

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1509

S.P. 456

In Senate, March 8, 2001

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**An Act to Clarify and Make Technical Corrections to Retirement Laws.**

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Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator DOUGLASS of Androscoggin.  
Cosponsored by Representative MATTHEWS of Winslow and  
Senators: EDMONDS of Cumberland, MILLS of Somerset, SAWYER of Penobscot,  
Representatives: BRYANT of Dixfield, BUNKER of Kossuth Township, McDONOUGH of  
Portland, SIMPSON of Auburn, TREADWELL of Carmel.

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

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**Sec. 1. 5 MRSA §17001, sub-§23,** as amended by PL 1999, c. 731, Pt. CC, §1, is further amended to read:

**23. Normal retirement age.** "Normal retirement age" means the specified age, the years of service requirement or any combination of age and years of service requirements at which a member becomes eligible for retirement benefits and at which those benefits may not be reduced under section 17852, subsection 3 or 3-A; section 17852, subsection 10, paragraph C; and section 18452, subsection 3.

**Sec. 2. 5 MRSA §17708, sub-§1, ¶¶B and C,** as enacted by PL 1985, c. 801, §§5 and 7, are amended to read:

B. The Chief of the State Police; ~~or~~

C. A member of the State Police or Chief of the State Police who is appointed Commissioner of Public Safety; or

**Sec. 3. 5 MRSA §17708, sub-§1, ¶D** is enacted to read:

D. A special agent investigator in the Bureau of State Police who is hired before June 21, 1982.

**Sec. 4. 5 MRSA §17804, sub-§5-E,** as enacted by PL 1999, c. 744, §8 and affected by §17, is amended to read:

**5-E. Option 8.** The qualifying member may elect to have a reduced retirement benefit payable to the qualifying member while alive and at the qualifying member's death to have some benefit other than that available under subsection 3 or 4 payable to the beneficiary, who must be the sole beneficiary, that the member has designated, if the beneficiary survives the qualifying member. The total value of the benefit paid to the qualifying member plus the benefit paid after the qualifying member's death is the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. If the qualifying member's beneficiary predeceases the qualifying member, the qualifying member's benefit must be changed, effective the first day of the month following the date of the beneficiary's death, to be the actuarial equivalent of the benefit that the qualifying member would have received without optional modification. The reduced retirement benefit must be actuarially calculated to reflect the fact that the benefit may be changed to the larger amount should the beneficiary predecease the member.

2           **Sec. 5. 5 MRSA §17805, first ¶**, as enacted by PL 1985, c. 801,  
§§5 and 7, is amended to read:

4           If the recipient of a reduced service retirement benefit  
under section 17804, subsection 3, 4 ~~or 5~~, 5-A or 5-B remarries  
6 after the recipient's spouse dies the following provisions apply.

8           **Sec. 6. 5 MRSA §17805-A, first ¶**, as amended by PL 1999, c.  
744, §11 and affected by §17, is further amended to read:  
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12           If the recipient of a reduced service retirement benefit  
under section 17804, subsection 3, 4, 5-A or 5-B, 5-C, 5-D or  
5-E is granted a divorce either after retirement or before a  
14 retirement beneficiary is named the following provisions apply.

16           **Sec. 7. 5 MRSA §17805-A, sub-§1, ¶A**, as amended by PL 1995, c.  
604, §3, is further amended to read:  
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20           A. The spouse or former spouse who was originally named as  
retirement beneficiary must have been the sole beneficiary  
of the reduced retirement benefit under section 17804,  
22 subsection 3, 4 ~~or 5~~, 5-A, 5-B, 5-C, 5-D or 5-E; and

24           **Sec. 8. 5 MRSA §18404, sub-§5-E**, as enacted by PL 1999, c.  
744, §13 and affected by §17, is amended to read:  
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28           **5-E. Option 8.** The qualifying member may elect to have a  
reduced retirement benefit payable to the qualifying member while  
alive and at the qualifying member's death to have some benefit  
30 other than that available under subsection 3 or 4 payable to the  
beneficiary, who must be the sole beneficiary, that the member  
32 has designated, if the beneficiary survives the qualifying  
member. The total value of the benefit paid to the qualifying  
34 member plus the benefit paid after the qualifying member's death  
is the actuarial equivalent of the benefit that the qualifying  
36 member would have received without optional modification. If the  
qualifying member's beneficiary predeceases the qualifying  
38 member, the qualifying member's benefit must be changed,  
effective the first day of the month following the date of the  
40 beneficiary's death, to be the actuarial equivalent of the  
benefit that the qualifying member would have received without  
42 optional modification. The reduced retirement benefit must be  
actuarially calculated to reflect the fact that the benefit may  
44 be changed to the larger amount should the beneficiary predecease  
the member.

46           **Sec. 9. 5 MRSA §18405, sub-§1, ¶A**, as amended by PL 1987, c.  
48 612, §7, is further amended to read:

2 A. The original spouse must have been the sole beneficiary  
of the reduced retirement benefit under section 18404,  
subsection 3, 4 ~~or~~ 5, 5-A or 5-B; and

4  
6 **Sec. 10. 5 MRSA §18405-A, first ¶**, as amended by PL 1999, c.  
744, §16 and affected by §17, is further amended to read:

8 If the recipient of a reduced service retirement benefit  
under section 18404, subsection 3, 4, ~~5-A or~~ 5-B, 5-C, 5-D or  
10 5-E is granted a divorce either after retirement or before a  
retirement beneficiary is named, the following provisions apply.

12 **Sec. 11. 5 MRSA §18405-A, sub-§1, ¶A**, as amended by PL 1995,  
14 c. 604, §6, is further amended to read:

16 A. The spouse or former spouse who was originally named as  
retirement beneficiary must have been the sole beneficiary  
18 of the reduced retirement benefit under section 18404,  
subsection 3, 4 ~~or~~ 5, 5-A, 5-B, 5-C, 5-D or 5-E; and

20 **Sec. 12. 5 MRSA §18553, sub-§5-B, ¶B**, as enacted by PL 1991,  
22 c. 469, §5, is amended to read:

24 B. Benefits under this subsection are paid as follows,  
notwithstanding that the qualified member may not be  
26 eligible to retire under section 18452, subsection 3.

28 (1) The benefit is computed in accordance with section  
18452, subsection 3, if applicable, as if the service  
30 retirement of the qualifying member had taken place on  
the date of the member's death.

32 (2) The beneficiary is paid beginning on the first day  
34 of the month after the death of the qualifying member  
and continuing until the last day of the month in which  
36 the beneficiary's death occurs.

38 (3) Benefits under this subsection are paid in  
accordance with section 18404, subsection 3.

42 **SUMMARY**

44 This bill amends the laws governing the Maine State  
Retirement System as they relate to normal retirement age, the  
46 reduced retirement benefit election and death before service  
retirement.