

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 1910

S.P. 708

In Senate, December 17, 2001

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**An Act to Establish the Retired Teacher Health Insurance Contribution Fund.**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 17, 2001. Referred to the Committee on Labor and ordered printed pursuant to Joint Rule 308.2

A handwritten signature in cursive script that reads "Pamela L. Cahill".

PAMELA L. CAHILL  
Secretary of the Senate

Presented by Senator CATHCART of Penobscot.  
Cosponsored by Representative DAVIS of Falmouth and  
Senators: BROMLEY of Cumberland, DAVIS of Piscataquis, EDMONDS of Cumberland,  
KILKELLY of Lincoln, President Pro Tem MICHAUD of Penobscot, Senator ROTUNDO of  
Androscoggin, Representatives: PARADIS of Frenchville, SKOGLUND of St. George,  
THOMAS of Orono.

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

2  
4           **Sec. 1. 5 MRSA §1521** is enacted to read:

6           **§1521. Retired Teacher Health Insurance Contribution Fund**

8           **1. Fund established; increased State's contribution.** The  
10 Retired Teacher Health Insurance Contribution Fund is established  
12 under the control of the Department of Administrative and  
14 Financial Services to accumulate funds to increase the State's  
16 percentage of contribution toward payment of retired teachers'  
18 health insurance premiums under Title 20-A, section 13451,  
20 subsection 3. Annual increments of 5% in the State's  
22 contribution must be granted as funds available under subsection  
24 2 permit until 100% state funding is achieved.

26           **2. Funding.** Annually by June 30th, the State Employee  
28 Health Commission shall determine the amount required to fund the  
30 annual 5% increase in the State's contribution provided in  
32 subsection 1 and certify that amount to the State Controller.  
34 Following the close of each fiscal year, the State Controller  
36 shall transfer from the unappropriated surplus of the General  
38 Fund to the Retired Teacher Health Insurance Contribution Fund  
40 that amount or a lesser amount that constitutes the balance of  
42 the unappropriated surplus for that year after the transfer  
44 required in section 1517 and all other required transfers from  
46 the excess of total General Fund revenues received over accepted  
48 estimates in that fiscal year and all required deductions of  
appropriations, financial commitments, designated funds,  
transfers from the unappropriated surplus of the General Fund or  
transfers from the available balance remaining in the General  
Fund have been made. Annually beginning October 1, 2002 until  
100% funding is achieved, in any year in which there are  
sufficient funds in the Retired Teacher Health Insurance  
Contribution Fund, the Department of Administrative and Financial  
Services shall expend funds to increase the then current State's  
contribution by 5%. Notwithstanding section 285, subsection 3,  
in the year following any year in which that expenditure is made,  
the required state share of the funding for retired teachers'  
health insurance must be increased by 5% as part of the current  
services budget and funded from the General Fund. Funds of the  
Retired Teacher Health Insurance Contribution Fund also may  
include appropriations and allocations of the Legislature and  
direct billing rates charged to state departments and agencies  
and other participating jurisdictions. Once 100% state funding  
is achieved, transfers under this section must cease and any  
remaining balance in the Retired Teacher Health Insurance  
Contribution Fund must be transferred to the Retiree Health  
Insurance Internal Service Fund established in section 1519.

2           **Sec. 2. 20-A MRSA §13451, sub-§3**, as amended by PL 2001, c.  
439, Pt. PP, §2, is further amended to read:

4  
6           **3. Payment by State.** The State shall pay 30% of the  
retired teacher members' share of this insurance. Beginning July  
8           1, 2002, the State shall pay no less than 35% of the retired  
teacher members' share of this insurance, and, if the conditions  
10           set forth in Title 5, section 1521 are met, the State must pay  
the greater percentage required by that section.

12  
14   **SUMMARY**

16           This bill establishes the Retired Teacher Health Insurance  
Contribution Fund to pay for increasing the State's contribution  
18           toward payment of retired teachers' health insurance premiums by  
5% per year. Beginning July 1, 2002, the State pays 35% of those  
premium costs. The Retired Teacher Health Insurance Contribution  
20           Fund is funded by transfers from the unappropriated surplus of  
the General Fund.