

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2000

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Legislative Document

No. 2614

H.P. 1878

House of Representatives, March 8, 2000

**An Act to Establish Consistent Requirements in Maine State Retirement System Plans for Minimum Creditable Service for Eligibility to Receive Retirement Benefits.**

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative HATCH of Skowhegan.  
Cosponsored by Senator DOUGLASS of Androscoggin and  
Representatives: CARR of Lincoln, DUPLESSIE of Westbrook, MATTHEWS of Winslow,  
McDONOUGH of Portland, SAMSON of Jay, TOWNSEND of Portland, Senators: DAVIS of  
Piscataquis, LaFOUNTAIN of York.

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

2           **Sec. 1. 3 MRSA §851, sub-§§1 and 1-A**, as amended by PL 1993, c.  
4 410, Pt. L, §3-A, are repealed.

6           **Sec. 2. 3 MRSA §851, sub-§§1-B and 1-C** are enacted to read:

8           **1-B. At least 10 years of creditable service or 60 years of**  
10 **age on July 1, 1993. A member who on July 1, 1993, whether or**  
12 **not in service on that date, had 10 years of creditable service**  
14 **or who on July 1, 1993 had reached 60 years of age and was then**  
16 **in service may retire at 60 years of age or thereafter, whether**  
18 **or not the member is in service at retirement. Creditable**  
**service as a member of the Maine State Retirement System may be**  
**combined with creditable service as a member of the Maine**  
**Legislative Retirement System for the purpose of determining the**  
**completion of 10 years of creditable service.**

20           **1-C. Less than 10 years of creditable service on July 1,**  
22 **1993. A member who on July 1, 1993 had less than 10 years of**  
24 **creditable service and who was in service on October 1, 1999; who**  
26 **had left service prior to October 1, 1999 with or without**  
28 **withdrawing contributions and on or after October 1, 1999**  
30 **returned to service; or who first enters service on or after**  
32 **October 1, 1999 may retire at 62 years of age or thereafter,**  
**whether or not the member is in service at retirement, as long as**  
**the member has at the time of retirement at least 5 years of**  
**creditable service. Creditable service as a member of the Maine**  
**State Retirement System may be combined with creditable service**  
**as a member of the Maine Legislative Retirement System for the**  
**purpose of determining the completion of 5 years of creditable**  
**service.**

34           **Sec. 3. 3 MRSA §851, sub-§§2 and 2-A**, as corrected by RR 1999,  
36 c. 1, §1, are amended to read:

38           **2. Early retirement; 10 years of creditable service on July**  
40 **1, 1993. Any member whether or not in service at retirement who**  
42 **on July 1, 1993 had at least 10 years of creditable service and**  
44 **who has completed at least 25 years of creditable service, may**  
46 **retire any time before the member's 60th birthday. Creditable**  
48 **service as a member of the Maine State Retirement System after**  
50 **service may be combined with creditable service as a member of**  
**the Maine Legislative Retirement System is--used--in for the**  
**purpose of determining the completion of 25 years of creditable**  
**service. The retirement allowance is determined in accordance**  
**with section 852, except that it is reduced by multiplying the**  
**retirement allowance by a fraction that represents the ratio of**  
**the amount of a life annuity due at age 60 years to the amount of**  
**a life annuity due at the age of retirement. The tables of**

2 annuities in effect at the date of retirement are used for this purpose.

4 ~~This subsection applies to members who, on July 1, 1993, have 10 years of creditable service.~~

6  
8 **2-A. Early retirement; less than 10 years creditable service on July 1, 1993.** Any member whether or not in service at retirement who on July 1, 1993 had less than 10 years of creditable service and who has completed at least 25 years of creditable service may retire any time before the member's 62nd birthday. Creditable service as a member of the Maine State Retirement System after service may be combined with creditable service as a member of the Maine Legislative Retirement System is used in for the purpose of determining the completion of 25 years of creditable service. The retirement allowance is determined in accordance with section 852, except that it is reduced by 6% for each year that the member's age precedes age 62. ~~The tables of annuities in effect at the date of retirement are used for this purpose.~~

