

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 442

H.P. 352

House of Representatives, February 1, 2001

An Act to Repeal the Limitation on Certain Income that Maine State Retirement System Retirees May Earn Without Incurring a Reduction in Benefits.

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative FULLER of Manchester.

Cosponsored by Representatives: BELANGER of Caribou, DAVIS of Falmouth, GREEN of Monmouth, SULLIVAN of Biddeford, Senator: President MICHAUD of Penobscot.

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

2

4 **Sec. 1. 5 MRSA §17855, first ¶**, as amended by PL 1997, c. 769,
§18, is further amended to read:

6 If any recipient of a service retirement benefit who has not
8 reached normal retirement age as defined under section 17001,
10 subsection 23 is restored to service and if the total of the
12 recipient's monthly retirement benefit for any year and the
14 recipient's total earnable compensation for that year exceed the
16 recipient's average final compensation at retirement, increased
18 or decreased by the same percentage adjustments as have been
20 received under section 17806, the excess must be deducted from
the service retirement benefit payments during the next calendar
year, except that beginning January 1, 1999 and thereafter 1/2
the excess must be deducted from the service retirement benefit
payments during the next calendar year. A deduction in benefits
may not be made with respect to the earnings of any individual in
any month, beginning with the month in which the individual
attains normal retirement age as defined in section 17001,
subsection 23.

22

24 **Sec. 2. 5 MRSA §18457, first ¶**, as enacted by PL 1985, c. 801,
§§5 and 7, is amended to read:

26 If any recipient of a service retirement benefit who has not
28 reached normal retirement age as defined under section 17001,
30 subsection 23 is restored to service and, if the total of the
recipient's monthly retirement benefit for any year and the
recipient's total earnable compensation for that year exceeds ~~his~~
the recipient's average final compensation at retirement,
increased or decreased by the same percentage adjustments as have
been received under section 18407, the excess shall ~~must~~ be
deducted from the service retirement benefit payments during the
next calendar year. A deduction in benefits may not be made with
respect to the earnings of any individual in any month, beginning
with the month in which the individual attains normal retirement
age as defined in section 17001, subsection 23.

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SUMMARY

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44 This bill eliminates the limitation on earnings of Maine
46 State Retirement System retirees who have reached normal
retirement age and have returned to work in public school
48 systems, state government, municipalities and other public
entities. Under current law, many such retirees are penalized if
they return to work in the public sector.