

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1332

H.P. 995

House of Representatives, March 5, 2001

An Act to Improve Retirement Benefits for Marine Patrol Officers.

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative ETNIER of Harpswell.
Cosponsored by Senator GOLDTHWAIT of Hancock and
Representatives: BERRY of Livermore, HONEY of Boothbay, LEMOINE of Old Orchard
Beach, MAILHOT of Lewiston, Senators: DAVIS of Piscataquis, EDMONDS of
Cumberland, LEMONT of York, SMALL of Sagadahoc.

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

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Sec. 1. 5 MRSA §17710, sub-§1-A, as enacted by PL 1995, c. 466, Pt. B, §2, is amended to read:

1-A. After August 31, 1984. A law enforcement officer in the Department of Marine Resources who was first employed in that capacity after August 31, 1984 and ~~who elects the retirement option provided in section 17851, subsection 6-A~~ shall contribute to the retirement system or have pick-up contributions made by the employer as ~~provided in section 17852, subsection 6-A~~ at a rate of 7.5% of earnable compensation until the law enforcement officer has completed 25 years of creditable service and at a rate of 6.5% thereafter.

Sec. 2. 5 MRSA §17851, sub-§6-A, as amended by PL 1997, c. 769, §6, is further amended to read:

6-A. Marine resources officers after August 31, 1984. ~~Except as provided in section 17851-A, a~~ A law enforcement officer in the Department of Marine Resources who was first employed in that capacity after August 31, 1984 or who, if employed in that capacity before August 31, 1984, ceased to be employed in that capacity on or before that date and who subsequently became reemployed in that capacity after that date qualifies for a service retirement benefit ~~upon reaching 55 years of age~~ after completing at least 25 years of creditable service in that capacity ~~if notice of election of the option and payment of employee contributions and actuarial costs are made as provided in section 17852, subsection 6-A.~~

Sec. 3. 5 MRSA §17851-A, sub-§1, ¶A, as enacted by PL 1997, c. 769, §11, is repealed.

Sec. 4. 5 MRSA §17851-A, sub-§4, ¶A, as repealed and replaced by PL 1999, c. 489, §14 and amended by c. 493, §9, is repealed and the following enacted in its place:

A. If all of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned after June 30, 1998 for employees identified in subsection 1, paragraphs B to H and after December 31, 1999 for employees identified in subsection 1, paragraphs I to K or if service credit was purchased by repayment of an earlier refund of accumulated contributions for service after June 30, 1998 for employees identified in subsection 1, paragraphs B to H and after December 31, 1999 for employees identified in subsection 1, paragraphs I to K, in any one or a combination of the capacities specified in subsection 1, or if service credit was purchased by other

2 than the repayment of an earlier refund and eligibility to
3 make the purchase of the service credit, including but not
4 limited to service credit for military service, was achieved
5 after June 30, 1998 for employees identified in subsection
6 1, paragraphs B to H and after December 31, 1999 for
7 employees identified in subsection 1, paragraphs I to K, the
8 benefit must be computed as provided in section 17852,
9 subsection 1. If the member had 10 years of creditable
10 service on July 1, 1993, the benefit must be reduced as
11 provided in section 17852, subsection 3, paragraphs A and B,
12 and if the member had fewer than 10 years of creditable
13 service on July 1, 1993, the benefit must be reduced by 6%
14 for each year that the member's age precedes age 55.

15 **Sec. 5. 5 MRSA §17851-A, sub-§4, ¶B,** as repealed and replaced
16 by PL 1999, c. 731, Pt. CC, §5, is amended to read:

17 B. Except as provided in paragraph D, if some part of the
18 member's creditable service in any one or a combination of
19 the capacities specified in subsection 1 was earned before
20 July 1, 1998 for employees identified in subsection 1,
21 paragraphs-A-B to H and before January 1, 2000 for employees
22 identified in subsection 1, paragraphs I to K and some part
23 of the member's creditable service in any one or a
24 combination of the capacities specified in subsection 1 was
25 earned after June 30, 1998 for employees identified in
26 subsection 1, paragraphs-A-B to H and after December 31,
27 1999 for employees identified in subsection 1, paragraphs I
28 to K, then the member's service retirement benefit must be
29 computed in segments and the amount of the member's service
30 retirement benefit is the sum of the segments. The segments
31 must be computed as follows:

32 (1) The segment or, if the member served in more than
33 one of the capacities specified in subsection 1 and the
34 benefits related to the capacities are not
35 interchangeable under section 17856, segments that
36 reflect creditable service earned before July 1, 1998
37 for employees identified in subsection 1, paragraphs-A
38 B to H and before January 1, 2000 for employees
39 identified in subsection 1, paragraphs I to K or
40 purchased by repayment of an earlier refund of
41 accumulated contributions for service before July 1,
42 1998 for employees identified in subsection 1,
43 paragraphs-A-B to H and before January 1, 2000 for
44 employees identified in subsection 1, paragraphs I to K
45 in a capacity or capacities specified in subsection 1,
46 or purchased by other than the repayment of a refund
47 and eligibility to make the purchase of the service
48 credit, including, but not limited to, service credit
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2 for military service, was achieved before July 1, 1998
3 for employees identified in subsection 1, paragraphs-A
4 B to H and before January 1, 2000 for employees
5 identified in subsection 1, paragraphs I to K, must be
6 computed under section 17852, subsection 1, paragraph
7 A. If the member is qualified under subsection 2,
8 paragraph B and:

