

MAINE STATE LEGISLATURE

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L.D. 1790

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DATE: April 14, 2000

(Filing No. S-715)

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION**

SENATE 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 in section 2 in subsection 3 in the first paragraph in the 6th line (page 4, line 32 in

SENATE AMENDMENT

amendment) by inserting after the following: "option" the
following: 'or in the amount of the benefits under that option'

Further amend the amendment in section 2 in subsection 3 by
striking out all of paragraph A and inserting in its place the
following:

'A. The benefit payable to the recipient and the new
beneficiary must be paid under the same payment option. The
amount of the recipient's benefit may not change, and the
amount of the new beneficiary's benefit must be the same as
the amount of the prior beneficiary's benefit.'

Further amend the amendment in section 2 in subsection 3 in
paragraph B by striking out all of the 2nd underlined sentence
(page 4, line 50 and page 5 lines 1 to 5 in amendment) and
inserting in its place the following: 'As of the first day of the
month following the effective date of the designation of the new
beneficiary, the prior beneficiary is no longer entitled to any
benefit payment and, if concurrent payment under subsection 2,
paragraph E has been elected, the new beneficiary's benefit must
become effective on the same date.'

Further amend the amendment in section 2 in subsection 3 by
inserting after paragraph B the following:

'C. The new beneficiary's entitlement to benefits ceases on
the earlier of:

(1) The date of the new beneficiary's death; or

(2) The date established when the amount of the prior
beneficiary's benefit was established, which is the
initial commencement date of benefits to the retiree
increased by the life expectancy of the prior
beneficiary computed in years and months using
actuarial equivalence assumptions recommended by the
system's actuary.

Payment of benefits to the new beneficiary must cease as of
the first day of the month following the earlier of
subparagraph (1) or (2).'

Further amend the amendment in section 8 in subsection 5-F
in the 7th line (page 8, line 10 in amendment) by inserting
after the following: "option" the following: 'or in the amount of
the benefits under that option'

2 Further amend the amendment in section 8 in subsection 5-F
by striking out all of paragraph A and inserting in its place the
following:

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6 'A. The benefit payable to the recipient and the new
beneficiary must be paid under the same payment option. The
amount of the recipient's benefit may not change, and the
amount of the new beneficiary's benefit must be the same as
the amount of the prior beneficiary's benefit.'

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12 Further amend the amendment in section 8 in subsection 5-F
in paragraph B by striking out all of the 2nd underlined sentence
(page 8, lines 26 to 31 in amendment) and inserting in its place
14 the following: 'As of the first day of the month following the
effective date of the designation of the new beneficiary, the
prior beneficiary is no longer entitled to any benefit payment
and, if concurrent payment under subsection 5-B has been elected,
18 the new beneficiary's benefit must become effective on the same
date.'

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22 Further amend the amendment in section 8 in subsection 5-F
by inserting after paragraph B the following:

24 'C. The new beneficiary's entitlement to benefits ceases on
the earlier of:

26
28 (1) The date of the new beneficiary's death; or

30 (2) The date established when the amount of the prior
beneficiary's benefit was established, which is the
initial commencement date of benefits to the retiree
increased by the life expectancy of the prior
beneficiary computed in years and months using
34 actuarial equivalence assumptions recommended by the
system's actuary.

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38 Payment of benefits to the new beneficiary must cease as of
the first day of the month following the earlier of
subparagraph (1) or (2).'

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42 Further amend the amendment in section 13 in subsection 5-F
in the 7th line (page 11, line 19 in amendment) by inserting
after the following: "option" the following: 'or in the amount of
44 the benefits under that option'

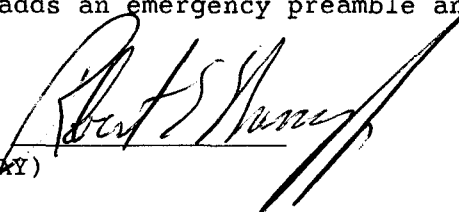
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48 Further amend the amendment in section 13 in subsection 5-F
by striking out all of paragraph A and inserting in its place the
following:

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 625,
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will not result in increased employer contributions to the Maine
State Retirement System.

SUMMARY

This amendment clarifies that, if the recipient of a reduced
retirement benefit under the Maine State Retirement System
utilizes the one-time option provided in the committee amendment
to designate a new nonspousal beneficiary, that beneficiary may
receive benefits only under the same terms and conditions as and
only during the life of the prior designated beneficiary. The
amendment also adds an emergency preamble and emergency clause.

SPONSORED BY: 
(Senator MURRAY)

COUNTY: Penobscot