MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND REGULAR SESSION-2004

Legislative Document

No. 1836

H.P. 1360

House of Representatives, January 30, 2004

An Act To Amend the Laws Governing Purchase of Military Time Served under the Maine State Retirement System

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Labor suggested and ordered printed.

Millient M. Macfarland MILLICENT M. MacFARLAND Clerk

Presented by Representative DUPREY of Medway. Cosponsored by Senator STANLEY of Penobscot and

Representatives: BREAULT of Buxton, COLLINS of Wells, GOODWIN of Pembroke, LANDRY of Sanford, LUNDEEN of Mars Hill, PEAVEY-HASKELL of Greenbush,

Senators: MARTIN of Aroostook, MAYO of Sagadahoc.

Be it enacted by the People of the State of Maine as fol
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Sec. 1. 5 MRSA §17760, sub-§2, as amended by PL 2001, c. 114, §§1 to 3, is further amended to read:

2. Service before becoming a member. A member who served as a full-time active duty member of the armed-ferees <u>United States</u> Armed Forces before becoming a member of the retirement system is entitled to service credit for the period of time he <u>that the member</u> served in the armed forces, under the following terms and conditions.

A. Except as provided in paragraph G, on the date of retirement, the member must have at least 15 years of creditable service.

- C. The member must have separated from the armed--forces

 United States Armed Forces under conditions other than dishonorable.
- D. Except as provided in paragraph E, the member must have begun membership before January 1, 1976.
 - E. Except as provided in paragraph G, a member who served in the armed-ferees United States Armed Forces during any federally recognized period of conflict, as-defined-in-Title 37-B,-section-504,-subsection-4,-paragraph-A-1,-subparagraph (3) who is certified to be a wartime veteran by the Department of Defense, Veterans and Emergency Management, Bureau of Veterans' Services, or who was awarded an Armed Forces Expeditionary Medal, is entitled to service credit under this subsection.
 - F. Upon complete payment of the back contributions under section 17713, the member shall must be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under section 17713, the member shall must be granted service credit on a pro rata basis in accordance with rules adopted by the board.
 - G. A member who fails to meet one or more of the terms and conditions required under paragraphs A, D and E may purchase service credit as provided in this paragraph. The member must have at least 5 years of creditable service and, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund, by a single direct payment or annual direct payments to the retirement system, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Annual direct payments must be made in accordance

with section 17701, subsection 4. Any member who purchases service credit under this paragraph who subsequently, without inclusion of the purchased service credit and prior to retirement, meets the terms and conditions of paragraphs A, D and E is entitled to purchase the service credit under section 17713, subsection 2 and to receive a refund of the amount paid under this paragraph that exceeds the cost to purchase the service credit under section 17713.

10 SUMMARY

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This bill clarifies that a member of the Maine State Retirement System who was awarded an Armed Forces Expeditionary Medal is entitled to purchase service credit that is calculated at the contribution rate in effect during the member's period of service in the United States Armed Forces.

This bill also replaces a reference to "federally recognized period of conflict," which was contained in a section of law that was repealed.