22 ~~This subsection applies to members who, on July 1, 1993, do not have 10 years of creditable service.~~

24  
26 **Sec. 4. 3 MRSA §851, sub-§2-B** is enacted to read:

28 **2-B. Five-year minimum creditable service requirement for eligibility to receive a service retirement benefit at applicable age; applicability.** The minimum requirement of 5 years of creditable service for eligibility to receive service retirement benefits under subsection 1-C applies only to:

32  
34 A. A member who was in service on October 1, 1999;

36 B. Upon return to service, a member who had left service prior to October 1, 1999 with or without withdrawing that member's contributions and who on or after October 1, 1999 returned to service; or

40 C. A member who was first in service on or after October 1, 1999.

42  
44 For those members to whom the 5-year minimum creditable service requirement does not apply, the 10-year minimum creditable service requirement for eligibility to receive service retirement benefits remains in effect on and after October 1, 1999.

48 **Sec. 5. 4 MRSA §1351, sub-§1**, as amended by PL 1993, c. 410, Pt. L, §5, is further amended to read:

1. **Age 60; at least 10 years of creditable service on July 1, 1993.** Any member who on July 1, 1993 had at least 10 years of creditable service may retire on or after the member's 60th birthday ~~if the member has at least 10 years of creditable service. This subsection applies to members who, on July 1, 1993, have 10 years of creditable service.~~

**Sec. 6. 4 MRSA §1351, sub-§1-A**, as amended by PL 1993, c. 410, Pt. L, §6, is further amended to read:

**1-A. Age 62; less than 10 years of creditable service on July 1, 1993.** Any member who on July 1, 1993 had less than 10 years of creditable service may retire on or after the member's 62nd birthday ~~if the member has at least 10 years of creditable service. This subsection applies to members who, on July 1, 1993, do not have 10 years of creditable service.~~

A. The member has at least 10 years of creditable service;  
or

B. Effective October 1, 1999, the member has at least 5 years of creditable service and:

(1) Was in service on October 1, 1999;

(2) Had left service prior to October 1, 1999 with or without withdrawing contributions and on or after October 1, 1999 returned to service; or

(3) Was first in service on or after October 1, 1999.

**Sec. 7. 4 MRSA §1351, sub-§2-A** is enacted to read:

**2-A. Five-year minimum creditable service requirement for eligibility to receive a service retirement benefit at applicable age; applicability.** The minimum requirement of 5 years of creditable service for eligibility to receive service retirement benefits under subsection 1-A applies only to:

A. A member who was in service on October 1, 1999;

B. Upon return to service, a member who had left service prior to October 1, 1999 with or without withdrawing that member's contributions and on or after October 1, 1999 returned to service; or

C. A member who was first in service on or after October 1, 1999.

2 For those members to whom the 5-year minimum creditable service  
3 requirement does not apply, the 10-year minimum creditable  
4 service requirement for eligibility to receive service retirement  
5 benefits remains in effect on and after October 1, 1999.

6 **Sec. 8. 4 MRSA §1351, sub-§3**, as amended by PL 1993, c. 410,  
7 Pt. L, §7, is further amended to read:

8  
9 **3. Early retirement; at least 10 years of creditable**  
10 **service on July 1, 1993.** Any member who, whether or not in  
11 service at retirement, who on July 1, 1993 had at least 10 years  
12 of creditable service and who has completed at least 25 years of  
13 creditable service may retire any time before the member's 60th  
14 birthday. The retirement allowance is determined in accordance  
15 with section 1352, except that it is reduced by multiplying the  
16 retirement allowance by a fraction that represents the ratio of  
17 the amount of a life annuity due at age 60 to the amount of a  
18 life annuity due at the age of retirement. The tables of  
19 annuities in effect at the date of retirement are used for this  
20 purpose.

