

MAINE STATE LEGISLATURE

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L.D. 1165

DATE: 4/8/2000

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STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 386, L.D. 1165, Bill, "An Act Regarding the Retirement Plan for Rangers in the Law Enforcement Bargaining Unit at Baxter State Park"

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

'An Act Regarding the Retirement Plan for Baxter State Park Rangers and Certain Investigators in the Attorney General's Office'

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 §17851-A, sub-§1, ¶¶J and K, as enacted by PL 1999, c. 493, §6, are amended to read:

J. Law enforcement officers in the employment of the Baxter State Park Authority on January--1,--2000 July 1, 1998 or hired thereafter; and

K. The State Fire Marshal or a state fire marshal investigator or state fire marshal inspector in the employment of the Department of Public Safety on January 1, 2000 or hired thereafter; ; and

Sec. 2. 5 MRSA §17851-A, sub-§1, ¶L is enacted to read:

L. Special investigators and research assistants in the employment of the Office of the Attorney General on August 6, 2000 or hired thereafter who are sworn law enforcement officers.

COMMITTEE AMENDMENT

RMS

2 **Sec. 3. 5 MRSA §17851-A, sub-§2**, as amended by PL 1999, c.
493, §7, is further amended to read:

4
6 **2. Qualification for benefits.** A member employed in any
one or a combination of the capacities specified in subsection 1
8 after June 30, 1998 for employees identified in subsection 1,
paragraphs A to H and J, after December 31, 1999 for employees
10 identified in subsection 1, paragraphs I ~~to~~ and K, and after
August 5, 2000 for employees identified in subsection 1,
12 paragraph L qualifies for a service retirement benefit if that
member either:

14 A. Is at least 55 years of age and has completed at least
16 10 years of creditable service under the 1998 Special Plan
in any one or a combination of the capacities; or

18 B. Has completed at least 25 years of creditable service in
20 any one or a combination of the capacities specified in
subsection 1, whether or not the creditable service included
22 in determining that the 25-year requirement has been met was
earned under the 1998 Special Plan or prior to its
24 establishment.

26 **Sec. 4. 5 MRSA §17851-A, sub-§3, ¶A**, as amended by PL 1999, c.
493, §8, is further amended to read:

28 A. For the purpose of meeting the qualification requirement
30 of subsection 2, paragraph A:

32 (1) Service credit purchased by repayment of an
earlier refund of accumulated contributions following
34 termination of service is included only to the extent
that time to which the refund relates was served after
36 June 30, 1998 for employees identified in subsection 1,
paragraphs A to H and J, after December 31, 1999 for
employees identified in subsection 1, paragraphs I ~~to~~
38 and K, and after August 5, 2000 for employees
identified in paragraph L in any one or a combination
40 of the capacities specified in subsection 1; and

42 (2) Service credit purchased other than as provided
under subparagraph (1), including but not limited to
44 service credit for military service, is not included.

46 **Sec. 5. 5 MRSA §17851-A, sub-§4, ¶¶A and B**, as repealed and
replaced by PL 1999, c. 489, §14 and amended by c. 493, §9, are
48 repealed and the following enacted in their place:

2 A. If all of the member's creditable service in any one or
4 a combination of the capacities specified in subsection 1
6 was earned after June 30, 1998 for employees identified in
8 subsection 1, paragraphs A to H and paragraph J, after
10 December 31, 1999 for employees identified in subsection 1,
12 paragraphs I and K and after August 5, 2000 for employees
14 identified in subsection 1, paragraph L or if service credit
16 was purchased by repayment of an earlier refund of
18 accumulated contributions for service after June 30, 1998
20 for employees identified in subsection 1, paragraphs A to H
22 and paragraph J, after December 31, 1999 for employees
24 identified in subsection 1, paragraphs I and K and after
26 August 5, 2000 for employees identified in subsection 1,
paragraph L in any one or a combination of the capacities
specified in subsection 1, or if service credit was
purchased by other than the repayment of an earlier refund
and eligibility to make the purchase of the service credit,
including, but not limited to, service credit for military
service, was achieved after June 30, 1998 for employees
identified in subsection 1, paragraphs A to H and J, after
December 31, 1999 for employees identified in subsection 1,
paragraphs I and K and after August 5, 2000 for employees
identified in subsection 1, paragraph L, the benefit must be
computed as provided in section 17852, subsection 1,
paragraph A.

28 (1) If the member is qualified under subsection 2,
30 paragraph B and had 10 years of creditable service on
July 1, 1993, the benefit must be reduced as provided
in section 17852, subsection 3, paragraphs A and B.

32 (2) If the member is qualified under subsection 2,
34 paragraph B and had fewer than 10 years of creditable
36 service on July 1, 1993, the benefit under subsection
2, paragraph B must be reduced by 6% for each year that
the member's age precedes 55 years of age.

