

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1255

H.P. 941

House of Representatives, February 27, 2001

**An Act to Expand Retirement Benefits for State Employees and Teachers
Returning to Service.**

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative MATTHEWS of Winslow.
Cosponsored by Representatives: ESTES of Kittery, HUTTON of Bowdoinham, PINEAU of
Jay, TARAZEWICH of Waterboro.

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

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

6 **If Except as provided in section 17855-A, if** any recipient
8 of a service retirement benefit 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
10 exceed the recipient's average final compensation at retirement,
increased or decreased by the same percentage adjustments as have
12 been received under section 17806, the excess must be deducted
from the service retirement benefit payments during the next
14 calendar year, except that beginning January 1, 1999 and
thereafter 1/2 the excess must be deducted from the service
16 retirement benefit payments during the next calendar year.

18 **Sec. 2. 5 MRSA §17855-A** is enacted to read:

20 **§17855-A. Restoration to service**

22 A recipient of a service retirement benefit may be restored
24 to service and continue to receive payment of the service
retirement benefit as determined under section 17851-A or 17852.
26 If a recipient continues to receive the service retirement
benefit, no service credit may be awarded for service under this
section.

28 **Sec. 3. 20-A MRSA §12722, sub-§3**, as amended by PL 1999, c.
30 614, §1, is further amended to read:

32 **3. Maine State Retirement System members.** An eligible
34 person who becomes a participant in the defined contribution plan
offered by the board of trustees and who is a member of the Maine
State Retirement System at the time participation in the defined
36 contribution plan begins may apply for a refund of accumulated
contributions from the Maine State Retirement System pursuant to
38 Title 5, section 17705, except that any such person who has less
than the number of years of creditable service required to be
40 eligible for a Maine State Retirement System benefit as of the
date specified in the notification in subsection 2, paragraph A
42 or the date of hire pursuant to subsection 2, paragraph B shall
apply for a refund of accumulated contributions. Participation
44 in the defined contribution plan offered by the board of trustees
pursuant to this section is considered a termination of service
46 for purposes of Title 5, section 17705 as of the date specified
in the notification in subsection 2, paragraph A or the date of
48 hire pursuant to subsection 2, paragraph B, except that, if an
application is made for refund of accumulated contributions under
50 an election pursuant to subsection 2, paragraph A, payment must

2 be made no later than 90 days after receipt of the application by
the Maine State Retirement System. Service rendered while a
4 participant in the defined contribution plan offered by the board
of trustees does not constitute service for a Maine State
6 Retirement System member who does not withdraw contributions from
the Maine State Retirement System nor is the member considered to
8 be in service for purposes of Title 5, chapter 423, subchapter V,
articles 3-A, 4 and 5 or, if the recipient of a service
10 retirement benefit, restored to service for purposes of Title 5,
section 17855 or 17855-A.

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SUMMARY

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16 This bill repeals the current law that establishes a cap on
the earnings of retired members of the Maine State Retirement
System who return to work as state employees or teachers. The
18 bill authorizes those retirees to return to covered employment
and continue to receive full retirement benefits.