21 ~~This subsection applies to members who, on July 1, 1993, have 10~~  
22 ~~years of creditable service.~~ For the purpose of calculating  
23 creditable service under this subsection only, creditable service  
24 includes time during which a member participated in the voluntary  
25 cost savings plan or the voluntary employee incentive program,  
26 authorized by Public Law 1989, chapter 702, section F-6 and  
27 Public Law 1991, chapter 591, Part BB and chapter 780, Part VV or  
28 creditable service available to a member that the member was  
29 eligible to purchase on June 30, 1993 and that the member does  
30 purchase in accordance with rules adopted by the board.

31  
32 **Sec. 9. 4 MRSA §1351, sub-§3-A**, as repealed and replaced by PL  
33 1993, c. 410, Pt. L, §8, is amended to read:

34  
35 **3-A. Early retirement; less than 10 years creditable**  
36 **service on July 1, 1993.** Any member whether or not in service at  
37 retirement who on July 1, 1993 had less than 10 years of  
38 creditable service and who has completed at least 25 years of  
39 creditable service may retire any time before the member's 62nd  
40 birthday. The retirement allowance is determined in accordance  
41 with section 1352, except that the benefit is reduced by 6% for  
42 each year that the member's age precedes age 62.

43  
44 ~~This subsection applies to members who, on July 1, 1993, do not~~  
45 ~~have 10 years of creditable service.~~

46  
47 **Sec. 10. 5 MRSA §17851, sub-§1-B**, as enacted by PL 1999, c.  
48 489, §7, is amended to read:

49  
50

1-B. Member in service at retirement; 10 years of  
2 creditable service on July 1, 1993. A member who on July 1,  
1993, had 10 years of creditable service and who is in service at  
4 retirement, or a member who on July 1, 1993 had reached 60 years  
of age and had been in service for a minimum of one year  
6 immediately before July 1, 1993 and has been in service for a  
minimum of one year immediately before retirement, qualifies for  
8 a service retirement benefit if the member retires upon or after  
reaching 60 years of age. The For the purpose of determining  
10 completion of the 10-year requirement, the 10 years of creditable  
service may include creditable service as a member of the Maine  
12 Legislative Retirement System under Title 3, section 701,  
subsection 8 ~~before-becoming-a-member-of-the-retirement-system.~~

14  
16 A. Effective October 1, 1999, the creditable service and  
age requirements of this subsection may not be increased for  
18 a member who on or before October 1, 1999 met either of the  
requirements for eligibility for service retirement benefits  
20 under this subsection, whether or not the member is in  
service on October 1, 1999.

22 B. For the purpose of calculating creditable service under  
this subsection only, creditable service includes time  
24 during which a member participated in the voluntary cost  
savings plan or the voluntary employee incentive program,  
26 authorized by Public Law 1989, chapter 702, Part F, section  
6 and Public Law 1991, chapter 591, Part BB and chapter 780,  
28 Part VV, or 10 years of combined creditable service under  
this Part and Title 3, chapter 29, or creditable service  
30 available to a member that the member was eligible to  
purchase on June 30, 1993 and that the member does purchase  
32 in accordance with rules adopted by the board.

34 **Sec. 11. 5 MRSA §17851, sub-§1-C, ¶¶A and B,** as enacted by PL  
1999, c. 489, §7, are amended to read:

36  
38 A. Has been in service for a minimum of one year  
immediately before retirement or has at least 10 years of  
40 creditable service, which, for the purpose of determining  
completion of the 10-year requirement, may include  
42 creditable service as a member of the Maine Legislative  
Retirement System under Title 3, section 701, subsection 8,  
~~before-becoming-a-member-of-the-retirement-system;~~ or

44  
46 B. Effective October 1, 1999, is in service on October 1,  
1999 and had fewer than 10 years of creditable service on  
48 July 1, 1993, including any person who was not in service on  
July 1, 1993, and:

- 2 (1) Is in service upon or after reaching 62 years of age;
- 4 (2) Has been in service for a minimum of one year immediately before retirement or has at least 5 years of creditable service, which, for the purpose of determining completion of the 5-year requirement, may include creditable service as a member of the Maine Legislative Retirement System under Title 3, section 701, subsection 8, ~~before becoming a member of the retirement system~~; and
- 12 (3) Meets the applicability requirements of subsection 3-A.

