

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 748

H.P. 593

House of Representatives, February 13, 2001

**An Act to Lower the Early Withdrawal Penalty on Teacher Retirement to
2 1/2 Percent.**

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative THOMAS of Orono.
Cosponsored by Representatives: CLARK of Millinocket, DUNLAP of Old Town,
MORRISON of Baileyville, NORTON of Bangor, RINES of Wiscasset, TARAZEWICH of
Waterboro, Senator: CATHCART of Penobscot.

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

4 **Sec. 1. 5 MRSA §17852, sub-§3-A, ¶¶C and D,** as enacted by PL
5 1999, c. 489, §17, are amended to read:

6 C. The benefit is reduced by 6% for each year that the
7 member's age precedes 62 years of age; and

8
9 D. Effective October 1, 1999, the reduction to be applied
10 to the service retirement benefit of a member to whom this
11 subsection applies may not be greater than that in effect on
12 October 1, 1999 under paragraph C for a member who, on
13 October 1, 1999 or thereafter, meets the creditable service
14 requirement for eligibility to receive a service retirement
15 benefit under section 17851, subsection 1-C, paragraph A;
16 section 17851, subsection 1-C, paragraph B; section 17851,
17 subsection 2-C, paragraph A; section 17851, subsection 2-C,
18 paragraph B; or section 17851-A, subsection 2, paragraph A.
19 For a member to whom section 17851-A applies, this paragraph
20 must be applied in accordance with the requirements of
21 section 17851-A, subsection 4; and

22 **Sec. 2. 5 MRSA §17852, sub-§3-A, ¶E** is enacted to read:

23 E. Notwithstanding paragraph C, the benefit is reduced by
24 2 1/2% for a retired teacher for each year that the member's
25 age precedes 62 years of age.

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30 **SUMMARY**

31 This bill lowers the penalty for early withdrawal by a
32 teacher of retirement benefits from 6% to 2 1/2%.
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