

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 2006

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H.P. 1503

House of Representatives, December 26, 2001

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**An Act to Protect Retirement Income.**

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

Received by the Clerk of the House on December 19, 2001. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative COLWELL of Gardiner.  
Cosponsored by Senator MARTIN of Aroostook and  
Representatives: COTE of Lewiston, HUTTON of Bowdoinham, McDONOUGH of Portland,  
McGLOCKLIN of Embden, NORBERT of Portland, SMITH of Van Buren, STEDMAN of  
Hartland, TARAZEWICH of Waterboro.

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

2  
4       **Sec. 1. 3 MRSA §801, sub-§1**, as amended by PL 1989, c. 133, §7, is further amended to read:

6           **1. Membership mandatory.** Every Legislator serving in the  
8 Legislature on or after December 3, 1986, shall-be is a member of  
10 the Maine Legislative Retirement System, except that any  
12 Legislator who is a member of the Maine State Retirement System  
14 on December 2, 1986, may continue to be a member of that system  
16 instead of becoming a member of the Maine Legislative Retirement  
18 System, and any Legislator who is a public school teacher or an  
20 employee of the Vocational-Technical Institute System on leave of  
22 absence shall--continue for the purpose of serving in the  
24 Legislature continues to be a member of the Maine State  
26 Retirement System and to have contributions deducted from the  
member's legislative salary earnable compensation as provided by  
Title 5, section 17701. A Legislator who is the recipient of a  
retirement allowance from the Maine State Retirement System shall  
become becomes a member of the Maine Legislative Retirement  
System, but no creditable service granted under the Maine State  
Retirement System shall may be transferred to the Maine  
Legislative Retirement System. A member shall-cease ceases to be  
a member when the member withdraws the member's contributions,  
becomes a beneficiary as a result of the member's own retirement  
or dies.

28           **Sec. 2. 3 MRSA §806** is enacted to read:

30       **§806. Additional member contributions by certain members**

32           **1. Application.** This section applies to a Legislator who  
34 is a public school teacher or an employee of the  
Vocational-Technical Institute System who is on a leave of  
absence for the purpose of serving in the Legislature.

36           **2. Additional member contributions on difference in**  
38 **earnable compensation.** A Legislator subject to this section  
40 whose earnable compensation as a Legislator is less than the  
earnable compensation that would have been earned in the position  
42 from which the Legislator is on a leave of absence may make  
member contributions on the amount that represents the difference  
44 between the legislative earnable compensation received and the  
earnable compensation that would have been received in the  
position from which the Legislator is on a leave of absence.

46           **3. Maximum total earnable compensation; total member**  
48 **contributions.** The total earnable compensation on which a  
50 Legislator makes member contributions under this section may not  
be greater than the earnable compensation that the Legislator

1 would have received had the Legislator remained in the position  
2 from which the Legislator is on a leave of absence. The  
3 Legislator's total member contributions under this section may  
4 not be greater than the member contributions that would have been  
5 paid on the earnable compensation that the Legislator would have  
6 received had the Legislator remained in that position from which  
7 the Legislator is on a leave of absence.

8  
9 **4. Method of member contribution.** A Legislator may make  
10 member contributions under this section by either a single lump  
11 sum payment or by annual direct payments as provided by Title 5,  
12 section 17701, subsection 4.

13 **5. Interest.** If the Legislator makes member contributions  
14 under this section in the year in which the Legislator is on  
15 leave of absence, no interest accrues. If payment of member  
16 contributions under this section is made at any later time,  
17 interest accrues at a rate to be set by the board of trustees not  
18 to exceed regular interest by 5% or more, computed beginning at  
19 the end of the year in which the contributions would have been  
20 made to date of payment.

21  
22 **6. Written agreement.** A Legislator who elects to make  
23 additional member contributions under this section must enter  
24 into a written agreement with the Maine State Retirement System  
25 for the making of the contributions. The agreement must be in a  
26 form specified by the Maine State Retirement System and according  
27 to terms and procedures specified by the Maine State Retirement  
28 System.

29  
30 **Sec. 3. 5 MRSA §17701, sub-§5** is enacted to read:

31  
32 **5. Earnable compensation for certain members.** The earnable  
33 compensation of a public school teacher or employee of the  
34 Vocational-Technical Institute System who is on leave of absence  
35 for the purpose of serving as a Legislator is the total amount of  
36 earnable compensation upon which the teacher or employee makes  
37 member contributions as specified in and subject to the  
38 limitations of Title 3, section 801, subsection 1.

## 41 SUMMARY

42  
43 This bill preserves retirement benefits for teachers who  
44 serve in the Legislature. Under this bill, any Legislator who is  
45 a public school teacher or an employee of the  
46 Vocational-Technical Institute System who takes a leave of  
47 absence in order to serve as a Legislator may make contributions  
48 to the Maine State Retirement System on the amount that  
49 represents the difference between the salary earned as a  
50

2 . . . . . Legislator and the salary the Legislator would have received in  
the Legislator's job as a teacher.