

MAINE STATE LEGISLATURE

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M
R. 1903

L.D. 1501

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(Filing No. S-179)

LABOR

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STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 501, L.D. 1501, Bill, "An Act To Amend the Laws Relating to the Maine State Retirement System"

Amend the bill by striking out all of sections 4 to 9 and inserting in their place the following:

Sec. 4. 5 MRSA §17911 is enacted to read:

§17911. Rehabilitation

Upon agreement of the executive director and the person, rehabilitation services may be provided to any person who is the recipient of a disability retirement benefit under this article as a means to the person being able to return to substantially gainful activity. As a condition of entering into an agreement to provide rehabilitation services, the executive director must determine that rehabilitation is feasible, that rehabilitation is consistent with the purposes of this article, that the recipient is suitable for rehabilitation services and that rehabilitation services are likely to lead to substantially gainful activity. When appropriate, determination of suitability must include consultation with the medical board to determine any medical indications that the recipient should not engage in a rehabilitation program or to identify a recipient too severely disabled to benefit from rehabilitation services in accordance with the purposes of this article. Services must be provided by private and public rehabilitation counselors, government agencies

COMMITTEE AMENDMENT

and others approved by the executive director as qualified to provide rehabilitation services. The executive director shall consider a rehabilitation counselor's rate of successfully placing rehabilitated employees in jobs relative to the placement rates of other counselors in the State as fundamental in deciding whether to approve the counselor as qualified. This section does not affect the ongoing requirement that a person remain disabled in order to continue to receive disability benefits.

For the purposes of this section, "person" means any person who is the recipient of a disability retirement benefit.

1. Rehabilitation plan. If the executive director makes the determinations necessary to provide rehabilitation services under this section and rehabilitation agreed to by the parties, the retirement system shall designate a rehabilitation provider to evaluate the person and develop a rehabilitation plan.

2. Costs. The executive director may contract with rehabilitation providers to develop and carry out approved rehabilitation plans.

A. Except as provided in paragraph B, the executive director shall pay these providers from funds accumulated in the Retirement Allowance Fund, established under section 17251.

B. If the person is entitled to other benefits to meet the cost of rehabilitation services, that person must first apply for and use those benefits to the extent available to pay for the goods and services provided.

3. Approval of rehabilitation plan. The executive director and the person shall approve any rehabilitation plan developed under subsection 1 and shall indicate in writing their approval of and agreement to the rehabilitation plan. The person shall approve the plan within 30 days or, within that time period, submit to the executive director the name of an alternate provider for the executive director's consideration. If the rehabilitation plan includes return to employment with the employer for whom the person worked before becoming disabled, the employer also shall indicate in writing approval of the plan.

4. Monitoring of rehabilitation plan. Each rehabilitation plan approved by the executive director must contain a provision for periodic review of progress being made by the person toward achieving the goal of the plan and substantially gainful activity. The provision relating to review must include authority for the executive director to terminate the plan or to amend the plan with the same provider or with a change of

provider, based upon results of the review or at the request of the person or the provider. Subsections 1, 2 and 3 apply to any amended plans under this subsection. A person is entitled to a single rehabilitation plan during the course of the person's incapacity except when the person demonstrates that a termination of the plan was reasonable and for good cause. Any entitlement to amend a rehabilitation plan or establish a new plan ends with a determination by the executive director that the person is no longer disabled.

5. Return to service. If the rehabilitation plan includes return to employment with the person's former employer, that person must be reemployed in accordance with the plan. The executive director shall notify the former employer, in writing, that the person has completed the rehabilitation plan and is ready to return to employment. The former employer shall reemploy the person in the first available position for which that person is qualified, taking into consideration that person's prior compensation and benefits, training, education and experience, including training and education received under that person's rehabilitation plan.

