

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 881

H.P. 658

House of Representatives, February 20, 2003

### **An Act To Allow the Buyback of Active Duty Military Time for Maine State Retirement System Credit**

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Reference to the Committee on Labor suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative COWGER of Hallowell.  
Cosponsored by Senator GAGNON of Kennebec and  
Representatives: HEIDRICH of Oxford, KAELEN of Winterport, McCORMICK of West  
Gardiner, McKENNEY of Cumberland, PINEAU of Jay, THOMPSON of China, WATSON of  
Bath, Senator: TREAT of Kennebec.

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

2  
3       **Sec. 1. 5 MRSA §17760, sub-§2, ¶D,** as enacted by PL 1985, c.  
4 801, §§5 and 7, is amended to read:

6       ~~D. Except as provided in paragraph E, the~~ The member must  
7 have begun membership before January 1, 1976.

8  
9       **Sec. 2. 5 MRSA §17760, sub-§2, ¶E,** as amended by PL 2001, c.  
10 114, §2, is repealed.

12       **Sec. 3. 5 MRSA §17760, sub-§2, ¶G,** as enacted by PL 2001, c.  
13 114, §3, is amended to read:

14  
15       G. A member who fails to meet one or more of the terms and  
16 conditions required under paragraphs A, and D ~~and E~~ may  
17 purchase service credit as provided in this paragraph. The  
18 member must have at least 5 years of creditable service and,  
19 before any retirement benefit becomes effective for that  
20 member, must pay into the Members' Contribution Fund, by a  
21 single direct payment or annual direct payments to the  
22 retirement system, an amount that, together with regular  
23 interest on that amount, is the actuarial equivalent, at the  
24 effective date of the retirement benefit, of the portion of  
25 the retirement benefit based on the additional creditable  
26 service. Annual direct payments must be made in accordance  
27 with section 17701, subsection 4. Any member who purchases  
28 service credit under this paragraph who subsequently,  
29 without inclusion of the purchased service credit and prior  
30 to retirement, meets the terms and conditions of paragraphs  
31 A, and D ~~and E~~ is entitled to purchase the service credit  
32 under section 17713, subsection 2 and to receive a refund of  
33 the amount paid under this paragraph that exceeds the cost  
34 to purchase the service credit under section 17713.

36       **Sec. 4. 5 MRSA §18360, sub-§2, ¶D,** as enacted by PL 1985, c.  
37 801, §§5 and 7, is amended to read:

38       ~~D. Except as provided in paragraph E, the~~ The member must  
39 have begun membership before January 1, 1976.

42       **Sec. 5. 5 MRSA §18360, sub-§2, ¶E,** as amended by PL 2001, c.  
43 114, §5, is repealed.

44       **Sec. 6. 5 MRSA §18360, sub-§2, ¶F,** as enacted by PL 1985, c.  
45 801, §§5 and 7, is amended to read:

48       ~~F. Except for members qualifying under paragraph E, this~~  
49 This subsection:

(1) Applies to all persons, active or retired, but, for those already retired, the effective date of any adjustment shall may not be ~~not~~ earlier than the date on which the time or credit is certified to the retirement system; and

(2) Does not apply to any member who begins membership on or after January 1, 1976.

**Sec. 7. 5 MRSA §18360, sub-§2, ¶I,** as enacted by PL 2001, c. 114, §6, is amended to read:

I. A member who fails to meet one or more of the terms and conditions required under paragraphs A, and D ~~and--E~~ may purchase service credit as provided in this paragraph. The member must have at least 5 years of creditable service and, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund, by a single direct payment or annual direct payments to the retirement system, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Annual direct payments must be made in accordance with section 17701, subsection 4. Any member who purchases service credit under this paragraph who subsequently, without inclusion of the purchased service credit and prior to retirement, meets the terms and conditions of paragraphs A, and D ~~and--E~~ is entitled to purchase the service credit under section 18311, subsection 2 and to receive a refund of the amount paid under this paragraph that exceeds the cost to purchase the service credit under section 18311.

## SUMMARY

Public Law 2001, chapter 114 enacted an exception to the law to allow members of the Maine State Retirement System who didn't have the necessary service during a "federally recognized period of conflict" to buy back service credit for service in the United States Armed Forces by paying the actuarial cost of the portion of the retirement benefit based on the additional creditable service. This bill instead merely removes the requirement that members seeking to buy back service credit for service in the United States Armed Forces have served in a federally recognized period of conflict to be eligible to purchase military service credit.