

MAINE STATE LEGISLATURE

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L.D. 2363

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DATE: April 26, 2000

(Filing No. S-739)

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

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 911, L.D. 2363, Bill, "An Act Regarding Length of Service for Retirement Benefits for State Police Officers"

Amend the amendment by striking out the substitute title and replacing it with the following:

'An Act to Cover Mental Health Workers, Certain Department of Environmental Protection Employees and Capitol Security Officers under the 1998 Special Retirement Plan'

Further amend the amendment by striking out everything after the substitute title and inserting in its place the following:

'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 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;

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

SENATE AMENDMENT

2 L. Mental health workers in the employment of the
3 Department of Mental Health, Mental Retardation and
4 Substance Abuse Services on August 6, 2000 or hired
5 thereafter who have direct care responsibilities for persons
6 residing in institutions;

7 M. Oil and hazardous materials emergency response workers
8 in the employment of the Division of Response Services,
9 Department of Environmental Protection who participate in a
10 standby rotation on August 6, 2000 or hired thereafter; and

11 N. Security officers in the employment of the Bureau of
12 Capitol Security, Department of Public Safety on August 6,
13 2000 or hired thereafter.

14
15 **Sec. 3. 5 MRSA §17851-A, sub-§2,** as amended by PL 1999, c.
16 493, §7, is further amended to read:

17
18 **2. Qualification for benefits.** A member employed in any
19 one or a combination of the capacities specified in subsection 1
20 after June 30, 1998 for employees identified in subsection 1,
21 paragraphs A to H and, after December 31, 1999 for employees
22 identified in subsection 1, paragraphs I to K, and after August
23 5, 2000 for employees identified in subsection 1, paragraphs L to
24 N qualifies for a service retirement benefit if that member
25 either:
26

27 A. Is at least 55 years of age and has completed at least
28 10 years of creditable service under the 1998 Special Plan
29 in any one or a combination of the capacities; or

30
31 B. Has completed at least 25 years of creditable service in
32 any one or a combination of the capacities specified in
33 subsection 1, whether or not the creditable service included
34 in determining that the 25-year requirement has been met was
35 earned under the 1998 Special Plan or prior to its
36 establishment.

37
38 **Sec. 4. 5 MRSA §17851-A, sub-§3, ¶A,** as amended by PL 1999, c.
39 493, §8, is further amended to read:

40
41 A. For the purpose of meeting the qualification requirement
42 of subsection 2, paragraph A:

43
44 (1) Service credit purchased by repayment of an
45 earlier refund of accumulated contributions following
46 termination of service is included only to the extent
47 that time to which the refund relates was served after
48 June 30, 1998 for employees identified in subsection 1,
49 paragraphs A to H and, after December 31, 1999 for
50

2 employees identified in subsection 1, paragraphs I to K
and after August 5, 2000 for employees identified in
4 paragraphs L to N, in any one or a combination of the
capacities specified in subsection 1; and

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

10 Sec. 5. 5 MRSA §17851-A, sub-§4, as amended by PL 1999, c.
489, §14 and c. 493, §9, is repealed and the following enacted in
12 its place:

14 4. Computation of benefits. The amount of the service
retirement benefit for members qualified under subsection 2 must
16 be computed as follows.

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

42
44 (1) If the member had 10 years of creditable service
on July 1, 1993, the benefit under subsection 2,
46 paragraph B must be reduced as provided in section
17852, subsection 3, paragraphs A and B.

48 (2) If the member had fewer than 10 years of
creditable service on July 1, 1993, the benefit under
50 subsection 2, paragraph B must be reduced by 6% for

2 each year that the member's age precedes 55 years of
3 age.

4 B. Except as provided in paragraphs C and D, if some part
5 of the member's creditable service in any one or a
6 combination of the capacities specified in subsection 1 was
7 earned before July 1, 1998 for employees identified in
8 subsection 1, paragraphs A to H, before January 1, 2000 for
9 employees identified in subsection 1, paragraphs I to K and
10 before August 6, 2000 for employees identified in subsection
11 1, paragraphs L to N and some part of the member's
12 creditable service in any one or a combination of the
13 capacities specified in subsection 1 was earned after June
14 30, 1998 for employees identified in subsection 1,
15 paragraphs A to H, after December 31, 1999 for employees
16 identified in subsection 1, paragraphs I to K and after
17 August 5, 2000 for employees identified in subsection 1,
18 paragraphs L to N then the member's service retirement
19 benefit must be computed in segments and the amount of the
20 member's service retirement benefit is the sum of the
21 segments. The segments must be computed as follows:

