MAINE STATE LEGISLATURE

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2	DATE: 5-19-03 (Filing No. H-441)	
4	MAJORITY	
6	LABOR	
8		
10	December 2 and distributed under the discretion of the Class	
10	Reproduced and distributed under the direction of the Cler the House.	K OI
12	STATE OF MAINE	
14	HOUSE OF REPRESENTATIVES 121ST LEGISLATURE	
16	FIRST REGULAR SESSION	
18	COMMITTEE AMENDMENT " to H.P. 730, L.D. 1009, Bill,	
20	COMMITTEE AMENDMENT "[" to H.P. 730, L.D. 1009, Bill, Act Concerning Retirement Benefits for State Employees"	"An
22	Amend the bill by inserting at the end before the sum the following:	mary
24	•	
26	'Sec. 2. Employee contribution. If the Maine State Retire System determines at the time a member retires that the member	
20	benefit would be increased as a result of the inclusion	
28	compensation that would have been paid for fiscal year 200 days off without pay, as provided in the Maine Revised Statu	
30	Title 5, section 17001, subsection 4, paragraph A, the retire	
3 2	system shall deduct from that member's first retirement bencheck an amount equal to the employee contribution that pe	
	would have made on the wages that would have been paid to	
34	person on the days off without pay during the 2002-03 fi year, plus interest at the same rate as that required for pay	
36	of back contributions pursuant to Title 5, section 17704.	menc
38	A member who retired before the effective date of this	Act
	may ask the retirement system to determine whether inclusio	
40	the wages from those days off without pay would increase member's retirement benefit and, if so, the retirement sy	
42	shall recalculate that person's benefit, begin paying the hi	
	amount to that person and deduct the contribution describe	
44	this section from the next retirement check of that person. person is not entitled to any retroactive payment of the hi	The aher
46	benefit amount.	Arrer
48	Sec. 3. Appropriations and allocations. The follow	wina
	appropriations and allocations are made. Funds must	be

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COMMITTEE AMENDMENT " to H.P. 730, L.D. 1009

transferred to the Maine State Retirement System on or immediately after the effective date of this Act.

4 MAINE STATE RETIREMENT SYSTEM, BOARD OF TRUSTEES OF THE

6 Retirement Allowance Fund 0085

8 Initiative: Provides funds for the employer's share of the costs associated with those current and future retirees for whom it is expected that fiscal year 2002-03 could be one of the average final compensation years used in the benefit calculation.

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General Fund		2003-04	2004-05	
14	All Other	\$76,081	\$0	
16	General Fund Total	\$76,081	\$0'	

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SUMMARY

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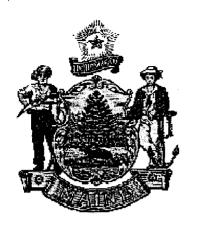
This amendment provides the funding necessary so that the inclusion of unpaid furlough days in the average final compensation of certain members will not create an unfunded liability for the Maine State Retirement System. It provides for an immediate appropriation of \$76,081 to represent the employer contribution and requires employees who gain a higher retirement benefit as a result of the bill to make up the missed employee contribution, plus interest, when they retire.

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FISCAL NOTE REQUIRED (See attached)

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121st Maine Legislature Office of Fiscal and Program Review

LD 1009

An Act Concerning Retirement Benefits for State Employees

LR 1654(03)

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Labor
Fiscal Note Required: Yes

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings) General Fund	\$76,081	\$0	\$0	\$0
Appropriations/Allocations General Fund	\$76,081	\$0	\$0	\$0

Fiscal Detail and Notes

This bill revises the definition of average final compensation such that no reduction will be experienced for the days without pay required for state employees during the fiscal year beginning July 1, 2002. This legislation requires only those retirees for whom the inclusion of shutdown day earnings would result in an increased retirement benefit to pay the employee contributions associated with those lost earnings and allows for those missed contributions and accrued interest to be deducted from a retiree's first benefit check. This bill includes a one-time General Fund appropriation of \$76,081 in fiscal year 2003-04 to the Maine State Retirement System for the payment of the employer contributions associated with the shutdown earnings to be included in the calculation of retirement benefits. This appropriation is based on an estimate, developed by the Maine State Retirement System, that reflects the amount of employer contributions associated with those current and future retirees for whom it is expected that fiscal year 2002-03 could be one of the average final compensation years used in the benefit calculation.