16 **Sec. 12. 5 MRSA §17851, sub-§2-B**, as enacted by PL 1999, c. 489, §10, is amended to read:

18 **2-B. Member not in service at retirement; 10 years of creditable service on July 1, 1993.** A member who on July 1, 1993 had 10 years of creditable service and who is not in service at retirement qualifies for a service retirement benefit upon or after reaching 60 years of age. The For the purpose of determining completion of the 10-year requirement, the 10 years of creditable service may include creditable service as a member of the Maine Legislative Retirement System under Title 3, section 701, subsection 8 ~~before becoming a member of the retirement system.~~

30 A. Effective October 1, 1999, the creditable service and age requirements of this subsection may not be increased for a member who on or before October 1, 1999 met the creditable service requirements for eligibility for service retirement benefits under this subsection, whether or not the member is in service on October 1, 1999.

36 B. For the purpose of calculating creditable service under this subsection only, creditable service includes time during which a member participated in the voluntary cost savings plan or the voluntary employee incentive program, authorized by Public Law 1989, chapter 702, Part F, section 6 and Public Law 1991, chapter 591, Part BB and chapter 780, Part VV, or 10 years of combined creditable service under this Part and Title 3, chapter 29 or creditable service available to a member that the member was eligible to purchase on June 30, 1993 and that the member does purchase in accordance with rules adopted by the board.

48 **Sec. 13. 5 MRSA §17851, sub-§2-C, ¶¶A and B**, as enacted by PL 1999, c. 489, §10, are amended to read:



2 A. Has at least 10 years of creditable service, which, for  
4 the purpose of determining completion of the 10-year  
6 requirement, may include creditable service as a member of  
the Maine Legislative Retirement System under Title 3,  
section 701, subsection 8, ~~before becoming a member of the~~  
~~retirement system~~; or

8  
10 B. Effective October 1, 1999, is in service on October 1,  
1999, had left service prior to October 1, 1999 with or  
12 without withdrawing that member's contributions and on or  
after October 1, 1999 returns to service or is first in  
service on or after October 1, 1999 and:

14 (1) Has reached 62 years of age; and

16  
18 (2) Has at least 5 years of creditable service, which,  
for the purpose of determining completion of the 5-year  
20 requirement, may include creditable service as a member  
of the Maine Legislative Retirement System under Title  
3, section 701, subsection 8, ~~before becoming a member~~  
22 ~~of the retirement system~~.

24 **Sec. 14. 5 MRSA §17851, sub-§3**, as amended by PL 1999, c. 489,  
§11, is further amended to read:

26  
28 **3. Member with creditable service of 25 years or more**  
**whether or not in service at retirement.** A member whether or not  
30 in service at retirement who has completed 25 or more years of  
creditable service qualifies for a service retirement benefit if  
32 the member retires at any time after completing 25 years of  
service, which may include, for the purpose of meeting  
eligibility--requirements determining completion of the 25-year  
34 requirement, creditable service as a member of the Maine  
Legislative Retirement System under Title 3, section 701,  
36 subsection 8 ~~before becoming a member of the retirement system~~.

38 C. Effective October 1, 1999, the number of years required  
to qualify for a service retirement benefit under this  
40 subsection may not be increased for members who on October  
1, 1999 have met the creditable service requirement for  
42 eligibility to receive a service retirement benefit under  
subsection 1-B; subsection 2-B; subsection 1-C, paragraph A;  
44 subsection 1-C, paragraph B; subsection 2-C, paragraph A; or  
subsection 2-C, paragraph B, or who, after October 1, 1999,  
46 meet the creditable service requirement for eligibility to  
receive a service retirement benefit under subsection 1-C,  
48 paragraph B or subsection 2-C, paragraph B.

