

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DATE: 5-24-99

(Filing No. H-671)

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 189, L.D. 267, Bill, "An Act to Amend the Laws Relative to Vesting in the Maine State Retirement System"

Amend the amendment by striking out the substitute title and replacing it with the following:

'An Act to Protect Retirement Benefits Once the Right to Retirement Benefits in the Maine State Retirement System Has Attached'

Further amend the amendment in section 4 in subsection 4 by striking out all of paragraph B (page 5, lines 33 to 44 in amendment) and inserting in its place the following:

'B. The time requirement that a member who had fewer than 10 years of creditable service on July 1, 1993 may not receive a cost-of-living adjustment until at least 12 months after reaching normal retirement age may not be increased for a member who, on October 1, 1999 or thereafter, meets the creditable service requirement for eligibility to receive a service retirement benefit, at the applicable age if so required, under section 17851, subsection 1-C or 2-C or section 17851-A, subsection 2, paragraph A; and'

Further amend the amendment in section 7 by striking out all of subsection 1-C and inserting in its place the following:

HOUSE AMENDMENT

2003

2 '1-C. Member in service at retirement; fewer than 10 years
3 creditable service on July 1, 1993. A member who on July 1, 1993
4 had neither 10 years of creditable service nor had reached 60
5 years of age with one year of creditable service immediately
6 before July 1, 1993 and who is in service at retirement qualifies
7 for a service retirement benefit if the member retires upon or
8 after reaching 62 years of age and has been in service for a
9 minimum of one year immediately before retirement or has at least
10 10 years of creditable service, which may include creditable
11 service as a member of the Maine Legislative Retirement System
12 under Title 3, section 701, subsection 8, before becoming a
13 member of the retirement system.

14 When a member has met the creditable service requirements for
15 eligibility to receive a service retirement benefit under this
16 subsection, the creditable service and age requirements of this
17 subsection may not be increased for that member.'

18
19 Further amend the amendment in section 10 by striking out
20 all of subsection 2-C and inserting in its place the following:

22 '2-C. Member not in service at retirement; fewer than 10
23 years creditable service on July 1, 1993. A member who on July
24 1, 1993 did not have 10 years of creditable service and who is
25 not in service at retirement qualifies for a service retirement
26 benefit if the member retires upon or after reaching 62 years of
27 age and has at least 10 years of creditable service, which may
28 include creditable service as a member of the Maine Legislative
29 Retirement System under Title 3, section 701, subsection 8,
30 before becoming a member of the retirement system.

32 When a member has met the creditable service requirement for
33 eligibility to receive a service retirement benefit under this
34 subsection, the creditable service and age requirements of this
35 subsection may not be increased for that member.'

36
37 Further amend the amendment in section 11 in subsection 3 by
38 striking out all of paragraph C and inserting in its place the
39 following:

42 'C. Effective October 1, 1999, the number of years required
43 to qualify for a service retirement benefit under this
44 subsection may not be increased for members who on October
45 1, 1999 have met the creditable service requirement for
46 eligibility to receive a service retirement benefit under
47 subsection 1-B, 1-C, 2-B or 2-C or who, after October 1,
48 1999, meet the creditable service requirement for
eligibility to receive a service retirement benefit under
subsection 1-C or 2-C.'

HOUSE AMENDMENT

H. & S.

2 Further amend the amendment by striking out all of section
12.

4
6 Further amend the amendment in section 15 in subsection 1 by
striking out all of paragraph C and inserting in its place the
following:

8
10 'C. Effective October 1, 1999, for a member who, on October
12 1, 1999 or thereafter, meets the creditable service
14 requirement for eligibility to receive a service retirement
16 benefit, at the applicable age if so required, under section
18 17851, subsection 1-B, 1-C, 2-B or 2-C, the factors
20 specified in paragraphs A and B may not be changed, alone or
22 in combination.'

24 Further amend the amendment in section 16 in subsection 3 by
26 striking out all of paragraph C and inserting in its place the
28 following:

30 'C. Effective October 1, 1999, the reduction to be applied
32 to the service retirement benefit of a member to whom this
34 subsection applies may not be greater than that in effect on
36 October 1, 1999 under paragraphs A and B for a member who,
38 on October 1, 1999 or thereafter, meets the creditable
40 service requirement for eligibility to receive a service
42 retirement benefit under section 17851, subsection 1-B, 1-C,
44 2-B or 2-C. For members to whom section 17851-A applies,
46 this paragraph must be applied in accordance with the
48 requirements of section 17851-A, subsection 4.'

50 Further amend the amendment in section 17 in subsection 3-A
by striking out all of paragraph D and inserting in its place the
following:

'D. Effective October 1, 1999, the reduction to be applied
to the service retirement benefit of a member to whom this
subsection applies may not be greater than that in effect on
October 1, 1999 under paragraph C for a member who, on
October 1, 1999 or thereafter, meets the creditable service
requirement for eligibility to receive a service retirement
benefit under section 17851, subsection 1-C or 2-C or
section 17851-A, subsection 2, paragraph A. For a member to
whom section 17851-A applies, this paragraph must be applied
in accordance with the requirements of section 17851-A,
subsection 4.'

Further amend the amendment by striking out all of sections
20 to 23.

HOUSE AMENDMENT

R. S.

2 Further amend the amendment by relettering or renumbering
4 any nonconsecutive Part letter or section number to read
consecutively.

6
8

FISCAL NOTE

Eliminating the portions of the committee amendment that
10 lower the amount of creditable service needed for state employees
and teachers to be eligible to receive a service retirement
12 benefit at the applicable normal retirement age at which they
qualify for benefits will reduce the General Fund cost of the
14 bill by \$1,576,676 in fiscal year 1999-00 and \$527,296 in fiscal
year 2000-01 and the Highway Fund cost of the bill by \$113,306
16 and \$34,317 in fiscal years 1999-00 and 2000-01, respectively,
eliminating the need for additional appropriations and
18 allocations.

20 The amendment continues to establish that certain aspects of
the retirement plan become protected once employees have
22 accumulated the required amount of creditable service, which,
among other protections, statutorily prevents the State from
24 reducing the calculation of the value of retirement benefits.
For these employees, only benefits or related provisions that are
26 not protected by this bill may be changed. The State may reduce
the calculation of the value of benefits for members who have not
28 met the minimum creditable service requirements for benefits.

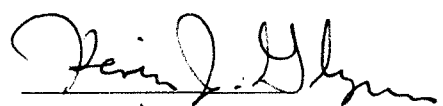
30
32

SUMMARY

34 This amendment removes those provisions of Committee
Amendment "A" that reduced the minimum amount of service credit
36 required from 10 years to 5 years.

38 This amendment retains those portions of Committee Amendment
"A" regarding the establishment of retirement benefits as solemn
40 contractual commitments of the State once the rights to those
benefits attach.

42
44

46 SPONSORED BY: 
(Representative GLYNN)

48
50

TOWN: South Portland