

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## SECOND REGULAR SESSION-2004

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Legislative Document

No. 1810

H.P. 1332

House of Representatives, December 22, 2003

### **An Act To Amend the Laws Concerning Optional Membership for Participating Local Districts in the Maine State Retirement System**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 17, 2003. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative RICHARDSON of Brunswick.  
Cosponsored by Senator EDMONDS of Cumberland and  
Representatives: BUNKER of Kossuth Township, HATCH of Skowhegan, LESSARD of  
Topsham, PELLON of Machias, SAVIELLO of Wilton, SMITH of Van Buren, TREADWELL  
of Carmel, Senator: SHOREY of Washington.

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

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4       **Sec. 1. 5 MRSA §18251, sub-§2, ¶D**, as amended by PL 1987, c. 739, §§28 and 48, is further amended to read:

6       D. A person who elects not to join the retirement system  
8       under paragraph B or C at the beginning of employment may at  
      any time apply for and be admitted to membership.

10       ~~(1) A person who joins the retirement system under  
12       this subsection may not pay contributions or have  
14       pick-up contributions made on or receive any service  
      credit for the period during which the person elected  
      not to be a member of the retirement system.~~

16       (2) Membership service credit for persons joining the  
18       retirement system under this subsection shall begin  
      begins as of the effective date of first contributions  
20       or pick-up contributions to the retirement system.

22       (3) This paragraph applies to any member who begins  
      membership after December 31, 1985.

24       **Sec. 2. 5 MRSA §18251, sub-§2, ¶E** is enacted to read:

26       E. A person who joins the retirement system under paragraph  
28       D may purchase service credit for the period during which  
      the person elected not to be a member of the retirement  
30       system.

32       **Sec. 3. 5 MRSA §18251, sub-§3** is enacted to read:

34       3. Reentry. A person whose membership is optional and who  
      becomes a member after having previously withdrawn from the  
36       retirement system may purchase service credit for the time served  
      in eligible service as follows. If qualified under both  
38       paragraphs A and B, the person may purchase time under both  
      paragraphs.

40       A. If the person withdrew accumulated contributions at the  
42       time of withdrawal, the person may repurchase that prior  
      service credit by repaying those contributions pursuant to  
44       section 18304.

46       B. For the purchase of time for which the person was not a  
      member, the person must pay the amount set forth in section  
48       18305.

## SUMMARY

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4       This bill amends the laws concerning optional membership for  
6 participating local districts in the Maine State Retirement  
8 System to parallel changes made for state employees in the system  
10 in Public Law 2003, chapter 261. This bill allows service credit  
12 to be purchased for the period during which an individual in the  
14 service of a participating local district opted not to be a  
member of the Maine State Retirement System if that individual  
rejoins the system. The bill also provides that when an employee  
in the service of a participating local district who terminated  
membership in the Maine State Retirement System subsequently  
rejoins, that employee may repay those withdrawn contributions  
plus interest immediately upon restoration of service.