38 B. Except as provided in paragraph D, if some part of the
40 member's creditable service in any one or a combination of
42 the capacities specified in subsection 1 was earned before
44 July 1, 1998 for employees identified in subsection 1,
46 paragraphs A to H and J, before January 1, 2000 for
48 employees identified in subsection 1, paragraphs I and K and
50 before August 6, 2000 for employees identified in subsection
1, paragraph L and some part of the member's creditable
service in any one or a combination of the capacities
specified in subsection 1 was earned after June 30, 1998 for
employees identified in subsection 1, paragraphs A to H and
J, after December 31, 1999 for employees identified in
subsection 1, paragraphs I and K and after August 5, 2000

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COMMITTEE AMENDMENT "A" to S.P. 386, L.D. 1165

2 for employees identified in subsection 1, paragraph L, then
3 the member's service retirement benefit must be computed in
4 segments and the amount of the member's service retirement
5 benefit is the sum of the segments. The segments must be
6 computed as follows:

7 (1) The segment or, if the member served in more than
8 one of the capacities specified in subsection 1 and the
9 benefits related to the capacities are not
10 interchangeable under section 17856, segments that
11 reflect creditable service earned before July 1, 1998
12 for employees identified in subsection 1, paragraphs A
13 to H and J, before January 1, 2000 for employees
14 identified in subsection 1, paragraphs I and K and
15 before August 6, 2000 for employees identified in
16 subsection 1, paragraph L or purchased by repayment of
17 an earlier refund of accumulated contributions for
18 service before July 1, 1998 for employees identified in
19 subsection 1, paragraphs A to H and J, before January
20 1, 2000 for employees identified in subsection 1,
21 paragraphs I and K and before August 6, 2000 for
22 employees identified in subsection 1, paragraph L in a
23 capacity or capacities specified in subsection 1, or
24 purchased by other than the repayment of a refund and
25 eligibility to make the purchase of the service credit,
26 including, but not limited to, service credit for
27 military service, was achieved before July 1, 1998 for
28 employees identified in subsection 1, paragraphs A to H
29 and J, before January 1, 2000 for employees identified
30 in subsection 1, paragraphs I and K and before August
31 6, 2000 for employees identified in subsection 1,
32 paragraph L, must be computed under section 17852,
33 subsection 1, paragraph A. If the member is qualified
34 under subsection 2, paragraph B and:

35 (a) Had 10 years of creditable service on July 1,
36 1993, the amount of the segment or segments must
37 be reduced as provided in section 17852,
38 subsection 3, paragraphs A and B; or

39 (b) Had fewer than 10 years of creditable service
40 on July 1, 1993, the amount of the segment or
41 segments must be reduced as provided in section
42 17852, subsection 3-A; and

43 (2) The segment that reflects creditable service
44 earned after June 30, 1998 for employees identified in
45 subsection 1, paragraphs A to H and J, after December
46 31, 1999 for employees identified in subsection 1,
47 paragraphs I and K and after August 5, 2000 for
48 employees identified in subsection 1, paragraph L, must be
49 computed under section 17852, subsection 1, paragraph A.
50

2 employees identified in subsection 1, paragraph L
3 purchased by repayment of an earlier refund of
4 accumulated contributions for service after June 30,
5 1998 for employees identified in subsection 1,
6 paragraphs A to H and J, after December 31, 1999 for
7 employees identified in subsection 1, paragraphs I and
8 K and after August 5, 2000 for employees identified in
9 subsection 1, paragraph L in any one or a combination
10 of the capacities specified in subsection 1, or
11 purchased by other than the repayment of a refund and
12 eligibility to make the purchase of the service credit,
13 including, but not limited to, service credit for
14 military service, was achieved after June 30, 1998 for
15 employees identified in subsection 1, paragraphs A to H
16 and J, after December 31, 1999 for employees identified
17 in subsection 1, paragraphs I and K and after August 5,
18 2000 for employees identified in subsection 1,
19 paragraph L, must be computed under section 17852,
20 subsection 1, paragraph A. If the member is qualified
21 under subsection 2, paragraph B and:

22 (a) Had 10 years of creditable service on July 1,
23 1993, the segment amount must be reduced in the
24 manner provided in section 17852, subsection 3,
25 paragraphs A and B for each year that the member's
26 age precedes 55 years of age; or

27 (b) Had fewer than 10 years of creditable service
28 on July 1, 1993, the segment amount must be
29 reduced by 6% for each year that the member's age
30 precedes 55 years of age.