6. Employment exception. A person is not required to accept employment that reasonably necessitates relocation or for which the person is not qualified, taking into consideration that person's prior compensation and benefits, training, education and experience, including training and education received under that person's rehabilitation plan. The disability retirement benefit may not be discontinued except as provided by section 17929 or until the person is reemployed consistent with this section.

Sec. 5. 5 MRSA §17927, as amended by PL 1995, c. 643, §§12 and 13, is further amended to read:

§17927. Rehabilitation

Rehabilitation Upon agreement of the executive director and the person, rehabilitation services must may be provided to any person who is the recipient of a disability retirement benefit under this article whenever as a means to the person being able to return to substantially gainful activity. As a condition of entering into an agreement to provide rehabilitation services, the executive director determines must determine that rehabilitation is feasible, that rehabilitation is consistent with the purposes of this article and, that the recipient is suitable for rehabilitation services and that rehabilitation services are likely to lead to substantially gainful activity. When necessary appropriate, determination of suitability must include consultation with the medical board to determine any medical indications that the recipient should not engage in a

2 rehabilitation program or to identify a recipient too severely
3 disabled to benefit from rehabilitation services in accordance
4 with the purposes of this article. Services must be provided by
5 private and public rehabilitation counselors, government agencies
6 and others approved by the executive director as qualified to
7 provide rehabilitation services. The executive director shall
8 consider a rehabilitation counselor's rate of successfully
9 placing rehabilitated employees in jobs relative to the placement
10 rates of other counselors in the State as fundamental in deciding
11 whether to approve the counselor as qualified. This section does
12 not affect the ongoing requirement that a person remain disabled
13 in order to continue to receive disability benefits.

14 For the purposes of this section, "person" means any person
15 who is the recipient of a disability retirement benefit.

16
17 **1. Rehabilitation plan.** If the executive director makes
18 the determinations necessary to provide rehabilitation services
19 under this section and rehabilitation is feasible and recommended
20 agreed to by the parties, the retirement system shall designate a
21 rehabilitation provider to evaluate the person and develop a
22 rehabilitation plan.

23
24 **2. Costs.** The executive director may contract with
25 rehabilitation providers to develop and carry out approved
26 rehabilitation plans.

27
28 A. Except as provided in paragraph B, the executive
29 director shall pay these providers from funds accumulated in
30 the ~~Disability-Retirement-Benefit-Fund~~ Retirement Allowance
31 Fund, established under section 17251.

32
33 B. If the person is entitled to other benefits to meet the
34 cost of rehabilitation services, that person must first
35 apply for and use those benefits to the extent available to
36 pay for the goods and services provided.

37
38 **3. Approval of rehabilitation plan.** The executive director
39 and the person shall approve any rehabilitation plan that--the
40 executive-director-finds-to-be-in-the-person's-best-interest-and
41 consistent-with-the-purposes-of-this-article.--The-person-and-the
42 executive-director-shall developed under subsection 1 and shall
43 indicate in writing their approval of and agreement to the
44 submitted rehabilitation plan. The person shall approve the plan
45 within 30 days or, within that time period, submit to the
46 executive director the name of an alternate provider for the
47 executive director's consideration. If the rehabilitation plan
48 includes return to employment with the employer for whom the
49 person worked before becoming disabled, the employer shall also
50 indicate in writing approval of the plan.

~~4. -- Decline of rehabilitation. -- If a person declines use of the rehabilitation services offered or refuses to agree to a rehabilitation plan approved by the executive director, the disability retirement benefit payments cease at the end of the month following the decline or refusal.~~

~~A. -- The executive director shall notify the person in writing of the decision to discontinue the disability retirement benefit.~~

~~B. -- The decision is subject to appeal under section 17451.~~

~~C. -- If the person appeals the executive director's decision, the disability retirement allowance may not be discontinued until all appeals have been exhausted.~~

5. Monitoring of rehabilitation plan. Each rehabilitation plan approved by the executive director shall contain a provision for periodic review of progress being made by the person toward achieving the goal of the plan and substantially gainful activity. The provision relating to review shall must include authority for the executive director to terminate the plan or to amend the plan with the same provider or with a change of provider, based upon results of the review or at the request of the person or the provider. Subsections 1, 2, and 3 and 4 shall apply to any amended plans under this subsection. A person is entitled to a single rehabilitation plan during the course of the person's incapacity, except when the person demonstrates that a termination of the plan was reasonable and for good cause. Any entitlement to amend a rehabilitation plan or establish a new plan ends with a determination by the executive director that the person is no longer disabled.

