

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1468

H.P. 1099

House of Representatives, March 8, 2001

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### **An Act to Change the Retirement Plan for Marine Patrol Officers.**

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Reference to the Committee on Labor suggested and ordered printed.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative POVICH of Ellsworth.

Cosponsored by Representatives: BLANCHETTE of Bangor, GERZOFKY of Brunswick,  
O'BRIEN of Lewiston, PEAVEY of Woolwich, SULLIVAN of Biddeford.

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

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

6       **1-A. After August 31, 1984.** A law enforcement officer in  
8 the Department of Marine Resources who was first employed in that  
10 capacity after August 31, 1984 ~~and who elects the retirement~~  
12 ~~option provided in section 17851, subsection 6-A~~ shall contribute  
14 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.

16       **Sec. 2. 5 MRSA §17851, sub-§6-A**, as amended by PL 1997, c.  
18 769, §6, is further amended to read:

20       **6-A. Marine resources officers after August 31, 1984.**  
~~Except as provided in section 17851-A, a~~ A law enforcement  
22 officer in the Department of Marine Resources who was first  
24 employed in that capacity after August 31, 1984 or who, if  
employed in that capacity before August 31, 1984, ceased to be  
26 employed in that capacity on or before that date and who  
subsequently became reemployed in that capacity after that date  
28 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.~~

32       **Sec. 3. 5 MRSA §17851-A, sub-§1, ¶A**, as enacted by PL 1997, c.  
34 769, §11, is repealed.

36       **Sec. 4. 5 MRSA §17851-A, sub-§2**, as amended by PL 1999, c.  
48 493, §7, is further amended to read:

38       **2. Qualification for benefits.** A member employed in any  
40 one or a combination of the capacities specified in subsection 1  
after June 30, 1998 for employees identified in subsection 1,  
42 paragraphs ~~A- B~~ to H and after December 31, 1999 for employees  
identified in subsection 1, paragraphs I to K, qualifies for a  
service retirement benefit if that member either:

44           A. Is at least 55 years of age and has completed at least  
46 10 years of creditable service under the 1998 Special Plan  
in any one or a combination of the capacities; or

48           B. Has completed at least 25 years of creditable service in  
50 any one or a combination of the capacities specified in

2 subsection 1, whether or not the creditable service included  
4 in determining that the 25-year requirement has been met was  
earned under the 1998 Special Plan or prior to its  
establishment.

6 **Sec. 5. 5 MRSA §17851-A, sub-§3, ¶A,** as amended by PL 1999, c.  
8 493, §8, is further amended to read:

10 A. For the purpose of meeting the qualification requirement  
of subsection 2, paragraph A:

12 (1) Service credit purchased by repayment of an  
14 earlier refund of accumulated contributions following  
16 termination of service is included only to the extent  
18 that time to which the refund relates was served after  
20 June 30, 1998 for employees identified in subsection 1,  
paragraphs -A- 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; and

22 (2) Service credit purchased other than as provided  
24 under subparagraph (1), including but not limited to  
service credit for military service, is not included.

26 **Sec. 6. 5 MRSA §17851-A, sub-§4, ¶A,** as repealed and replaced  
28 by PL 1999, c. 489, §14 and amended by c. 493, §9, is repealed  
and the following enacted in its place:

30 A. If all of the member's creditable service in any one or  
32 a combination of the capacities specified in subsection 1  
34 was earned after June 30, 1998 for employees identified in  
36 subsection 1, paragraphs B to H and after December 31, 1999  
38 for employees identified in subsection 1, paragraphs I to K  
40 or if service credit was purchased by repayment of an  
42 earlier refund of accumulated contributions for service  
44 after June 30, 1998 for employees identified in subsection  
46 1, paragraphs B to H and after December 31, 1999 for  
48 employees identified in subsection 1, paragraphs I to K, in  
50 any one or a combination of the capacities specified in  
subsection 1, or if service credit was purchased by other  
than the repayment of an earlier refund and eligibility to  
make the purchase of the service credit, including but not  
limited to service credit for military service, was achieved  
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, the  
benefit must be computed as provided in section 17852,  
subsection 1. If the member had 10 years of creditable  
service on July 1, 1993, the benefit must be reduced as

2 provided in section 17852, subsection 3, paragraphs A and B,  
3 and if the member had fewer than 10 years of creditable  
4 service on July 1, 1993, the benefit must be reduced by 6%  
5 for each year that the member's age precedes age 55.

