

# MAINE STATE LEGISLATURE

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103

L.D. 1091

DATE: 2-7-00

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**LABOR**

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12 the House.

14 **STATE OF MAINE**  
16 **HOUSE OF REPRESENTATIVES**  
18 **119TH LEGISLATURE**  
20 **SECOND REGULAR SESSION**

22 COMMITTEE AMENDMENT "A" to H.P. 768, L.D. 1091, Bill, "An  
24 Act to Amend Maine State Retirement System Rules to Allow Monthly  
26 Partial Direct Service Payments to Purchase Service Credit"

28 Amend the bill by striking out everything after the enacting  
30 clause and before the summary and inserting in its place the  
32 following:

34 **Sec. 1. 5 MRSA §17701, sub-§4**, as enacted by PL 1989, c. 710,  
36 §2, is repealed and the following enacted in its place:

38 4. Payment of contributions for back time; repayment of  
40 refunds; purchase of service credit. Wherever under this chapter  
42 provision is made for payment of contributions for back time,  
repayment of refunds or purchase of service credit through annual  
direct payments, those payments may be made either by a single  
annual payment or by an increased rate of contribution through  
payroll deduction. For payments or repayments made by single  
annual payments, the board shall designate, by rule, a period of  
not less than 30 days during which annual direct payments or  
repayments may be made. Regardless of whether payment or  
repayment is made by a single annual payment or by payroll  
deduction, the payment or deduction must be sufficient to cover  
interest costs and effect some reduction in principal.

44 **Sec. 2. 5 MRSA §18301, sub-§4**, as enacted by PL 1989, c. 710,  
46 §4, is repealed and the following enacted in its place:

48 4. Payment of contributions for back time; repayment of  
50 refunds; purchase of service credit. Wherever under this chapter  
provision is made for payment of contributions for back time,  
repayment of refunds or purchase of service credit through annual  
direct payments, those payments may be made either by a

**COMMITTEE AMENDMENT**

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2 single annual payment or by an increased rate of contribution  
4 through payroll deduction. For payments or repayments made by  
6 single annual payments, the board shall designate, by rule, a  
8 period of not less than 30 days during which annual direct  
payments or repayments may be made. Regardless of whether  
payment or repayment is made by a single annual payment or by  
payroll deduction, the payment or deduction must be sufficient to  
cover interest costs and effect some reduction in principal.

10 **Sec. 3. Effective date.** This Act takes effect March 1, 2001.'

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

16 **FISCAL NOTE**

18 The additional costs associated with allowing periodic  
20 payments for the purchase of service credits, payment of  
22 contributions for back time or repayment of refunds can be  
24 absorbed by the Maine State Retirement System utilizing existing  
budgeted resources. Current plans for automation of their system  
include this capability.

26 The Department of Administrative and Financial Services will  
28 incur some minor additional costs to implement an additional  
payroll deduction. These costs can be absorbed within the  
department's existing budgeted resources.'

30 **SUMMARY**

32 This amendment provides that annual payments for payment of  
34 contributions for back time, repayment of contributions or  
36 purchase of service credit by members of the Maine State  
38 Retirement System made by single annual payments or periodic  
40 payments through payroll deduction must be made at a rate that  
will allow for some progress in the purchase of credit provided  
for in the bill. The amendment also provides a delayed effective  
date for the bill and adds a fiscal note to the bill.