6. Return to service. If the rehabilitation plan includes return to employment with the person's former employer, that person must be reemployed in accordance with the plan. The executive director shall notify the former employer, in writing, that the person has completed the rehabilitation plan and is ready to return to employment. The former employer shall reemploy the person in the first available position for which that person is qualified, taking into consideration that person's prior compensation and benefits, training, education and experience, including training and education received under that person's rehabilitation plan.

7. Other employment under system. A person is not required to accept employment that reasonably necessitates relocation or for which the person is not qualified, taking into consideration that person's prior compensation and benefits, training,

education and experience, including training and education received under that person's rehabilitation plan. The disability retirement benefit may not be discontinued except as provided by section 17929 or until the person is reemployed consistent with this section.'

Further amend the bill by striking out all of sections 14 to 19 and inserting in their place the following:

'Sec. 14. 5 MRSA §18512 is enacted to read:

§18512. Rehabilitation

Upon agreement of the executive director and the person, rehabilitation services may be provided to any person who is the recipient of a disability retirement benefit under this article as a means to the person being able to return to substantially gainful activity. As a condition of entering into an agreement to provide rehabilitation services, the executive director must determine that rehabilitation is feasible, that rehabilitation is consistent with the purposes of this article, that the recipient is suitable for rehabilitation services and that rehabilitation services are likely to lead to substantially gainful activity. When appropriate, determination of suitability must include consultation with the medical board to determine any medical indications that the recipient should not engage in a rehabilitation program or to identify a recipient too severely disabled to benefit from rehabilitation services in accordance with the purposes of this article. Services must be provided by private and public rehabilitation counselors, government agencies and others approved by the executive director as qualified to provide rehabilitation services. The executive director shall consider a rehabilitation counselor's rate of successfully placing rehabilitated employees in jobs relative to the placement rates of other counselors in the State as fundamental in deciding whether to approve the counselor as qualified. This section does not affect the ongoing requirement that a person remain disabled in order to continue to receive disability benefits.

For the purposes of this section, "person" means any person who is the recipient of a disability retirement benefit.

1. Rehabilitation plan. If the executive director makes the determinations necessary to provide rehabilitation services under this section and rehabilitation agreed to by the parties, the retirement system shall designate a rehabilitation provider to evaluate the person and develop a rehabilitation plan.

2. Costs. The executive director may contract with rehabilitation providers to develop and carry out approved rehabilitation plans.

