

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1248

H.P. 922

House of Representatives, March 6, 2003

### **An Act Concerning Disability Retirement Benefits under the Maine State Retirement System**

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Reference to the Committee on Labor suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative DUNLAP of Old Town.  
Cosponsored by Senator CATHCART of Penobscot.

2  
3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 5 MRSA §18530, sub-§4, ¶B,** as enacted by PL 1989, c.  
409, §§11 and 12, is amended to read:

6 B. The reduction in the disability retirement benefit is  
governed as follows:

8  
9 (1) The initial disability retirement benefit shall  
10 must be reduced if necessary so that the benefit plus  
any benefits under paragraph A do not exceed 80% of the  
12 person's average final--compensation annual earnings.  
For the purposes of this subparagraph, "average annual  
14 earnings" means the total of the person's average final  
compensation plus other wages and earnings for the  
16 calendar year in which the person has the highest total  
of other wages and earnings during the 5 years  
18 immediately preceding the year in which the person  
became disabled;

20  
21 (2) The amount determined by the calculation under  
22 subparagraph (1) shall not be adjusted when  
cost-of-living adjustments are applied to the benefits  
24 listed under paragraph A; and

26 (3) Adjustments under section 18407 shall be applied  
to the reduced disability retirement benefit calculated  
28 under subparagraph (1) or paragraph C.

30  
31 **SUMMARY**

32  
33 This bill limits the reduction of a disability retiree's  
34 benefit under the Maine State Retirement System for disability  
retirees who are collecting benefits under either or both the  
36 United States Social Security System or workers' compensation  
laws and the retirement system. Under current law, the  
38 retirement system benefit in such cases is reduced to an amount  
that added to the benefits collected under the United States  
40 Social Security System or workers' compensation laws does not  
exceed 80% of the disability retiree's average final compensation  
42 under the retirement system. The bill reduces the benefit to an  
amount that does not exceed 80% of the disability retiree's total  
44 average annual wages and earnings prior to being disabled,  
including employment not covered by the retirement system.