

MAINE STATE LEGISLATURE

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L.D. 1954

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 706, L.D. 1954, Bill, "An Act to Restore Certain Provisions Related to Earnable Compensation for State Employee and Teacher Members of the Maine State Retirement System"

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

'An Act to Amend the Laws of the Maine State Retirement System'

Further amend the bill by inserting before the enacting clause the following:

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

Whereas, current law prescribing the membership of the Early Retirement Incentives Panel creates a hardship for members of the Board of Trustees of the Maine State Retirement System who may serve on the panel; and

Whereas, immediate enactment of this legislation is necessary to address the situation; and

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

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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Sec. 1. 3 MRSA §805, sub-§1, ¶A, as enacted by PL 1985, c. 507, §1, is repealed.

Sec. 2. 4 MRSA §1305, sub-§1, ¶A, as enacted by PL 1983, c. 853, Pt. C, §§15 and 18, is repealed.

Sec. 3. 5 MRSA §17103, sub-§11, as amended to PL 1993, c. 410, Pt. L, §§19 to 21, is further amended to read:

11. Report to Legislature. The board shall make a written report to the appropriate legislative committee on or before the 15th of January March 1st of each year ~~which shall~~ that must contain:

A. A discussion of any areas of policy or administration ~~which that~~, in the opinion of the board, should be brought to the attention of the committee;

B. Any proposed legislation amending the retirement system law ~~which that~~ the board recommends to improve the retirement system;

C. A discussion of the progress toward meeting the goals of chapter 161;

D. A review of the operations of the retirement system, including a summary of administrative expenses and improvements in the delivery of services to members of the retirement system; and

E. A budget report showing the budget status of the administrative operations and functions of the system for the current fiscal year relative to the budget for the current fiscal year.

Sec. 4. 5 MRSA §17159, sub-§4, ¶A, as enacted by PL 1995, c. 541, §3, is amended to read:

A. The panel consists of the Commissioner of Administrative and Financial Services or the commissioner's designee who has authority to act on behalf of the commissioner and 3 members appointed by the Governor. One member represents school administrators; one member represents teachers; and one member is ~~either of the 2 trustees~~ a trustee of the board who ~~are appointed by the Governor and qualified in the fields of investments, accounting, banking and insurance or~~

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as-actuaries is not serving under section 17102, subsection 1, paragraph B or section 17102, subsection 1, paragraph D, subparagraph (2). Members shall elect a chair annually.

Sec. 5. 5 MRSA §17705, sub-§2, ¶B, as amended by PL 1991, c. 619, §7 and affected by §18, is further amended to read:

B. ~~No interest may be added to the member's account for any period beyond the 5th anniversary of the date of the member's termination of service, except that interest~~ Interest on accumulated contributions related to a member's compensation for service rendered as a part-time, seasonal or temporary employee after December 31, 1991 must be added as required by 26 CFR Part 31.

Sec. 6. 5 MRSA §18306, sub-§2, ¶B, as amended by PL 1991, c. 619, §14 and affected by §18, is further amended to read:

B. ~~No interest may be added to the member's account for any period beyond the 5th anniversary of the date of the member's termination of service, except that interest~~ Interest on accumulated contributions related to a member's compensation for service rendered as a part-time, seasonal or temporary employee after December 31, 1991 must be added as required by 26 CFR Part 31.

Emergency clause. In view of the emergency cited in the preamble, section 4 of this Act takes effect when approved. The other sections of this Act take effect July 1, 1998.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

Repealing the limitation on certain interest earnings on members' contributions is not expected to have a measurable impact on either the normal cost component of the employer retirement rate or on employer contributions to the Maine State Retirement System for state employees and teachers.'

SUMMARY

This amendment replaces the bill. The amendment does the following.

1. It changes the title of the bill and adds an emergency preamble and emergency clause.

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2 2. It repeals the current law that limits to the first 5
4 years after termination of service the length of time on which
6 interest is paid on members' contributions to the Maine State
 Retirement System that are refunded to the member upon
 termination of membership in the system.

8 3. It changes the date on which the retirement system is
10 required to submit a report to the Joint Standing Committee on
 Labor from January 15th to March 1st of each year.

12 4. It expands the potential membership on the Early
14 Retirement Incentives Panel established in the Maine Revised
16 Statutes, Title 5, section 17159, subsection 4 to include any
 member of the Board of Trustees of the Maine State Retirement
 System, except members who are active or retired teachers or
 school administrators.