- 2 A. Except as provided in paragraph B, the executive
4 director shall pay these providers from funds accumulated in
 the Retirement Allowance Fund, established under section
6 17251.
- 8 B. If the person is entitled to other benefits to meet the
 cost of rehabilitation services, that person must first
10 apply for and use those benefits to the extent available to
 pay for the goods and services provided.
- 12 3. Approval of rehabilitation plan. The executive director
 and the person shall approve any rehabilitation plan developed
14 under subsection 1 and shall indicate in writing their approval
 of and agreement to the rehabilitation plan. The person shall
16 approve the plan within 30 days or, within that time period,
 submit to the executive director the name of an alternate
18 provider for the executive director's consideration. If the
 rehabilitation plan includes return to employment with the
20 employer for whom the person worked before becoming disabled, the
 employer also shall indicate in writing approval of the plan.
22
- 24 4. Monitoring of rehabilitation plan. Each rehabilitation
 plan approved by the executive director must contain a provision
26 for periodic review of progress being made by the person toward
 achieving the goal of the plan and substantially gainful
28 activity. The provision relating to review must include
 authority for the executive director to terminate the plan or to
30 amend the plan with the same provider or with a change of
 provider, based upon results of the review or at the request of
32 the person or the provider. Subsections 1, 2 and 3 apply to any
 amended plans under this subsection. A person is entitled to a
34 single rehabilitation plan during the course of the person's
 incapacity except when the person demonstrates that a termination
36 of the plan was reasonable and for good cause. Any entitlement
 to amend a rehabilitation plan or establish a new plan ends with
38 a determination by the executive director that the person is no
 longer disabled.
- 40 5. Return to service. If the rehabilitation plan includes
 return to employment with the person's former employer, that
42 person must be reemployed in accordance with the plan. The
 executive director shall notify the former employer, in writing,
44 that the person has completed the rehabilitation plan and is
 ready to return to employment. The former employer shall
46 reemploy the person in the first available position for which
 that person is qualified, taking into consideration that person's
48 prior compensation and benefits, training, education and
 experience, including training and education received under that
50 person's rehabilitation plan.

2 6. Employment exception. A person is not required to
4 accept employment that reasonably necessitates relocation or for
6 which the person is not qualified, taking into consideration that
8 person's prior compensation and benefits, training, education and
10 experience, including training and education received under that
12 person's rehabilitation plan. The disability retirement benefit
14 may not be discontinued except as provided by section 17929 or
16 until the person is reemployed consistent with this section.

18 Sec. 15. 5 MRSA §18527, as amended by PL 1995, c. 643, §§24
20 and 25, is further amended to read:

22 **§18527. Rehabilitation**

24 Rehabilitation Upon agreement of the executive director and
26 the person, rehabilitation services must may be provided to any
28 person who is the recipient of a disability retirement benefit
30 under this article if as a means to the person being able to
32 return to substantially gainful activity. As a condition of
34 entering into an agreement to provide rehabilitation services,
36 the executive director determines must determine that
38 rehabilitation is feasible, that rehabilitation is consistent
40 with the purposes of this article and, that the recipient is
42 suitable for rehabilitation services and that rehabilitation
44 services are likely to lead to substantially gainful activity.
46 When necessary appropriate, determination of suitability must
48 include consultation with the medical board to determine any
50 medical indications that the recipient should not engage in a
 rehabilitation program or to identify a recipient too severely
 disabled to benefit from rehabilitation services in accordance
 with the purposes of this article. Services must be provided by
 private and public rehabilitation counselors, government agencies
 and others approved by the executive director as qualified to
 provide rehabilitation services. The executive director shall
 consider a rehabilitation counselor's rate of successfully
 placing rehabilitated employees in jobs relative to the placement
 rates of other counselors in the State as fundamental in deciding
 whether to approve the counselor as qualified. This section does
 not affect the ongoing requirement that a person remain disabled
 in order to continue to receive disability benefits.

For the purposes of this section, "person" means any person
 who is the recipient of a disability retirement benefit.

1. Rehabilitation plan. If the executive director makes
 the determinations necessary to provide rehabilitation services
 under this section and rehabilitation is feasible-and-recommended
 agreed to by the parties, the retirement system shall designate a
 rehabilitation provider to evaluate the person and develop a
 rehabilitation plan.

2 **2. Costs.** The executive director may contract with
4 rehabilitation providers to develop and carry out approved
rehabilitation plans.

6 A. Except as provided in paragraph B, the executive
8 director shall pay these providers from funds accumulated in
the ~~Disability-Retirement-Benefit-Fund~~ Retirement Allowance
10 Fund, established under section 17251.

12 B. If the person is entitled to other benefits to meet the
14 cost of rehabilitation services, that person must first
apply for and use those benefits to the extent available to
pay for the goods and services provided.