22 (1) The segment or, if the member served in more than
23 one of the capacities specified in subsection 1 and the
24 benefits related to the capacities are not
25 interchangeable under section 17856, segments that
26 reflect creditable service earned before July 1, 1998
27 for employees identified in subsection 1, paragraphs A
28 to H, before January 1, 2000 for employees identified
29 in subsection 1, paragraphs I to K and before August 6,
30 2000 for employees identified in subsection 1,
31 paragraphs L to N or purchased by repayment of an
32 earlier refund of accumulated contributions for service
33 before July 1, 1998, for employees identified in
34 subsection 1, paragraphs A to H, before January 1, 2000
35 for employees identified in subsection 1, paragraphs I
36 to K and before August 6, 2000 for employees identified
37 in subsection 1, paragraphs L to N in a capacity or
38 capacities specified in subsection 1, or purchased by
39 other than the repayment of a refund and eligibility to
40 make the purchase of the service credit, including, but
41 not limited to, service credit for military service,
42 was achieved before July 1, 1998 for employees
43 identified in subsection 1, paragraphs A to H, before
44 January 1, 2000 for employees identified in subsection
45 1, paragraphs I to K and before August 6, 2000 for
46 employees identified in subsection 1, paragraphs L to N
47 must be computed under section 17852, subsection 1,
48 paragraph A. If the member is qualified under
49 subsection 2, paragraph B and:
50

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

6 (b) Had fewer than 10 years of creditable service
7 on July 1, 1993, the amount of the segment or
8 segments must be reduced as provided in section
9 17852, subsection 3-A; and

10 (2) The segment that reflects creditable service
11 earned after June 30, 1998 for employees identified in
12 subsection 1, paragraphs A to H, after December 31,
13 1999 for employees identified in subsection 1,
14 paragraphs I to K and after August 5, 2000 for
15 employees identified in subsection 1, paragraphs L to N
16 or purchased by repayment of an earlier refund of
17 accumulated contributions for service after June 30,
18 1998 for employees identified in subsection 1,
19 paragraphs A to H, after December 31, 1999 for
20 employees identified in subsection 1, paragraphs I to K
21 and after August 5, 2000 for employees identified in
22 subsection 1, paragraphs L to N in any one or a
23 combination of the capacities specified in subsection
24 1, or purchased by other than the repayment of a refund
25 and eligibility to make the purchase of the service
26 credit, including, but not limited to, service credit
27 for military service, was achieved after June 30, 1998
28 for employees identified in subsection 1, paragraphs A
29 to H, after December 31, 1999 for employees identified
30 in subsection 1, paragraphs I to K and after August 5,
31 2000 for employees identified in subsection 1,
32 paragraphs L to N 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 segment amount must be reduced in the
37 manner provided in section 17852, subsection 3,
38 paragraphs A and B for each year that the member's
39 age precedes 55 years of age; or

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

44 C. The service retirement benefit of a member who is a
45 state police officer to whom subsection 1, paragraph D

2 applies and who qualifies for service retirement benefits
3 under subsection 2, paragraph B must be computed under
4 section 17852, subsection 1, paragraph A on the basis of all
5 of the member's creditable service in the capacity specified
6 in subsection 1, paragraph D regardless of whether the
7 creditable service was earned before, on or after July 1,
8 1998, except that:

9
10 (1) If the member had 10 years of creditable service
11 on July 1, 1993, the benefit must be reduced as
12 provided in section 17852, subsection 4, paragraph C,
13 subparagraphs (1) and (2); or

14 (2) If the member had fewer than 10 years of
15 creditable service on July 1, 1993, the benefit must be
16 reduced as provided in section 17852, subsection 4,
17 paragraph C-1.

18
19 D. The service retirement benefit of a member who is a
20 Maine State Prison employee to whom subsection 1, paragraph
21 E applies, and who qualifies for service retirement benefits
22 under subsection 2, paragraph B, must be computed under
23 section 17852, subsection 1, paragraph A on the basis of all
24 of the member's creditable service in the capacity specified
25 in subsection 1, paragraph E regardless of whether the
26 creditable service was earned before, on or after July 1,
27 1998, except that:

28
29 (1) If the member had 10 years of service on July 1,
30 1993, the benefit must be reduced as provided in
31 section 17852, subsection 10, paragraph C,
32 subparagraphs (1) and (2); or

33 (2) If the member had fewer than 10 years of
34 creditable service on July 1, 1993, the benefit must be
35 reduced as provided in section 17852, subsection 10,
36 paragraph C-1.