6 **Sec. 7. 5 MRSA §17851-A, sub-§4, ¶B,** as repealed and replaced  
7 by PL 1999, c. 731, Pt. CC, §5, is amended to read:

8  
9 B. Except as provided in paragraph D, if some part of the  
10 member's creditable service in any one or a combination of  
11 the capacities specified in subsection 1 was earned before  
12 July 1, 1998 for employees identified in subsection 1,  
13 paragraphs --A- B to H and before January 1, 2000 for  
14 employees identified in subsection 1, paragraphs I to K and  
15 some part of the member's creditable service in any one or a  
16 combination of the capacities specified in subsection 1 was  
17 earned after June 30, 1998 for employees identified in  
18 subsection 1, paragraphs -A- B to H and after December 31,  
19 1999 for employees identified in subsection 1, paragraphs I  
20 to K, then the member's service retirement benefit must be  
21 computed in segments and the amount of the member's service  
22 retirement benefit is the sum of the segments. The segments  
23 must be computed as follows:

24  
25 (1) The segment or, if the member served in more than  
26 one of the capacities specified in subsection 1 and the  
27 benefits related to the capacities are not  
28 interchangeable under section 17856, segments that  
29 reflect creditable service earned before July 1, 1998  
30 for employees identified in subsection 1,  
31 paragraphs -A- B to H and before January 1, 2000 for  
32 employees identified in subsection 1, paragraphs I to K  
33 or purchased by repayment of an earlier refund of  
34 accumulated contributions for service before July 1,  
35 1998 for employees identified in subsection 1,  
36 paragraphs -A- B to H and before January 1, 2000 for  
37 employees identified in subsection 1, paragraphs I to K  
38 in a capacity or capacities specified in subsection 1,  
39 or purchased by other than the repayment of a refund  
40 and eligibility to make the purchase of the service  
41 credit, including, but not limited to, service credit  
42 for military service, was achieved before July 1, 1998  
43 for employees identified in subsection 1,  
44 paragraphs -A- B to H and before January 1, 2000 for  
45 employees identified in subsection 1, paragraphs I to  
46 K, must be computed under section 17852, subsection 1,  
47 paragraph A. If the member is qualified under  
48 subsection 2, paragraph B and:

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

6 (b) Had fewer than 10 years of creditable service  
7 on July 1, 1993, the amount of the segment or  
8 segments must be reduced as provided in section  
9 17852, subsection 3-A; and

10 (2) The segment that reflects creditable service  
11 earned after June 30, 1998 for employees identified in  
12 subsection 1, paragraphs -A- B to H and after December  
13 31, 1999 for employees identified in subsection 1,  
14 paragraphs I to K or purchased by repayment of an  
15 earlier refund of accumulated contributions for service  
16 after June 30, 1998 for employees identified in  
17 subsection 1, paragraphs -A- B to H and after December  
18 31, 1999 for employees identified in subsection 1,  
19 paragraphs I to K in any one or a combination of the  
20 capacities specified in subsection 1, or purchased by  
21 other than the repayment of a refund and eligibility to  
22 make the purchase of the service credit, including, but  
23 not limited to, service credit for military service,  
24 was achieved after June 30, 1998 for employees  
25 identified in subsection 1, paragraphs -A- B to H and  
26 after December 31, 1999 for employees identified in  
27 subsection 1, paragraphs I to K, must be computed under  
28 section 17852, subsection 1, paragraph A. If the  
29 member is qualified under subsection 2, paragraph B and:

32 (a) Had 10 years of creditable service on July 1,  
33 1993, the segment amount must be reduced in the  
34 manner provided in section 17852, subsection 3,  
35 paragraphs A and B for each year that the member's  
36 age precedes 55 years of age; or

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

42 **Sec. 8. 5 MRSA §17851-A, sub-§5,** as amended by PL 1999, c.  
43 493, §9, is further amended to read:

44 **5. Contributions.** Notwithstanding any other provision of  
45 subchapter III, after June 30, 1998, for employees identified in  
46 subsection 1, paragraphs -A- B to H, and after December 31, 1999,  
47 for employees identified in subsection 1, paragraphs I to K a  
48 member in the capacities specified in subsection 1 must  
49  
50

2 contribute to the retirement system or have pick-up contributions  
4 made at the rate of 8.65% of earnable compensation until the  
member has completed 25 years of creditable service as provided  
in this section and at the rate of 7.65% thereafter.