16 **3. Approval of rehabilitation plan.** The executive director
18 and the person shall approve any rehabilitation plan the
~~executive director finds to be in the person's best interest and~~
~~consistent with the purposes of this article. The person and the~~
20 ~~executive director shall~~ developed under subsection 1 and shall
22 indicate in writing their approval of and agreement to the
submitted rehabilitation plan. The person shall approve the plan
24 within 30 days or, within that time period, submit to the
executive director the name of an alternate provider for the
26 executive director's consideration. If the rehabilitation plan
includes return to employment with the employer for whom the
28 person worked before becoming disabled, the employer shall also
indicate in writing approval of the plan.

30 ~~**4. Decline of rehabilitation.** If a person declines use of~~
~~the rehabilitation services offered or refuses to agree to a~~
32 ~~rehabilitation plan approved by the executive director, the~~
~~disability retirement benefit payments cease at the end of the~~
34 ~~month following the decline or refusal.~~

36 ~~A. The executive director shall notify the person in~~
~~writing of the decision to discontinue the disability~~
38 ~~retirement benefit.~~

40 ~~B. The decision is subject to appeal under section 17451.~~

42 ~~C. If the person appeals the executive director's decision,~~
~~the disability retirement allowance may not be discontinued~~
44 ~~until all appeals have been exhausted.~~

46 **5. Monitoring of rehabilitation plan.** Each rehabilitation
48 plan approved by the executive director shall contain a provision
for periodic review of progress being made by the person toward
50 achieving the goal of the plan and substantially gainful
activity. The provision relating to review shall must include

2 authority for the executive director to terminate the plan or to
3 amend the plan with the same provider or with a change of
4 provider, based upon results of the review or at the request of
5 the person or the provider. Subsections 1, 2, and 3 and 4 shall
6 apply to any amended plans under this subsection. A person is
7 entitled to a single rehabilitation plan during the course of the
8 person's incapacity, except when the person demonstrates that a
9 termination of the plan was reasonable and for good cause. Any
10 entitlement to amend a rehabilitation plan or establish a new
11 plan ends with a determination by the executive director that the
12 person is no longer disabled.

13
14 **6. Return to service.** If the rehabilitation plan includes
15 return to employment with the person's former employer, that
16 person must be reemployed in accordance with the plan. The
17 executive director shall notify the former employer, in writing,
18 that the person has completed the rehabilitation plan and is
19 ready to return to employment. The former employer shall
20 reemploy the person in the first available position for which
21 that person is qualified, taking into consideration that person's
22 prior compensation and benefits, training, education and
23 experience, including training and education received under that
24 person's rehabilitation plan.

25
26 **7. Other employment under system.** A person is not required
27 to accept employment that reasonably necessitates relocation or
28 for which the person is not qualified, taking into consideration
29 that person's prior compensation and benefits, training,
30 education and experience, including training and education
31 received under that person's rehabilitation plan. The disability
32 retirement benefit may not be discontinued except as provided by
33 section 18529 or until the person is reemployed consistent with
34 this section.'

35
36 Further amend the bill by inserting after section 21 the
37 following:

38 'Sec. 22. PL 2001, c. 442, §5, as amended by PL 2001, c. 557, §1
39 and c. 699, §7, is further amended to read:

40
41 **Sec. 5. Status of employees who have retired and returned to covered**
42 **employment under the Maine State Retirement System; choice to retire**
43 **rather than continue to work.** Notwithstanding the Maine Revised
44 Statutes, Title 5, section 17651 and section 17652, recipients of
45 a service retirement benefit from the Maine State Retirement
46 System who have returned to covered employment under the
47 retirement system in a position that would otherwise be covered
48 by the retirement plan for state employees and teachers may not
49 ~~contribute--to~~ rejoin the retirement system, do not earn
50 creditable service for their employment after retirement and do