9 (a) Had 10 years of creditable service on July 1,
10 1993, the amount of the segment or segments must
11 be reduced as provided in section 17852,
12 subsection 3, paragraphs A and B; or

13 (b) Had fewer than 10 years of creditable service
14 on July 1, 1993, the amount of the segment or
15 segments must be reduced as provided in section
16 17852, subsection 3-A; and

17 (2) The segment that reflects creditable service
18 earned after June 30, 1998 for employees identified in
19 subsection 1, paragraphs-A-B to H and after December
20 31, 1999 for employees identified in subsection 1,
21 paragraphs I to K or purchased by repayment of an
22 earlier refund of accumulated contributions for service
23 after June 30, 1998 for employees identified in
24 subsection 1, paragraphs-A-B to H and after December
25 31, 1999 for employees identified in subsection 1,
26 paragraphs I to K in any one or a combination of the
27 capacities specified in subsection 1, or purchased by
28 other than the repayment of a refund and eligibility to
29 make the purchase of the service credit, including, but
30 not limited to, service credit for military service,
31 was achieved after June 30, 1998 for employees
32 identified in subsection 1, paragraphs-A-B to H and
33 after December 31, 1999 for employees identified in
34 subsection 1, paragraphs I to K, must be computed under
35 section 17852, subsection 1, paragraph A. If the
36 member is qualified under subsection 2, paragraph B and:

37 (a) Had 10 years of creditable service on July 1,
38 1993, the segment amount must be reduced in the
39 manner provided in section 17852, subsection 3,
40 paragraphs A and B for each year that the member's
41 age precedes 55 years of age; or

42 (b) Had fewer than 10 years of creditable service
43 on July 1, 1993, the segment amount must be
44 reduced by 6% for each year that the member's age
45 precedes 55 years of age.

2 **Sec. 6. 5 MRSA §17851-A, sub-§5**, as amended by PL 1999, c.
493, §9, is further amended to read:

4 **5. Contributions.** Notwithstanding any other provision of
6 subchapter III, after June 30, 1998, for employees identified in
subsection 1, paragraphs ~~A-B~~ to H, and after December 31, 1999,
8 for employees identified in subsection 1, paragraphs I to K a
member in the capacities specified in subsection 1 must
10 contribute to the retirement system or have pick-up contributions
made at the rate of 8.65% of earnable compensation until the
12 member has completed 25 years of creditable service as provided
in this section and at the rate of 7.65% thereafter.

14 **Sec. 7. 5 MRSA §17851-A, sub-§6**, as enacted by PL 1997, c.
16 769, §11, is amended to read:

18 **6. Consequences of participation in retirement plan under**
19 **section 17851, subsection 5-A or 8-A.** Notwithstanding any other
20 provision of law, a member in the capacities specified in
subsection 1 who, prior to July 1, 1998 elected the retirement
22 option provided in section 17851, subsection 5-A, ~~6-A~~ or 8-A is
treated as follows under the 1998 Special Plan.

24 A. A member who made the election at the time of first
26 employment in a position covered under section 17851,
subsection 5-A, ~~6-A~~ and 8-A is considered to be a member
under the 1998 Special Plan as of the date of hire.
28 Beginning July 1, 1998, a member covered by this paragraph
shall contribute to the retirement system or have pick-up
30 contributions made at a rate of 8.65% of earnable
compensation until completion of 25 years of creditable
32 service and shall contribute at a rate of 7.65% thereafter.

34 B. A member who was serving in a position covered under
36 section 17851, subsection 5-A, ~~6-A~~ or 8-A at the time of the
election and who elected to participate in the retirement
option prospectively from the time of election is considered
38 to be a member under the 1998 Special Plan as of the
effective date of the election. Beginning July 1, 1998, a
40 member covered by this paragraph shall contribute to the
retirement system or have pick-up contributions made at a
42 rate of 8.65% of earnable compensation until completion of
25 years of creditable service and shall contribute at a
44 rate of 7.65% thereafter.

46 C. A member who was serving in a position covered under
48 section 17851, subsection 5-A, ~~6-A~~ or 8-A at the time of the
election and who elected to participate in the retirement
option prospectively from the time of election and also
50 elected to purchase credit for service earned while serving

2 in the same capacity before exercising the election is
3 considered to be a member under the 1998 Special Plan as of
4 the beginning date of the service for which credit is
5 purchased, provided that all of the payments required under
6 section 17852, subsection 5-A, 6-A or 7-A are made before
7 retirement. If all the required payments are not made
8 before retirement, that member is considered to be a member
9 under the 1998 Special Plan as of the effective date of the
10 election. Beginning July 1, 1998, a member covered by this
11 paragraph shall contribute to the retirement system or have
12 pick-up contributions made at a rate of 8.65% of earnable
13 compensation until completion of 25 years of creditable
14 service and shall contribute at a rate of 7.65% thereafter.