6 **Sec. 9. 5 MRSA §17851-A, sub-§6**, as enacted by PL 1997, c.  
769, §11, is amended to read:

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

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

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

38 C. A member who was serving in a position covered under  
40 section 17851, subsection 5-A, 6-A or 8-A at the time of the  
election and who elected to participate in the retirement  
42 option prospectively from the time of election and also  
elected to purchase credit for service earned while serving  
44 in the same capacity before exercising the election is  
considered to be a member under the 1998 Special Plan as of  
46 the beginning date of the service for which credit is  
purchased, provided that all of the payments required under  
48 section 17852, subsection 5-A, 6-A or 7-A are made before  
retirement. If all the required payments are not made  
50 before retirement, that member is considered to be a member  
under the 1998 Special Plan as of the effective date of the

2 election. Beginning July 1, 1998, a member covered by this  
3 paragraph shall contribute to the retirement system or have  
4 pick-up contributions made at a rate of 8.65% of earnable  
5 compensation until completion of 25 years of creditable  
6 service and shall contribute at a rate of 7.65% thereafter.

7 Employee contributions and actuarial and administrative costs  
8 paid to the retirement system by a member covered by this  
9 subsection may not be returned to that member, except that these  
10 employee contributions may be refunded to a member who terminates  
11 service and requests a refund under section 17705.

12 **Sec. 10. 5 MRSA §17852, sub-§6-A**, as amended by PL 1997, c.  
13 769, §14, is further amended to read:

14 **6-A. Marine resources officers after August 31, 1984.**  
15 ~~Except as provided in section 17851-A, the~~ The retirement benefit  
16 of a person qualifying under section 17851, subsection 6-A who  
17 retires upon or after reaching 55 years of age and completing 25  
18 years of service is computed in accordance with subsection 1 if+.

19 ~~A. The person was first employed as a law enforcement~~  
20 ~~officer in the Department of Marine Resources on or after~~  
21 ~~November 1, 1995, elects the option provided in section~~  
22 ~~17851, subsection 6-A and pays to the retirement system an~~  
23 ~~increased employee payroll contribution in an amount that~~  
24 ~~equals the full actuarial cost of electing that option; or~~

25 ~~B. The person was first employed in that capacity before~~  
26 ~~November 1, 1995, elects the option provided in section~~  
27 ~~17851, subsection 6-A and pays to the retirement system by~~  
28 ~~single or periodic payment of a lump sum or by a combination~~  
29 ~~of single and periodic payments the amount that equals the~~  
30 ~~full actuarial cost of electing that option for service~~  
31 ~~before that date. A person who requests calculation of the~~  
32 ~~full actuarial cost, regardless of whether the person elects~~  
33 ~~the option, must pay to the retirement system by single lump~~  
34 ~~sum payment the reasonable administrative costs of~~  
35 ~~determining the full actuarial costs. Payment of the full~~  
36 ~~actuarial cost related to service on or after November 1,~~  
37 ~~1995 is made as part of the employee payroll contribution.~~

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



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

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

19 **Sec. 11. 5 MRSA §17852, sub-§6-B,** as amended by PL 1997, c.  
20 769, §15, is repealed.

21 **Sec. 12. Effect on marine patrol officers who previously elected to**  
22 **self-fund early retirement option.** The Maine State Retirement System  
23 shall refund the additional amount paid above the normal employee  
24 contribution rate plus interest on that amount from the date of  
25 payment to a person who is employed as a marine patrol officer on  
26 the effective date of this Act and who elected to exercise the  
27 option of retirement at or after 55 years of age and before 60  
28 years of age under the Maine Revised Statutes, Title 5, section  
29 17852, subsection 6-A before it was amended by this Act or  
30 elected to exercise the option of retirement before 55 years of  
31 age under Title 5, section 17852, subsection 6-B before it was  
32 repealed by this Act by paying the full actuarial cost of either  
33 of those options through an increased employee contribution to  
34 the Maine State Retirement System. The employee contribution  
35 rate from the effective date of this Act for a member who  
36 previously made one of the elections specified in this section is  
37 as provided in Title 5, section 17710-B.

## 41 SUMMARY

42  
43 **44** This bill removes marine patrol officers from the 1998  
45 Special Retirement Plan and establishes a new special retirement  
46 plan for those officers that provides full retirement benefits  
47 after attaining 55 years of age and 25 years of service. The  
48 special plan applies to all newly hired marine patrol officers  
49 and is retroactive for current officers.  
50