2 not earn any additional retirement benefits as a result of that
3 employment. By retiring from a position covered under the
4 retirement system, an employee exercises that employee's choice
5 between continuing to work and thereby continuing to accrue
6 retirement service credit and, potentially, an increased earnable
7 compensation, and retiring, with both service credit and earnable
8 compensation thereby becoming fixed. The employee's retirement
9 constitutes the employee's knowing and voluntary waiver of any
10 claim of any nature under federal or state law with respect to
11 retirement system service credit or earnable compensation related
12 to return to employment after retirement. They Recipients of a
13 service retirement benefit from the retirement system may
14 participate in other retirement options available to similar
15 employees, including the state program of tax-deferred
16 arrangements under Title 5, chapter 67, at the discretion of
17 their employer. For purposes of participation in the state
18 employee health insurance program pursuant to the Maine Revised
19 Statutes, Title 5, section 285 or in dental health insurance
20 coverage offered by the State, recipients of a service retirement
21 benefit under the Maine State Retirement System who are retired
22 state employees and who are reemployed as state employees must be
23 treated as retirees under section 285, subsection 1-A for
24 purposes of eligibility for coverage under the group plan. A
25 recipient of a service retirement benefit under the Maine State
26 Retirement System who is a retired teacher and who returns to
27 work as a teacher under this Act is eligible for coverage under
28 the group health insurance plan for active teachers in the school
29 administrative unit in which newly employed. For purposes of
30 participation in the group accident and sickness or health
31 insurance for retired teachers pursuant to Title 20-A, section
32 13451, a recipient of a service retirement benefit under the
33 Maine State Retirement System who is a retired teacher who
34 returns to work under this Act is eligible upon ceasing work to
35 return to coverage under the group health insurance plan in
36 effect for active teachers in the school unit from which the
37 teacher originally retired, including state payment of a
38 percentage of the premium cost under section 13451.

39 **Sec. 23. PL 2001, c. 442, as amended by PL 2001, c. 557, §1 and**
40 **c. 699, §7, is further amended by adding at the end the following:**

41 **Sec. 6. Interpretation and application; rulemaking. The**
42 **provisions of this Act that establish the opportunity to retire**
43 **from a position covered under the retirement system and to**
44 **thereafter return to work in a position covered under the**
45 **retirement system with no reduction of retirement benefits or**
46 **limitation on compensation must be interpreted and applied in a**
47 **manner that meets applicable requirements of federal law and**
48 **regulation, including, but not limited to, the Internal Revenue**

Code and Internal Revenue Service regulations. The retirement system shall adopt rules for the interpretation and application of the provisions that reflect these requirements. Rules adopted under this section are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

Sec. 7. Reporting requirements. Retirement system employers are required to identify and report to the retirement system, in the manner specified by the retirement system, each individual who is a retiree who becomes an employee of the employer. The employer shall report each such employee whenever and so long as an employee is the employer's employee. The employer shall inquire of individuals hired to ascertain whether an individual is a retiree and the individual shall disclose that. "Employer" includes the State, all school administrative units and all participating local districts. "Employee" means an already retired individual receiving a Maine State Retirement System retirement benefit, regardless of the retirement system plan retired under, who after retirement is employed by an employer as defined in this section. "Retiree" means to receive a retirement benefit from the retirement system. "Retiree" means an individual who receives a retirement benefit from the retirement system under any of the retirement system's retirement plans.