15 Employee contributions and actuarial and administrative costs
16 paid to the retirement system by a member covered by this
17 subsection may not be returned to that member, except that these
18 employee contributions may be refunded to a member who terminates
19 service and requests a refund under section 17705.

20 **Sec. 8. 5 MRSA §17852, sub-§6-A,** as amended by PL 1997, c.
21 769, §14, is further amended to read:

22 **6-A. Marine resources officers after August 31, 1984.**
23 ~~Except as provided in section 17851-A, the~~ The retirement benefit
24 of a person qualifying under section 17851, subsection 6-A who
25 retires upon or after ~~reaching 55 years of age~~ completing 25
26 years of service is computed in accordance with subsection 1 if +

27 ~~A. The person was first employed as a law enforcement~~
28 ~~officer in the Department of Marine Resources on or after~~
29 ~~November 1, 1995, elects the option provided in section~~
30 ~~17851, subsection 6-A and pays to the retirement system an~~
31 ~~increased employee payroll contribution in an amount that~~
32 ~~equals the full actuarial cost of electing that option, or~~

33 ~~B. The person was first employed in that capacity before~~
34 ~~November 1, 1995, elects the option provided in section~~
35 ~~17851, subsection 6-A and pays to the retirement system by~~
36 ~~single or periodic payment of a lump sum or by a combination~~
37 ~~of single and periodic payments the amount that equals the~~
38 ~~full actuarial cost of electing that option for service~~
39 ~~before that date. A person who requests calculation of the~~
40 ~~full actuarial cost, regardless of whether the person elects~~
41 ~~the option, must pay to the retirement system by single lump~~
42 ~~sum payment the reasonable administrative costs of~~
43 ~~determining the full actuarial costs. Payment of the full~~
44 ~~actuarial cost related to service on or after November 1,~~
45 ~~1995 is made as part of the employee payroll contribution.~~

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2 For the purpose of this subsection, "full actuarial cost" means
4 that the person's payment or payments must fully offset any
6 unfunded liability that would or does result from retirement
8 under the option provided in section 17851, subsection 6-A and
must fully fund the cost of the person's retirement prior to
normal retirement age so that an additional employer contribution
is not required.

10 A person who makes the election provided in section 17851,
12 subsection 6-A at any time after the date on which the person is
14 first employed as a law enforcement officer in the Department of
16 Marine Resources must include interest at a rate to be set by the
board not to exceed regular interest by 5 or more percentage
18 points, applied as of the date on which the person was first
employed in that capacity to the contributions the person would
have paid or had picked up by the employer had the person elected
that option at the date of first employment.

20 This subsection is effective November 1, 1995. Election to
22 retire under this subsection is a one-time irrevocable election.
A person who was first employed as a law enforcement officer in
24 the Department of Marine Resources on or after November 1, 1995
must make the election no later than 90 days after the date of
26 first employment. A person who was first employed in that
capacity before November 1, 1995 must make the election no later
than January 1, 1997.

28 **Sec. 9. 5 MRSA §17852, sub-§6-B,** as amended by PL 1997, c.
30 769, §15, is repealed.

32 **Sec. 10. Effect on marine patrol officers who previously elected to**
self-fund an early retirement option. The Maine State Retirement
34 System shall refund the additional amount paid above the normal
employee contribution rate plus interest on that amount from the
36 date of payment to a person who is employed as a marine patrol
officer on the effective date of this Act and who elected to
38 exercise the option of retirement at 55 years of age or after 55
years of age and before 60 years of age under the Maine Revised
Statutes, Title 5, section 17852, subsection 6-A before it was
40 amended by this Act or elected to exercise the option of
retirement before 55 years of age under Title 5, section 17852,
42 subsection 6-B before it was repealed by this Act by paying the
full actuarial cost of either of those options through an
44 increased employee contribution to the Maine State Retirement
System. The employee contribution rate from the effective date
46 of this Act for a member who previously made one of the elections
specified in this section is as provided in Title 5, section
48 17710-B.

2 **Sec. 11. Revisor's review; cross-references.** The Revisor of
3 Statutes shall review the Maine Revised Statutes and include in
4 the errors and inconsistencies bill submitted to the Second
5 Regular Session of the 120th Legislature pursuant to Title 1,
6 section 94, any sections necessary to correct and update any
7 cross-references in the statutes to provisions of law repealed in
8 this Act.

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SUMMARY

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This bill establishes a special retirement plan for marine patrol officers that provides full retirement benefits after 25 years of service with no minimum retirement age requirement. The special plan applies to all newly hired marine patrol officers and is retroactive for current officers.