

MAINE STATE LEGISLATURE

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L.D. 1962

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

COMMITTEE AMENDMENT "*A*" to S.P. 719, L.D. 1962, Bill, "An Act to Apply ERISA Standards to Pension Benefits for Teachers and State Employees to Clarify that They Are Nonforfeitable Once Accrued"

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

'An Act to Provide Contractual Protection to Pension Benefits of Members of the Retirement System and to Clarify that They Are Nonforfeitable Once Accrued'

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. 4 MRSA §1351-A is enacted to read:

§1351-A. Amendments not to reduce value of benefits

If a member has met the minimum creditable service requirements for a service retirement benefit under section 1351, no amendment to this chapter may cause any reduction in the value of the accrued service retirement benefits earned by that member under the provisions of this chapter based on the member's creditable service, earnable compensation, employee contributions and pick-up contributions.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

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A. "Accrued service retirement benefits" means those benefits that a member would be entitled to receive upon retirement based on service performed before the effective date of an amendment of this chapter assuming a continuation of the laws in effect at the time the service was performed.

B. "Value" means the present dollar value of the member's service retirement benefits as determined by the Maine Judicial Retirement System using commonly accepted actuarial assumptions and procedures.

2. Benefit value protected. Specific provisions of this chapter establishing service retirement benefits may be amended by law so long as the value of accrued service retirement benefits earned by a member is not reduced.

3. Contractual obligation of the State. This section is a solemn contractual commitment of the State protected under the "obligation of contracts" clauses of the Constitution of Maine, Article I, Section 11 and Article I, Section 10 of the United States Constitution.

Sec. 2. 5 MRSA §17801, as amended by PL 1987, c. 739, §§25 and 48, is repealed and the following enacted in its place:

§17801. Amendments not to reduce value of benefits

If a member has met the minimum creditable service requirements for a service retirement benefit under section 17851, no amendment to this Part may cause any reduction in the value of the accrued service retirement benefits earned by that member under the provisions of this Part based on the member's creditable service, earnable compensation, employee contributions and pick-up contributions.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Accrued service retirement benefits" means those benefits that a member would be entitled to receive upon retirement based on service performed before the effective date of an amendment of this Part assuming a continuation of the laws in effect at the time the service was performed.

B. "Value" means the present dollar value of the member's service retirement benefits as determined by the Maine State Retirement System using commonly accepted actuarial assumptions and procedures.

