. 5 MRSA §17852, sub-§§13, 14, 15 and 16 are enacted to read:

13. Fire marshals; option. The retirement benefit of a person who qualifies under section 17851, subsection 13 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 fire marshal on or after October 1, 1997, elects the option provided in section 17851, subsection 13 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 fire marshal before October 1, 1997, elects the option provided in section 17851, subsection 13 and pays to the retirement system a single payment or periodic payments of a lump sum or a combination of single and periodic payments of that 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 a single lump sum payment the reasonable administrative costs of determining the full actuarial costs. Payment of the full actuarial cost related to service on or after November 1, 1997 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

2 under the option provided in section 17851, subsection 13 and
3 must fully fund the cost of the person's retirement prior to
4 normal retirement age so that an additional employer contribution
5 is not required.

6 A person who makes the election provided in section 17851,
7 subsection 13 at any time after the date on which the person is
8 first employed as a fire marshal must include interest, at a rate
9 to be set by the board not to exceed regular interest by 5 or
10 more percentage points, applied as of the date on which the
11 person was first employed in that capacity to the contributions
12 the person would have paid or had picked up by the employer had
13 the person elected that option at the date of first employment.

14 This subsection takes effect October 1, 1997. Election to retire
15 under this subsection is a one-time irrevocable election. A
16 person who was first employed as a fire marshal on or after
17 October 1, 1997 must make the election no later than 90 days
18 after the date of first employment. A person who was first
19 employed in that capacity before October 1, 1997 must make the
20 election no later than January 1, 1998.

21 14. Fire marshals exercising option; retirement before 55
22 years of age. For a person exercising the option provided in
23 section 17851, subsection 13 who makes the payments required in
24 subsection 13 and who retires before reaching 55 years of age,
25 the retirement benefit is determined as follows.

26 A. For members with 10 years of creditable service on July
27 1, 1993, the retirement benefit is determined in accordance
28 with subsection 1, except that:

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

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

37 For the purpose of calculating creditable service under this
38 subsection only, "creditable service" includes time during
39 which a member participated in the voluntary cost-savings
40 plan or the voluntary employee incentive program, authorized
41 by Public Law 1989, chapter 702, Part F, section 6 and
42 Public Law 1991, chapter 591, Part BB and chapter 780, Part
43 VV; 10 years of combined creditable service under this Part

2 and Title 3, chapter 29; or creditable service available to
3 a member that the member was eligible to purchase on June
4 30, 1993 and that the member does purchase in accordance
5 with rules adopted by the board.

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

11 15. Motor vehicle investigators; option. The retirement
12 benefit of a person who qualifies under section 17851, subsection
13 14 and who retires upon or after reaching 55 years of age is
14 computed in accordance with subsection 1 if:

15 A. The person was first employed as a motor vehicle
16 investigator on or after October 1, 1997, elects the option
17 provided in section 17851, subsection 14 and pays to the
18 retirement system an increased employee payroll contribution
19 in an amount that equals the full actuarial cost of electing
20 that option; or

21 B. The person was first employed as a motor vehicle
22 investigator before October 1, 1997, elects the option
23 provided in section 17851, subsection 14 and pays to the
24 retirement system a single payment or periodic payments of a
25 lump sum or a combination of single and periodic payments of
26 that amount that equals the full actuarial cost of electing
27 that option for service before that date.

28 A person who requests calculation of the full actuarial cost,
29 regardless of whether the person elects the option, must pay to
30 the retirement system by a single lump sum payment the reasonable
31 administrative costs of determining the full actuarial costs.
32 Payment of the full actuarial cost related to service on or after
33 October 1, 1997 is made as part of the employee payroll
34 contribution.

35 For the purposes of this subsection, "full actuarial cost" means
36 that the person's payment or payments must fully offset any
37 unfunded liability that would or does result from retirement
38 under the option provided in section 17851, subsection 14 and
39 must fully fund the cost of the person's retirement prior to
40 normal retirement age so that an additional employer contribution
41 is not required.

