

MAINE STATE LEGISLATURE

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L.D. 1584

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**STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "*A*" to S.P. 495, L.D. 1584, Bill, "An Act to Change the Retirement Eligibility Requirement for Game Wardens"

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

'An Act to Change the Retirement Eligibility Requirement for Game Wardens and Marine Patrol Officers'

Further amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is immediately necessary to enact a special retirement plan for game wardens and marine patrol officers in order to provide retirement benefits comparable to those of other law enforcement officers, to encourage recruitment and retention of highly qualified employees and to protect the health, safety and welfare of the public; and

Whereas, before modifications in the retirement plan for game wardens and marine patrol officers may become effective, the Constitution of Maine requires that the full actuarial costs of those modifications be paid; and

COMMITTEE AMENDMENT

2 **Whereas**, it is necessary to transfer funds at the end of the
fiscal year from unappropriated surplus that would otherwise be
4 payable to the Retirement Allowance Fund in order to fund the
retirement modifications provided in this Act; and

6 **Whereas**, in the judgment of the Legislature, these facts
8 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
10 necessary for the preservation of the public peace, health and
safety; now, therefore, '

12 Further amend the bill by inserting after section 1 the
14 following:

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

18 **1-A. After August 31, 1984.** A law enforcement officer in
20 the Department of Marine Resources who was first employed in that
capacity after August 31, 1984 ~~and who elects the retirement~~
22 ~~option provided in section 17851, subsection 6-A~~ shall contribute
to the retirement system or have pick-up contributions made by
24 the employer as ~~provided in section 17852, subsection 6-A~~ at a
rate of 7.5% of earnable compensation until the law enforcement
26 officer has completed 25 years of creditable service and at a
rate of 6.5% thereafter.'

28 Further amend the bill by inserting after section 2 the
30 following:

32 '**Sec. 3. 5 MRSA §17851, sub-§6-A**, as amended by PL 1997, c.
769, §6, is further amended to read:

34 **6-A. Marine resources officers after August 31, 1984.**
36 ~~Except as provided in section 17851-A, a~~ A law enforcement
officer in the Department of Marine Resources who was first
38 employed in that capacity after August 31, 1984 or who, if
employed in that capacity before August 31, 1984, ceased to be
40 employed in that capacity on or before that date and who
subsequently became reemployed in that capacity after that date
42 qualifies for a service retirement benefit ~~upon reaching 55 years~~
~~of age~~ after completing at least 25 years of creditable service
44 in that capacity ~~if notice of election of the option and payment~~
~~of employee contributions and actuarial costs are made as~~
46 ~~provided in section 17852, subsection 6-A.'~~

48 Further amend the bill by striking out all of section 3 and
inserting in its place the following:

2 **'Sec. 3. 5 MRSA §17851-A, sub-§1, ¶¶A and B, as enacted by PL**
3 **1997, c. 769, §11, are repealed.'**

4
5 Further amend the bill in section 4 in subsection 2 in the
6 4th line (page 1, line 41 in L.D.) by striking out the
7 following: "A and C" and inserting in its place the following:
8 '-A- C'

9
10 Further amend the bill in section 5 in paragraph A in
11 subparagraph (1) in the 6th line (page 2, line 17 in L.D.) by
12 striking out the following: "A and C" and inserting in its place
13 the following: '-A- C'

14
15 Further amend the bill in section 6 in paragraph A in the
16 4th line (page 2, line 33 in L.D.) by striking out the
17 following: "A and C" and inserting in its place the following:
18 'C'

19
20 Further amend the bill in section 6 in paragraph A in the
21 9th line (page 2, line 38 in L.D.) by striking out the
22 following: "A and C" and inserting in its place the following:
23 'C'

24
25 Further amend the bill in section 6 in paragraph A in the
26 17th line (page 2, line 46 in L.D.) by striking out the
27 following: "A and C" and inserting in its place the following:
28 'C'

29
30 Further amend the bill in section 7 in paragraph B in the
31 5th line (page 3, line 17 in L.D.) by striking out the
32 following: "A and C" and inserting in its place the following:
33 '-A- C'

34
35 Further amend the bill in section 7 in paragraph B in the
36 10th line (page 3, line 22 in L.D.) by striking out the
37 following: "A and C" and inserting in its place the following:
38 '-A- C'

39
40 Further amend the bill in section 7 in paragraph B in
41 subparagraph (1) in the 6th and 7th lines (page 3, lines 34 and
42 35 in L.D.) by striking out the following: "A and C" and
43 inserting in its place the following: '-A- C'

