MAINE STATE LEGISLATURE

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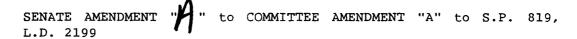
	L.D. 2199
2	DATE: April 9, 2002 (Filing No. S-6/8)
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6	Reproduced and distributed under the direction of the Secretary of the Senate.
8	STATE OF MAINE
10	SENATE SENATE 120TH LEGISLATURE
12	SECOND REGULAR SESSION
14	SENATE AMENDMENT " $\widehat{oldsymbol{ heta}}$ " to COMMITTEE AMENDMENT "A" to S.P.
16	819, L.D. 2199, Bill, "An Act to Address the Unfunded Liability of the Maine State Retirement System and the Equity of Retirement
18	Benefits for State Employees and Teachers"
20	Amend the amendment by inserting after the title the following:
22	
24	'Amend the bill by striking out all of the emergency preamble (page 1, lines 1 to 47 in L.D.)'
26	Further amend the amendment in first paragraph after the title in the first line (page 1, line 24 in amendment) by
28	striking out the following: "Amend" and inserting in its place the following: 'Further amend'
30	
	Further amend the amendment by striking out all of that part
32	designated "\$17160." (page 1, lines 28 to 40 in amendment) and
34	inserting in its place the following:
34	S17160. Minimum level of employer contribution
36	
	1. Portion of employer contribution. Beginning in fiscal
38	year 2002-03 and continuing until the unfunded liabilities of the
40	Maine State Retirement System attributable to state employees and
40	teachers, as defined in the Constitution of Maine, Article IX,

that purpose during the immediately preceding fiscal year.

Section 18-B, are retired, within the term provided in Section 18-B or within any shorter term provided by statute, the portion

of the employer contribution amount devoted to paying the

unfunded liabilities of the system attributable to state employees and teachers may not be less than the amount paid for





A. In circumstances in which the unfunded liability amount to be paid in a given year would be less than the amount paid in the immediately preceding year, the Board of Trustees of the Maine State Retirement System shall request the system's actuary to recommend a methodology to adjust plan funding in order to realize payment of the required amount. The methodology for adjustment must be actuarially sound in itself and may not jeopardize the actuarial soundness of the system or its funding.

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B. If the system's actuary determines pursuant to paragraph A that no methodology meeting the requirements of this subsection can be identified, then the requirement that the unfunded liability payment in a given year may not be less than the amount paid in the immediately preceding fiscal year applies only to the General Fund portion of the unfunded liability payment. A General Fund appropriation in the amount of the difference between the General Fund portions of the unfunded liability payment in the 2 years in question must be sought.'

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Further amend the amendment on page 3 by inserting after the 3rd indented paragraph the following:

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'Further amend the bill by striking out all of the emergency clause (page 4, lines 22 and 23 in L.D.)'

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FISCAL NOTE

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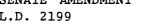
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This amendment requires that the amount that the State pays in a given year as the portion of the unfunded liability payment may not be less than the amount paid in the prior fiscal year for that purpose. In any year in which payment of the difference may be required, the Board of Trustees of the Maine State Retirement System will request the system's actuary to recommend a methodology to adjust the plan funding in an actuarially sound If the actuary recommends such a funding plan, all applicable funding sources shall pay their proportionate share. If the actuary does not recommend such a funding plan, a General Fund appropriation in the amount of the difference of the General Fund portion would need to be made. It is not expected that the amendment would have a fiscal impact in fiscal year 2002-03, as both the unfunded liability contribution rate and the State's projection of salaries are higher in fiscal year 2002-03 than in fiscal year 2001-02.

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SENATE AMENDMENT "#" to COMMITTEE AMENDMENT "A" to S.P. 819,



SUMMARY

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Committee Amendment "A" specified that the portion of the employer contribution rate devoted to paying the unfunded liabilities of the Maine State Retirement System may not be less than the rate paid during fiscal year 2001-02. This amendment instead specifies that the portion of the employer contribution amount may not be less than the amount paid during the immediately preceding fiscal year. If the unfunded liability amount would be less than the amount paid in the immediately preceding year, the Board of Trustees of the Maine State Retirement System is directed to recommend a methodology to adjust plan funding in order to realize payment of the required amount; if no such methodology can be identified, then a General Fund appropriation in the amount of the difference between the General Fund portions of the unfunded liability payment in the 2 years in question must be sought. This amendment also removes the emergency preamble and clause.

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(Senator GOLDTHWA

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COUNTY: Hancock

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