

# MAINE STATE LEGISLATURE

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R/S

L.D. 1566

DATE: 5-29-01

(Filing No. H-619)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1166, L.D. 1566, Bill, "An Act to Improve Pension Benefits for Employees in the Department of Environmental Protection, Division of Oil and Hazardous Waste Facilities Regulation"

Amend the bill by striking out the title and substituting the following:

'An Act to Improve Pension Benefits for Employees in the Department of Environmental Protection'

Further amend the bill in section 2 by striking out all of paragraph L (page 1, lines 17 to 19) and inserting in its place the following:

'L. Oil and hazardous materials emergency response workers in the employment of the Department of Environmental Protection, Division of Response Services who participate in a standby rotation on January 1, 2002 or are hired thereafter.'

Further amend the bill in section 3 in subsection 2 in the 5th and 6th lines (page 1, lines 28 and 29 in L.D.) by striking out the following: "and after December 31, 2001 for employees identified in subsection 1, paragraph L" and inserting in its place the following: ', and any employee identified in subsection 1, paragraph L.'

Further amend the bill by inserting after section 3 the following:

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'Sec. 4. 5 MRSA §17851-A, sub-§3, ¶A, as amended by PL 1999, c. 493, §8, is further amended to read:

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

(1) Service credit purchased by repayment of an earlier refund of accumulated contributions following termination of service is included only to the extent that time to which the refund relates was served after June 30, 1998 for employees identified in subsection 1, paragraphs A 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. Service credit may be purchased for service by an employee identified in subsection 1, paragraph L regardless of when performed; and

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

Further amend the bill in section 4 in subsection 4 in paragraph A by striking out all of the first paragraph (page 2, lines 1 to 24 in L.D.) and inserting in its place the following:

'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 A to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; and after December 31, 2001 for employees identified in subsection 1, paragraph L; if service credit was purchased by repayment of an earlier refund of accumulated contributions for service in any one or a combination of the capacities specified in subsection 1 after June 30, 1998 for employees identified in subsection 1, paragraphs A to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; and after December 31, 2001 for employees identified in subsection 1, paragraph L; 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 A to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; and after December 31, 2001 for employees identified in subsection 1, paragraph L, the

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2 benefit must be computed as provided in section 17852,  
3 subsection 1, paragraph A.'

4 Further amend the bill in section 4 in subsection 4 in  
5 paragraph B in the first line (page 2, line 37 in L.D.) by  
6 striking out the following: "paragraph D" and inserting in its  
7 place the following: 'paragraphs D and E'

8  
9 Further amend the bill in section 4 in subsection 4 by  
10 inserting after paragraph D the following:

11 'E. The service retirement benefit of a member to whom  
12 subsection 1, paragraph L applies and who qualifies for  
13 service retirement benefits under subsection 2 must be  
14 computed under section 17852, subsection 1, paragraph A on  
15 the basis of all of the member's creditable service in the  
16 capacity specified in subsection 1, paragraph L, regardless  
17 of when that creditable service was earned, except that for  
18 a member qualifying under subsection 2, paragraph B:

19  
20 (1) If the member had 10 years of service on July 1,  
21 1993, the benefit must be reduced as provided in  
22 section 17852, subsection 3, paragraphs A and B for  
23 each year the member's age precedes 55 years of age; or

24  
25 (2) If the member had fewer than 10 years of  
26 creditable service on July 1, 1993, the benefit must be  
27 reduced by 6% for each year that the member's age  
28 precedes 55 years of age.'

29  
30 Further amend the bill by inserting after section 8 the  
31 following:

32  
33 **'Sec. 9. Allocation.** The following funds are allocated from  
34 the Federal Expenditures Fund to carry out the purposes of this  
35 Act.

	2001-02	2002-03
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materials emergency response  
workers due to a plan change.

**Sec. 10. Allocation.** The following funds are allocated from  
Other Special Revenue funds to carry out the purposes of this Act.

2001-02                      2002-03

**ENVIRONMENTAL PROTECTION,  
DEPARTMENT OF**

**Remediation and Waste Management**

Personal Services                      \$497,901                      \$14,870

Provides an allocation in the  
first year for the unfunded  
liability and in both years  
for the 1.65% increase to the  
normal retirement rate for  
certain oil and hazardous  
materials emergency response  
workers due to a plan change.'

Further amend the bill by relettering or renumbering any  
nonconsecutive Part letter or section number to read  
consecutively.

Further amend the bill by inserting at the end before the  
summary the following:

**FISCAL NOTE**

2001-02                      2002-03

**APPROPRIATIONS/ALLOCATIONS**

Other Funds                      \$499,722                      \$16,714

**REVENUES**

Other Funds                      \$499,722                      \$16,714

The bill removes certain oil and hazardous materials  
emergency response workers from the current retirement plan and  
places them in a special plan. The plan change would increase  
the unfunded liability of the Maine State Retirement System.  
Pursuant to the Constitution of Maine, Article IX, Section 18-A,

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2 unfunded liabilities may not be created except those that result  
3 from experience losses. The Maine State Retirement System will  
4 require one-time additional Other Special Revenue funds  
5 allocations and payment of \$483,214, representing the full  
6 actuarial value of the increase to the unfunded liability  
7 resulting from the plan change.

8 The retirement plan change will increase the normal cost  
9 component of the employer retirement rate, resulting in increased  
10 contributions to the Maine State Retirement System for certain  
11 state employees during the current biennium by a total of \$16,508  
12 in fiscal year 2001-02 and \$16,714 in fiscal year 2002-03.

13 Additional Federal Expenditures Fund allocations of \$1,821  
14 and \$1,844 in fiscal years 2001-02 and 2002-03, respectively, and  
15 additional Other Special Revenue fund allocations of \$14,687 and  
16 \$14,870 in fiscal years 2001-02 and 2002-03, respectively, will  
17 be required by the Department of Environmental Protection.'

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SUMMARY

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This amendment makes the following changes in the bill:

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1. It clarifies which employees are covered by provisions  
25 of the bill;

28

2. It retroactively extends benefits for covered employees  
29 under the 1998 special retirement plan to the date of hire for  
30 all the employees' service in covered positions;

32

3. It adds an allocation section that allocates funds on a  
33 prorated basis from special revenue accounts to fund the costs of  
34 the bill based on the number of employees funded under each fund;  
35 and

36

4. It adds a fiscal note to the bill.

**COMMITTEE AMENDMENT**