

MAINE STATE LEGISLATURE

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

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 625, L.D. 1790, Bill, "An Act to Amend the Laws Governing the Designation of a Beneficiary of Maine State Retirement System Benefits"

Amend the amendment by striking out all of the first indented paragraph after the title (page 1, lines 23 to 25 in amendment) and inserting in its place the following:

'Amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

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

Whereas, this legislation needs to take effect before the expiration of the 90-day period so that all those people who may benefit from the provisions of this legislation may take advantage of these provisions in a timely fashion; 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,

Be it enacted by the People of the State of Maine as follows: ' '

Further amend the amendment by striking out all section 17, (page 12, lines 32 to 38 in amendment) and inserting in its place the following:

HOUSE AMENDMENT

2	specified	constitute		
	estimates	and not		
4	appropriated	funds.		
6	DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES			
8	TOTAL		<u>\$9,848</u>	<u>\$59,089</u>
10	EDUCATION, DEPARTMENT OF			
12	Teacher Retirement			
14	Personal Services		\$28,326	\$169,954
16	Provides funds to be held in			
18	reserve in the event that			
20	costs associated with the			
22	increase in the normal cost			
24	component of the employer			
26	contribution rate for the			
28	retirement costs related to			
30	allowing a retiree to make a			
32	one-time change in			
34	beneficiary exceed the			
36	amounts available for state			
38	departments and agencies.			
40	Because the normal cost			
42	component of the employer			
44	contribution rate for state			
	employees is actuarially			
	established based on			
	projected salaries as a rate			
	that must be applied to			
	actual salaries, the funds			
	resulting from the			
	application of the			
	actuarially established rate			
	constitute appropriated			
	funds. The funds here			
	specified constitute			
	estimates and not			
	appropriated funds.			
46	DEPARTMENT OF EDUCATION			
48	TOTAL		<u>\$28,326</u>	<u>\$169,954</u>
50	TOTAL APPROPRIATIONS		<u>\$38,174</u>	<u>\$229,043</u>

FISCAL NOTE

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This amendment increases the General Fund cost of the bill
4 by \$38,174 and the Highway Fund cost of the bill by \$3,648 in
fiscal year 1999-00.

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8 Allowing a retiree to make a one-time change in beneficiary
will increase the normal cost component of the employer
retirement rate by an additional 0.02% of salaries for state
10 employees and teachers, resulting in increased employer
contributions to the Maine State Retirement System of \$50,348 in
12 fiscal year 1999-00 and \$302,088 in fiscal year 2000-01. Since
this change is being made on a prospective basis, it will not
14 increase the unfunded liability of the Maine State Retirement
System and, as such, will not violate the Constitution of Maine,
16 Article IX, Section 18-A, which prohibits the creation of
unfunded liabilities except those that result from experience
18 losses.

20 Additional General Fund appropriations of \$28,326 in fiscal
year 1999-00 and \$169,954 in fiscal year 2000-01 are included to
22 fund the teachers' retirement portion. The estimated employer
costs to the General Fund and Highway Fund for state employees
24 are estimated to be \$9,848 and \$3,648, respectively, in fiscal
year 1999-00. The estimated employer costs to the General Fund
26 and Highway Fund for state employees are estimated to be \$59,089
and \$21,889, respectively, in fiscal year 2000-01. General Fund
28 appropriations and Highway Fund allocations in these amounts are
included to provide funds in the salary plan reserve accounts in
30 the event that the increase in the employer retirement
contribution rates and other personal services expenses exceed
32 the allotments in General Fund and Highway Fund accounts in
fiscal years 1999-00 and 2000-01. The cost to accounts in other
34 funds, estimated to be \$8,526 in fiscal year 1999-00 and \$51,156
in fiscal year 2000-01, may require increased allotments to meet
36 these additional personal services expenditures.

38 The additional costs associated with processing changes in
beneficiaries will be absorbed by the Maine State Retirement
40 System utilizing existing budgeted resources.

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 625, L.D.
1790

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SUMMARY

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This amendment adds an emergency preamble and emergency clause.

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SPONSORED BY: 
(Representative E. WHEELER)

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TOWN: Bridgewater

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