37
38 **Sec. 6. 5 MRSA §17851-A, sub-§5,** as amended by PL 1999, c.
39 493, §9, is further amended to read:

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41 **5. Contributions.** Notwithstanding any other provision of
42 subchapter III, after June 30, 1998, for employees identified in
43 subsection 1, paragraphs A to H, and after December 31, 1999, for
44 employees identified in subsection 1, paragraphs I to K and after
45 August 5, 2000 for employees identified in subsection 1,
46 paragraphs L to N, a member in the capacities specified in
47 subsection 1 must contribute to the retirement system or have
48 pick-up contributions made at the rate of 8.65% of earnable
49 compensation until the member has completed 25 years of
50

2 creditable service as provided in this section and at the rate of
7.65% thereafter.

4 **Sec. 7. Expenditures in excess of allocations.** Expenditures of
6 funds required by this Act other than the General Fund and the
Highway Fund are authorized to exceed legislative allocations
8 during the fiscal year ending June 30, 2001. Appropriate
adjustments to basic work programs facilitating these
10 expenditures in excess of allocations must be recommended by the
State Budget Officer and approved by the Governor.

12 **Sec. 8. Adjustment of rates.** After consultation with the Maine
14 State Retirement System, the State Budget Officer shall adjust
the normal cost component of the employer contribution rates on
16 the effective date of this Act to fully fund this Act on an
actuarially sound basis.

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

20

2000-01

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**ADMINISTRATIVE AND FINANCIAL
SERVICES, DEPARTMENT OF**

24

26 Salary Plan

28

Personal Services \$6,185

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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 Public Safety, the Department of Environmental Protection and the Department of Mental Health, Mental Retardation and Substance Abuse Services. Because 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, the funds resulting from the application of the actuarially established rate constitute appropriated funds. The funds here

2 specified constitute estimates and not
appropriated funds.' '

4
6 **FISCAL NOTE**

8 This amendment reduces the General Fund cost of the bill by
\$919,252 and the Highway Fund cost is reduced by \$1,522,513 in
fiscal year 2000-01.

10
12 This amendment allows other law enforcement and certain
state employees to be covered under the provisions of the 1998
Special Retirement Plan effective August 6, 2000. Since this
14 change is being made on a prospective basis, it will not increase
the unfunded liability of the Maine State Retirement System and,
16 as such, will not violate the Constitution of Maine, Article IX,
Section 18-A, which prohibits the creation of unfunded
18 liabilities except those that result from experience losses.

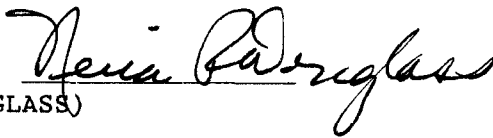
20 The placement of these employee groups, which are currently
in the State regular retirement plan, into the 1998 Special
22 Retirement Plan, will increase the normal cost component of the
employer contribution rate for these groups from the regular plan
24 normal cost rate of 6.04% to the 1998 special plan normal cost
rate of 6.89%. This 0.85% increase is applied to the salaries of
26 certain identified positions within the Department of
Environmental Protection, the Bureau of Capitol Security within
28 the Department of Public Safety and to certain mental health
workers within the Department of Mental Health, Mental
30 Retardation and Substance Abuse Services. This will increase
employer contributions to the Maine State Retirement System by
32 these departments by an amount estimated to be \$56,223 in fiscal
year 2000-01. A General Fund appropriation of \$6,185 in fiscal
34 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
36 the employer retirement contribution rates exceed the allotments
in General Fund accounts during that fiscal year. The cost to
38 accounts in other funds, estimated to be \$50,038 in fiscal year
2000-01, may require increased allotments to meet these
40 additional personal services expenditures.

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

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The amendment adds direct care mental health workers in the Department of Mental Health, Mental Retardation and Substance Abuse Services, certain hazardous material responders in the Department of Environmental Protection and Capitol Security officers to the 1998 Special Retirement Plan. Under that existing plan a member qualifies for a service retirement benefit if that worker is at least 55 years of age and has completed at least 10 years of creditable service in a covered capacity. A reduced retirement benefit is available before age 55 if the member has completed at least 25 years of creditable service.

SPONSORED BY: 
(Senator DOUGLASS)

COUNTY: Androscoggin