31
32
33 **Sec. 6. 5 MRSA §17851-A, sub-§5,** as amended by PL 1999, c.
34 493, §9, is further amended to read:

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36 **5. Contributions.** Notwithstanding any other provision of
37 subchapter III, after June 30, 1998, for employees identified in
38 subsection 1, paragraphs A to H and J, and after December 31,
39 1999, for employees identified in subsection 1, paragraphs I to
40 and K and after August 5, 2000 for employees identified in
41 subsection 1, paragraph L, a member in the capacities specified
42 in subsection 1 must contribute to the retirement system or have
43 pick-up contributions made at the rate of 8.65% of earnable
44 compensation until the member has completed 25 years of
45 creditable service as provided in this section and at the rate of
46 7.65% thereafter.

47
48 **Sec. 7. Expenditures in excess of allocations.** Expenditures of
49 funds required by this Act other than the General Fund and the
50 Highway Fund are authorized to exceed legislative

allocations during the fiscal year ending June 30, 2001. Appropriate adjustments to basic work programs facilitating these expenditures in excess of allocations must be recommended by the State Budget Officer and approved by the Governor.

Sec. 8. Adjustment of rates. After consultation with the Maine State Retirement System, the State Budget Officer shall adjust the normal cost component of the employer contribution rates on the effective date of this Act to fully fund this Act on an actuarially sound basis. In addition, the State Budget Officer shall assess the accounts in other funds for their share of the unfunded liability costs based on total salaries in those accounts in fiscal year 2000-01.

Sec. 9. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

18 **2000-01**

20 **ADMINISTRATIVE AND FINANCIAL**
22 **SERVICES, DEPARTMENT OF**

24 **Salary Plan**

Personal Services \$1,448

Provides funds to be held in reserve in the event that costs associated with the increase in the normal cost component of the employer contribution rate for retirement costs related to including additional employee groups in the 1998 Special Retirement Plan exceed the amounts available for the Department of the Attorney General. The normal cost component of the employer contribution rate for state employees is actuarially established based on projected salaries as a rate that must be applied to actual salaries and the funds resulting from the application of the actuarially established rate constitute appropriated funds. The funds here specified constitute estimates and not appropriated funds.

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

FISCAL NOTE

2

2000-01

4

APPROPRIATIONS/ALLOCATIONS

6

General Fund \$1,448

8

10 Retroactively placing commissioned Baxter State Park
12 Authority Rangers under the 1998 Special Retirement Plan as of
14 July 1, 1998, rather than January 1, 2000, will increase the
16 unfunded liability of the Maine State Retirement System by
18 \$14,850. Since the Constitution of Maine, Article IX, Section
20 18-A prohibits the creation of unfunded liabilities except those
22 that result from experience losses, the cost to accounts in other
funds in fiscal year 2000-01 is estimated to be \$14,850 and may
require increased allotments to meet these additional personal
services expenditures. There will be no change to the normal
cost rate for this group of state employees as the applicable
1998 Special Retirement Plan rate has been paid since January 1,
2000.

22

24 This bill also adds Special Investigators and Research
26 Assistants in the Department of the Attorney General to those
covered under the provisions of the 1998 Special Retirement Plan
effective August 6, 2000. Since this change is being made on a
prospective basis, it will not increase the unfunded liability of
the Maine State Retirement System and, as such, will not violate
the Constitution of Maine, Article IX, Section 18-A, which
prohibits the creation of unfunded liabilities except those that
result from experience losses.

32

34 The placement of these employee groups, which are currently
36 in the State's regular retirement plan, into the 1998 Special
Retirement Plan, will increase the normal cost component of the
employer contribution rate for these groups from the regular plan
normal cost rate of 6.04% to the 1998 special plan normal cost
rate of 6.89%. This 0.85% increase is applied to the salaries of
certain identified positions within the Department of the
Attorney General. This will increase employer contributions to
the Maine State Retirement System for this department by an
amount estimated to be \$3,390 in fiscal year 2000-01. A General
Fund appropriation of \$1,448 in fiscal year 2000-01 is included
to provide funds in the salary plan account to be held in reserve
in the event that the increase in the employer retirement
contribution rates exceeds the allotments in General Fund
accounts during that fiscal year. The cost to accounts in other
funds, estimated to be \$1,942 in fiscal year 2000-01, may require
increased allotments to meet these additional personal services
expenditures.

50

2 The additional costs associated with processing membership
changes related to the 1998 Special Retirement Plan will be
4 absorbed by the Maine State Retirement System utilizing existing
budgeted resources.'

6

8

SUMMARY

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The amendment replaces the bill and replaces the title. The
12 amendment extends coverage of Baxter State Park rangers under the
1998 Special Retirement Plan back in time to July 1, 1998. The
14 rangers were covered by the plan last year effective January 1,
2000. The amendment also provides coverage under the 1998
Special Retirement Plan effective August 6, 2000 for special
16 investigators and researchers in the Attorney General's Office
who are sworn law enforcement officers.

18

20 The amendment also adds an appropriation section and a
fiscal note to the bill.