

MAINE STATE LEGISLATURE

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

COMMITTEE AMENDMENT "A " to S.P. 792, L.D. 2204, Bill, "An Act to Amend the Calculation of Service Credits Under the Maine State Retirement System Pertaining to the Comprehensive Education and Training Act of 1973 Employees"

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

'An Act to Amend the Calculation of Service Credits Under the Maine State Retirement System Pertaining to the Comprehensive Employment and Training Act of 1973 Employees'

Further amend the bill in section 1 in paragraph D in the 4th line (page 1, line 8 in L.D.) by inserting after the following: "section 17761" the following: ', subsection 3'

Further amend the bill by inserting after section 2 the following:

'Sec. 3. 5 MRSA §18308, sub-§4, ¶D is enacted to read:

D. If an employee or member who has not contributed during that employee's or member's CETA employment or who has withdrawn that employee's or member's contributions later elects, under section 18361, subsection 3, to purchase that employee's or member's CETA time for past creditable service before any retirement benefit becomes effective for that member, that employee or member must pay into the Members' Contribution Fund, by a single direct payment or annual direct payments to the retirement system, an amount that,

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2 together with regular interest on that amount, is the
4 actuarial equivalent, at the effective date of the
6 retirement benefit, of the portion of the retirement benefit
8 based on the additional creditable service. Annual payments
10 must be made in accordance with section 18301, subsection
12 4. Additional amounts paid under this paragraph become a
14 part of the employee's or member's accumulated
16 contributions. If any retirement benefit becomes effective
18 before the completion of the payment under this paragraph,
20 the employee or member is entitled to service credit for a
22 portion of the additional creditable service in the same
24 proportion that the total amount of payments actually made,
26 plus regular interest on those payments to the date the
28 retirement benefit becomes effective, bears to the actuarial
30 equivalent of the total portion of the retirement benefit
32 based on the additional creditable service.

18 **Sec. 4. 5 MRSA §18361, sub-§3 is enacted to read:**

20 3. Service credit allowed. Service credit for the period
22 of CETA employment occurring before July 1, 1979 must be granted
24 to any person who satisfies the following conditions:

24 A. The person was a CETA employee;

26 B. The person within 90 days of termination of CETA
28 employment became a non-CETA employee of the employer; and

30 C. The employee contribution required by section 18308,
32 subsection 4, paragraph D has been paid.'

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

36 **·FISCAL NOTE**

38 Since state employee or teacher members of the Maine State
40 Retirement System who elect to purchase certain service credits
42 will be required to pay the full actuarial equivalent of those
44 retirement benefits, there will be no effect to the unfunded
46 actuarial liability of the system and no State resources will be
48 required.'

46 **SUMMARY**

48 This amendment clarifies a cross-reference and allows
50 participating local district employees who are former
Comprehensive Employment and Training Act employees hired before

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2 July 1, 1979 to purchase service credits for their pre-1979
employment in the participating local district retirement plan by
4 paying the full actuarial cost. The amendment also adds a fiscal
note to the bill.