50 **Sec. 15. 5 MRSA §17851, sub-§3-A, ¶¶B and C**, as enacted by PL  
1999, c. 489, §12, are amended to read:

2 B. Upon return to service, a member who had left service  
4 prior to October 1, 1999 with or without withdrawing that  
6 member's contributions and on or after October 1, 1999  
8 returns to service; or

C. A member who is first in service on or after October 1,  
1999.

10 **Sec. 16. 5 MRSA §18451, sub-§1, ¶A,** as amended by PL 1989, c.  
12 78, §5, is further amended to read:

14 A. Retires upon or after reaching 60 years of age, and has  
16 been in service for a minimum of one year immediately before  
18 retirement;

**Sec. 17. 5 MRSA §18451, sub-§1, ¶B,** as amended by PL 1989, c.  
78, §5, is repealed.

20 **Sec. 18. 5 MRSA §18451, sub-§1, ¶¶D and E** are enacted to read:

22 D. Except as provided in paragraph E, has at least 10 years  
24 of creditable service, which, for the purpose of determining  
26 completion of the 10-year requirement, may include  
creditable service as a member of the Maine Legislative  
Retirement System; or

28 E. Effective October 1, 1999, has at least 5 years of  
30 creditable service, which, for the purpose of determining  
32 completion of the 5-year requirement, may include creditable  
service as a member of the Maine Legislative Retirement  
System, and;

34 (1) Was in service on October 1, 1999;

36 (2) Had left prior to October 1, 1999 with or without  
38 withdrawing contributions and on or after October 1,  
1999 returned to service; or

40 (3) Was first in service on or after October 1, 1999.

42 **Sec. 19. 5 MRSA §18451, sub-§2, ¶A,** as amended by PL 1989, c.  
44 78, §6, is further amended to read:

46 A. Retires upon or after reaching 60 years of age, and,  
48 except as provided in paragraph D, has at least 10 years of  
creditable service, which, for the purpose of determining  
completion of the 10-year requirement, may include

2           creditable service as a member of the Maine Legislative Retirement System; or

4           **Sec. 20. 5 MRSA §18451, sub-§2, ¶B,** as amended by PL 1989, c. 78, §6, is repealed.

6           **Sec. 21. 5 MRSA §18451, sub-§2, ¶D** is enacted to read:

8           D. Effective October 1, 1999:

10           (1) Was in service on October 1, 1999;

12           (2) Had left service prior to October 1, 1999 with or without withdrawing contributions and on or after October 1, 1999 returned to service; or

14           (3) Was first in service on or after October 1, 1999 and has at least 5 years of creditable service, which, for the purpose of determining completion of the 5-year requirement, may include creditable service as a member of the Maine Legislative Retirement System.

16           **Sec. 22. 5 MRSA §18451, sub-§3,** as repealed and replaced by PL 1987, c. 256, §38, is amended to read:

18           **3. Member with creditable service of 25 years or more.** A member whether or not in service at retirement who has completed 25 or more years of creditable service qualifies for a service retirement benefit if he the member retires at any time after completing 25 years of service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Maine Legislative Retirement System under Title 3, section 701, subsection 8, ~~before becoming a member of the Maine State Retirement System.~~

22           **Sec. 23. 5 MRSA §18451, sub-§3-A** is enacted to read:

24           3-A. Five-year minimum creditable service requirement for eligibility to receive service retirement benefit at applicable age; applicability. The minimum requirement of 5 years of creditable service for eligibility to receive service retirement benefits under subsection 1, paragraph E or subsection 2, paragraph D applies only to:

26           A. A member who is in service on October 1, 1999;

28           B. Upon return to service, a member who had left service prior to October 1, 1999 with or without withdrawing that member's contributions and on or after October 1, 1999 returned to service; or

2           C. A member who was first in service on or after October 1,  
3           1999.

4  
5           For those members to whom the 5-year minimum creditable service  
6           requirement does not apply, the 10-year minimum creditable  
7           service requirement for eligibility to receive service retirement  
8           benefits remains in effect on and after October 1, 1999.

10

## SUMMARY

12

13           The purpose of this bill is to provide consistency in the  
14           laws governing retirement. This bill changes the minimum  
15           creditable service for eligibility to receive retirement benefits  
16           from 10 years to 5 years for employee members of participating  
17           local districts and members of the state legislative retirement  
18           system and the judicial retirement system.