

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 890

H.P. 686

House of Representatives, February 15, 2001

**An Act to Provide a Reduction in the Early Retirement Penalty for
Teachers and State Employees.**

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative BAKER of Bangor.
Cosponsored by President MICHAUD of Penobscot and
Representatives: BELANGER of Caribou, CUMMINGS of Portland, MATTHEWS of
Winslow, RICHARD of Madison, RICHARDSON of Brunswick, Speaker SAXL of Portland,
SULLIVAN of Biddeford, Senator: CATHCART of Penobscot.

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

4 **Sec. 1. 5 MRSA §17852, sub-§3-A,** as amended by PL 1999, c.
489, §17, is further amended to read:

6 **3-A. Member with creditable service of 25 years or more**
8 **whether or not in service at retirement; fewer than 10 years of**
10 **creditable service on July 1, 1993.** The amount of the service
retirement benefit for members qualified under section 17851,
subsection 3, is computed in accordance with subsection 1, except
that:

12 A-1. The amount arrived at under subsection 1 is reduced by
14 multiplying the percentage that a life annuity due at 62
16 years of age bears to the life annuity due at the age of
retirement;

18 B-1. For the purposes of making the computation under
20 paragraph A-1, the board-approved tables of annuities in
effect at the date of the member's retirement are used; and

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

26 D. Effective October 1, 1999, the reduction to be applied
to the service retirement benefit of a member to whom this
subsection applies may not be greater than that in effect on
28 October 1, 1999 under paragraph C for a member who, on
October 1, 1999 or thereafter, meets the creditable service
30 requirement for eligibility to receive a service retirement
benefit under section 17851, subsection 1-C, paragraph A;
32 section 17851, subsection 1-C, paragraph B; section 17851,
subsection 2-C, paragraph A; section 17851, subsection 2-C,
34 paragraph B; or section 17851-A, subsection 2, paragraph A.
For a member to whom section 17851-A applies, this paragraph
36 must be applied in accordance with the requirements of
section 17851-A, subsection 4.

38 This subsection applies to members who, on July 1, 1993, do not
40 have 10 years of creditable service, except that paragraphs A-1
42 and B-1 apply only to teachers who do not have 10 years of
creditable service.

44 **SUMMARY**

46 This bill provides a reduction in the early retirement
48 penalty for teachers and state employees.