44
45 Further amend the bill in section 7 in paragraph B in
46 subparagraph (1) in the 12th line (page 3, line 40 in L.D.) by
47 striking out the following: "A and C" and inserting in its place
48 the following: '-A- C'

49
50 Further amend the bill in section 7 in paragraph B in

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2 subparagraph (1) in the 19th and 20th lines (page 3, lines 47 and
48 in L.D.) by striking out the following: "A and C" and
4 inserting in its place the following: '-A- C'

6 Further amend the bill in section 7 in paragraph B in
subparagraph (2) in the 3rd line (page 4, line 16 in L.D.) by
striking out the following: "A and C" and inserting in its place
8 the following: '-A- C'

10 Further amend the bill in section 7 in paragraph B in
subparagraph (2) in the 8th and 9th lines (page 4, lines 21 and
12 22 in L.D.) by striking out the following: "A and C" and
inserting in its place the following: '-A- C'

14 Further amend the bill in section 7 in paragraph B in
subparagraph (2) in the 17th line (page 4, line 30 in L.D.) by
striking out the following: "A and C" and inserting in its place
18 the following: '-A- C'

20 Further amend the bill in section 8 in subsection 5 in the
3rd line (page 5, line 1 in L.D.) by striking out the
22 following: "A and C" and inserting in its place the following:
'-A- C'

24 Further amend the bill in section 9 in subsection 6 in the
26 2nd line (page 5, line 13 in L.D.) by striking out the
following: "6-A or"

28 Further amend the bill in section 9 in subsection 6 in the
30 5th line (page 5, line 16 in L.D.) by striking out the
following: "6-A or" and inserting in its place the following:
32 '6-A-~~or~~'

34 Further amend the bill in section 9 in subsection 6 in
paragraph A in the 3rd line (page 5, line 21 in L.D.) by striking
36 out the following: "6-A and" and inserting in its place the
following: '6-A-and'

38 Further amend the bill in section 9 in subsection 6 in
40 paragraph B in the 2nd line (page 5, line 30 in L.D.) by striking
out the following: "6-A or" and inserting in its place the
42 following: '6-A-~~or~~'

44 Further amend the bill in section 9 in subsection 6 in
paragraph C in the 2nd line (page 5, line 42 in L.D.) by striking
46 out the following: "6-A or" and inserting in its place the
following: '6-A-~~or~~'

48 Further amend the bill by inserting after section 11 the
50 following:

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

4
6 **6-A. Marine resources officers after August 31, 1984.**
7 ~~Except as provided in section 17851-A, the~~ The retirement benefit
8 of a person qualifying under section 17851, subsection 6-A who
9 retires upon or after ~~reaching 55 years of age~~ completing 25
10 years of service is computed in accordance with subsection 1 if+.

12 ~~A. The person was first employed as a law enforcement~~
13 ~~officer in the Department of Marine Resources on or after~~
14 ~~November 1, 1995, elects the option provided in section~~
15 ~~17851, subsection 6-A and pays to the retirement system an~~
16 ~~increased employee payroll contribution in an amount that~~
17 ~~equals the full actuarial cost of electing that option; or~~

18 ~~B. The person was first employed in that capacity before~~
19 ~~November 1, 1995, elects the option provided in section~~
20 ~~17851, subsection 6-A and pays to the retirement system by~~
21 ~~single or periodic payment of a lump sum or by a combination~~
22 ~~of single and periodic payments the amount that equals the~~
23 ~~full actuarial cost of electing that option for service~~
24 ~~before that date. A person who requests calculation of the~~
25 ~~full actuarial cost, regardless of whether the person elects~~
26 ~~the option, must pay to the retirement system by single lump~~
27 ~~sum payment the reasonable administrative costs of~~
28 ~~determining the full actuarial costs. Payment of the full~~
29 ~~actuarial cost related to service on or after November 1,~~
30 ~~1995 is made as part of the employee payroll contribution.~~

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

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

50 ~~This subsection is effective November 1, 1995. Election to~~

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~~retire under this subsection is a one-time irrevocable election. A person who was first employed as a law enforcement officer in the Department of Marine Resources on or after November 1, 1995 must make the election no later than 90 days after the date of 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.~~

Sec. 13. 5 MRSA §17852, sub-§6-B, as amended by PL 1997, c. 769, §15, is repealed.