42 A person who makes the election provided in section 17851,
43 subsection 14 at any time after the date on which the person is
44 first employed as a motor vehicle investigator must include
45 the following:

1 interest, at a rate to be set by the board not to exceed regular
2 interest by 5 or more percentage points, applied as of the date
3 on which the person was first employed in that capacity to the
4 contributions the person would have paid or had picked up by the
5 employer had the person elected that option at the date of first
6 employment.

7 This subsection takes effect October 1, 1997. Election to retire
8 under this subsection is a one-time irrevocable election. A
9 person who was first employed as a motor vehicle investigator on
10 or after October 1, 1997 must make the election no later than 90
11 days after the date of first employment. A person who was first
12 employed in that capacity before October 1, 1997 must make the
13 election no later than January 1, 1998.

14
15 **16. Motor vehicle investigators exercising option;**
16 **retirement before 55 years of age.** For a person exercising the
17 option provided in section 17851, subsection 14 who makes the
18 payments required in subsection 15 and who retires before
19 reaching 55 years of age, the retirement benefit is determined as
20 follows.

21
22 A. For members with 10 years of creditable service on July
23 1, 1993, the retirement benefit is determined in accordance
24 with subsection 1, except that:

25
26
27 (1) The amount arrived at under subsection 1 is
28 reduced by applying to that amount the percentage
29 that a life annuity due at 55 years of age bears
30 to the life annuity due at the age of retirement;
31 and

32
33 (2) For the purpose of making the computation
34 under subparagraph (1), the board-approved tables
35 of annuities in effect at the date of the member's
36 retirement are used.

37
38 For the purpose of calculating creditable service under this
39 subsection only, "creditable service" includes time during
40 which a member participated in the voluntary cost-savings
41 plan or the voluntary employee incentive program, authorized
42 by Public Law 1989, chapter 702, Part F, section 6 and
43 Public Law 1991, chapter 591, Part BB and chapter 780, Part
44 VV; 10 years of combined creditable service under this Part
45 and Title 3, chapter 29; or creditable service available to
46 a member that the member was eligible to purchase on June
47 30, 1993 and that the member does purchase in accordance
48 with rules adopted by the board.

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

7 **Sec. 4. Maine State Retirement System methodology.** The Maine
8 State Retirement System shall develop a methodology for
9 calculating the full actuarial cost, reasonable administrative
10 cost and interest, if applicable, to be applied when a person
11 elects to retire under the Maine Revised Statutes, Title 5,
12 section 17851, subsection 13 or 14. The retirement system shall
13 also establish the procedure for election under those
14 subsections.'

15 Further amend the bill by inserting at the end before the
16 summary the following:
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20 **FISCAL NOTE**

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

26
27
28 **SUMMARY**

29 This amendment replaces the bill and provides retirement
30 options for fire marshals and motor vehicle investigators similar
31 to those enacted in recent years for game wardens, marine
32 resource officers, forest rangers and Baxter State Park
33 Authority rangers. The amendment permits fire marshals and motor
34 vehicle investigators who are currently or in the future employed
35 in those positions to participate in either the regular
36 retirement plan for state employees and teachers or a special
37 retirement plan that permits retirement with full benefits at age
38 55 after at least 25 years of service. Participation in the
39 special plan is a one-time, irrevocable option that must be
40 exercised within 90 days of hire by newly hired employees or by
41 January 1, 1998 by current employees. Employees in the affected
42 categories who do not elect to participate in the special plan
43 are covered by the regular retirement plan. Each employee who
44 elects the special retirement plan must pay to the Maine State
45 Retirement System the full actuarial and administrative costs of
46 retiring under the plan, including interest on back amounts due
47 for current employees. Additionally, employees in either of the
48 two categories have the option to retire after at least 25 years

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2 of service and before attaining 55 years of age with the same reduction in benefits provided for other state employees and teachers who retire before normal retirement age.

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