Sec. 24. PL 2001, c. 699, §8 is amended to read:

Sec. 8. Status of employees who have retired and returned to covered participating local district employment under Maine State Retirement System. Notwithstanding the Maine Revised Statutes, Title 5, section 18251, ~~subsection 1~~ section 18252 and section 18252-A, recipients of a service retirement benefit from the Maine State Retirement System for service in the employment of a participating local district who have returned to covered employment under the retirement system in a position that would otherwise be covered by the retirement plan for a participating local district may not ~~contribute--to~~ rejoin the retirement system, do not earn creditable service for their employment after retirement and do not earn any additional retirement benefits as a result of that employment. By retiring from a position covered under the retirement system, an employee exercises that employee's choice between continuing to work and thereby continuing to accrue retirement service credit and, potentially, an increased earnable compensation, and retiring, with both service credit and earnable compensation thereby becoming fixed. The employee's retirement constitutes the employee's knowing and voluntary waiver of any claim of any nature under federal or state law with respect to retirement service credit or earnable compensation related to return to employment after retirement. This section applies only to retired participating local district

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employees to whom Title 5, section 17001, subsection 32, paragraph B applies.

Sec. 25. PL 2001, c. 699 is amended by adding at the end the following:

Sec. 9. Interpretation and application; rulemaking. The provisions of this Act that establish the opportunity to retire from a position covered under the retirement system and to thereafter return to work in a position covered under the retirement system with no reduction of retirement benefits or limitation on compensation must be interpreted and applied in a manner that meets applicable requirements of federal law and regulation, including, but not limited to, the Internal Revenue Code and Internal Revenue Service regulations. The retirement system shall adopt rules for the interpretation and application of the provisions that reflect these requirements. Rules adopted under this section are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

Sec. 10. Reporting requirements. Retirement system employers are required to identify and report to the retirement system, in the manner specified by the retirement system, each individual who is a retiree who becomes an employee of the employer. The employer shall report each such employee whenever and so long as an employee is the employer's employee. The employer shall inquire of individuals hired to ascertain whether an individual is a retiree and the individual shall disclose that. "Employer" includes the State, all school administrative units and all participating local districts. "Employee" means an already retired individual receiving a Maine State Retirement System retirement benefit, regardless of the retirement system plan retired under, who after retirement is employed by an employer as defined in this section. "Retire" means to receive a retirement benefit from the retirement system. "Retiree" means an individual who receives a retirement benefit from the retirement system under any of the retirement system's retirement plans.'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment clarifies the changes in rehabilitation services made in the bill. Under this amendment, rehabilitation services for state employee, teacher and participating local district disability retirees under the Maine Revised Statutes,

COMMITTEE AMENDMENT "A" to S.P. 501, L.D. 1501

2 Title 5, chapter 421, subchapter 5, Article 3 and Article 3-A
3 disability plans are optional and must be agreed to by both the
4 Executive Director of the Maine State Retirement System and the
5 retiree.

6 The amendment also makes changes to the recently enacted law
7 allowing state employees, teachers and participating local
8 district members of the retirement system to retire and return to
9 covered employment without a limitation on earnings. First, to
10 comply with federal age discrimination law, the amendment
11 provides that retirees who take advantage of the new state law
12 and exercise their choice to retire without a cap on their
13 earnings while retired but also without the ability to accrue
14 additional service credit for retirement purposes do so willingly
15 and knowingly. Second, the amendment directs the retirement
16 system to adopt rules regarding termination of employment to
17 comply with federal tax law and regulations. Third, the
18 amendment provides the retirement system the ability to collect
19 the necessary information from employers to determine the impact
20 of the new law on the costs of the plan.

22

FISCAL NOTE REQUIRED
(See attached)

24



121st Maine Legislature
Office of Fiscal and Program Review

LD 1501

An Act to Amend the Laws Relating to the Maine State Retirement System

LR 1943(02)

Fiscal Note for Bill as Amended by Committee Amendment 'A' S-176

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium savings - All Funds

Fiscal Detail and Notes

This legislation includes changes to the provision of rehabilitation services to disability recipients within the Maine State Retirement System. Although the net fiscal impact of these changes can not be determined at this time, these measures are not expected to increase the overall cost of the program, and may result in savings. Any additional cost to the Maine State Retirement System associated with rulemaking can be absorbed utilizing existing budgeted resources.