Sec. 14. Effect on game wardens and marine patrol officers who previously elected to self-fund an early retirement option. The Maine State Retirement System shall refund the additional amount paid above the normal employee contribution rate plus interest on that amount from the date of payment to a person who is employed as a game warden or marine patrol officer on the effective date of this Act and who elected to 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 5-A or 6-A before it was amended by this Act or elected to exercise the option of retirement before 55 years of age under Title 5, section 17852, subsection 5-B or 6-B before it was repealed by this Act by paying the full actuarial cost of either of those options through an increased employee contribution to the Maine State Retirement System. The employee contribution rate from the effective date of this Act for a member who previously made one of the elections specified in this section is as provided in Title 5, section 17709-B for game wardens and section 17710-B for marine patrol officers.

Sec. 15. Funding of retirement benefits under this Act. Notwithstanding the provisions of the Maine Revised Statutes, Title 5, section 1517, the following provisions control the transfer of funds that would otherwise qualify for transfer to the Retirement Allowance Fund from the unappropriated surplus of the General Fund. At the close of fiscal year 2000-01 and, if necessary, fiscal year 2001-02, the State Controller shall transfer from the unappropriated surplus of the General Fund money to the Service Retirement Benefit Reserve established by Public Law 1997, chapter 740, section 4 an amount certified by the Maine State Retirement System as the full actuarial cost, including the increase in the unfunded liability of the Maine State Retirement System and the increase in the normal cost component of the employer rate for the fiscal year 2002-2003 biennium, of implementing sections 1 to 14 of this Act. Any remaining funds not needed to meet the requirements described in this section must be transferred to the Retirement Allowance Fund for the purposes described in Title 5, section 1517.

Sec. 16. Contingent effective date; actuarial cost. The provisions of sections 1 to 14 of this Act do not take effect until the Legislature takes additional action to direct payment of the full actuarial costs of those provisions as provided in section 15 to the Maine State Retirement System. The full actuarial costs of those provisions are currently estimated to be \$3,613,050, if paid by July 1, 2001, but may be adjusted upward if paid after that date. Sections 1 to 14 may not be construed to create any contractual claim or any other claim for any state employee.

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved, unless otherwise indicated.'

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

This bill removes law enforcement officers in the Department of Inland Fisheries and Wildlife and the Department of Marine Resources hired after September 1, 1984, from the current retirement plan and places them in a special plan. This plan change would increase the unfunded liability of the Maine State Retirement System. Pursuant to the Constitution of Maine, Article IX, Section 18-A, unfunded liabilities may not be created except those that result from experience losses.

Funding for this bill for the unfunded liability and the normal rate costs for the fiscal year 2002-2003 biennium is to come from transfers from the unappropriated surplus of the General Fund to the Service Retirement Benefit Reserve at the close of fiscal year 2000-01 and, if necessary, fiscal year 2001-02. The effective date of the plan change is dependent upon further legislative action.

If the effective date of the plan change were July 1, 2001, the system would require an estimated one-time General Fund appropriation of \$3,397,920 for the unfunded liability plus \$215,130 for the normal cost component. The normal cost component cost is the result of the increase to the employer retirement rate by 2.26% from 6.89% to 9.15%. If the payment is not made on the effective date, the retirement system actuary estimates interest would accrue at the rate of 8 percent per year compounded monthly.

2 If the effective date of the plan change were July 1, 2002,
given the current valuation data, the system would require an
4 estimated one-time General Fund appropriation of \$3,778,815 plus
the cost of the normal cost component. If payment was deferred,
6 interest would accrue as indicated above until full payment was
made. In addition, if the effective date were July 1, 2002, the
8 actual amounts for both the unfunded liability and normal cost
would have to be determined using the year 2001 valuation results.

10 As indicated above, the cost for the increase to the normal
12 cost component for the fiscal year 2002-2003 biennium is to be
paid by transfers from the unappropriated surplus of the General
14 Fund to the Service Retirement Benefit Reserve. Future costs
will require General Fund appropriations and Other Special
16 Revenue allocations to the Department of Inland Fisheries and
Wildlife and the Department of Marine Resources.'

20 SUMMARY

22 This amendment is the majority report of the Joint Standing
Committee on Labor. It adds coverage for the category of marine
24 patrol officers under the special retirement provisions for game
wardens contained in the bill. Under the amendment, game
26 wardens and marine patrol officers are removed from the 1998
Special Plan and provided with a retirement plan that offers full
28 retirement benefits after 25 years of service with no minimum
retirement age requirement. The new plan applies to newly hired
30 game wardens and marine patrol officers and is retroactive for
current game wardens and marine patrol officers hired after
32 1984. The amendment also makes technical corrections in the bill
and provides for full actuarial funding of the bill from the
34 unappropriated surplus of the General Fund. Finally, the
amendment adds an emergency preamble and clause and effective
36 date and a fiscal note to the bill.