

MAINE STATE LEGISLATURE

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RAIS

L.D. 1009

DATE: 5-22-03

(Filing No. H-517)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 730, L.D. 1009, Bill, "An Act Concerning Retirement Benefits for State Employees"

Amend the amendment by striking out all of the first indented paragraph after the title and section 2 (page 1, lines 22 to 46 in amendment) and inserting in their place the following:

'Amend the bill in section 1 in paragraph A in the 18th line (page 1, line 23 in L.D.) by inserting after the following: "1993 or" the following: ', if a member elects to make the payment as set forth in section 17704-B, '

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

'Sec. 2. 5 MRSA §17704-B is enacted to read:

§17704-B. Back contributions for certain days off without pay

1. Election. If the retirement system determines at the time a member retires that the member's benefit would be increased as a result of the inclusion of compensation that would have been paid for fiscal year 2002-03 days off without pay as provided in section 17001, subsection 4, paragraph A, the retirement system shall advise the member of that result and shall allow the member to elect to have that compensation included in the calculation of the person's benefit and to make payments set forth in subsection 2.

HOUSE AMENDMENT

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2 2. Payment. The amount that a member who makes the
4 election permitted in subsection 1 must pay is the amount equal
6 to the employee contribution that person would have made on wages
8 that would have been paid to that person on the days off without
10 pay during the 2002-03 fiscal year as provided in section 17001,
12 subsection 4, paragraph A, plus interest at the same rate as that
14 required for payment of back contributions pursuant to section
16 17704, subsection 3. If the member elects to make the payment,
18 the retirement system shall withhold the required amount from the
20 member's first retirement benefit check.

2 3. Benefit calculation. If the member fails to make the
4 election within 31 days of the notification provided under
6 subsection 1, the retirement system shall calculate the member's
8 retirement benefit without inclusion of the days off without pay
10 during the 2002-03 fiscal year as provided in section 17001,
12 subsection 4, paragraph A.

20 **Sec. 3. Employee contribution; transition.** A member of the Maine
22 State Retirement System who retired before the effective date of
24 this Act may ask the retirement system to determine whether
26 inclusion of the wages from days off without pay as provided in
28 the Maine Revised Statutes, Title 5, section 17001, subsection 4,
30 paragraph A would increase that member's retirement benefit. If
32 it would, the retirement system shall allow the retiree to make
34 an election and payments as provided in Title 5, section
36 17704-B. A retiree is not entitled to retroactive payment of any
38 increase in the benefit resulting from inclusion of the days off
40 without pay.' '

32 Further amend the amendment by relettering or renumbering
34 any nonconsecutive Part letter or section number to read
36 consecutively.

SUMMARY


38 This amendment allows members of the Maine State Retirement
40 System to elect whether to make the payment necessary to have the
42 compensation from days off without pay included in their average
44 final compensation. If the payment is not made at the member's
46 election, the compensation from those days off is not included in
calculating the member's retirement benefit. As in Committee
Amendment "A," this amendment allows persons who retired before
the effective date of this bill as amended to ask for a

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determination of whether the inclusion would increase their
retirement benefit and to enable them to make the same election.

FISCAL NOTE REQUIRED
(See attached)

SPONSORED BY: 
(Representative W. SMITH)

TOWN: Van Buren

**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1009

An Act Concerning Retirement Benefits for State Employees



LR 1654(05)

Fiscal Note for House Amendment " " to Committee Amendment "A"

Sponsor: Rep. Smith of Van Buren

Fiscal Note Required: Yes

Fiscal Note

No fiscal impact.

Fiscal Detail and Notes

This amendment allows members to choose whether to make the employee contributions necessary to include the earnings from the shutdown days in the fiscal year beginning July 1, 2002 in the calculation of their average final compensation. Assuming that all members who could take advantage of this option would do so, there is no change the estimate of the employer contributions developed by the Maine State Retirement System.