

# MAINE STATE LEGISLATURE

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M  
R. of S.

L.D. 1919

DATE: 4-15-04

(Filing No. H-932)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
121ST LEGISLATURE  
SECOND SPECIAL SESSION

HOUSE AMENDMENT "Q" to COMMITTEE AMENDMENT "A" to H.P. 1420, L.D. 1919, Bill, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2004 and June 30, 2005"

Amend the amendment by striking out all of Part DDDD and inserting in its place the following:

PART DDDD

Sec. DDDD-1. 5 MRSA §285, sub-§12 is enacted to read:

12. Contractual commitment to health insurance for retirees. Effective April 1, 2004, to each vested employee as defined in this subsection, the State makes solemn contractual commitments as set forth in paragraph C, protected under the contract clauses of the Constitution of Maine, Article I, Section 11 and the United States Constitution, Article I, Section 10.

A. For purposes of this subsection, "vested employee" means an employee in a category described in subsection 1, paragraph A, F, F-1, F-2 or F-3 who, on or after April 1, 2004, meets the applicable creditable service requirement for eligibility to receive a retirement benefit, at the applicable age if so required, under one of the following:

(1) Section 851, which governs legislative retirement;

(2) Section 17851, which governs the regular state employee plan;

(3) Section 17851-A, subsection 2, which governs state special plans;

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- 2           (4) Section 18451, which governs participating local  
3           district regular plans;
- 4
- 5           (5) Section 18453, which governs participating local  
6           district special plans; or
- 7
- 8           (6) The terms of a retirement plan provided to  
9           employees pursuant to section 18252-B.
- 10
- 11           B. For purposes of this subsection, "time of vesting"  
12           means, for each employee, the date on which that employee  
13           met the creditable service requirement for eligibility to  
14           receive a retirement benefit, at the applicable age if so  
15           required, as set forth in paragraph A, subparagraphs (1) to  
16           (6).
- 17
- 18           C. The State makes solemn contractual commitments under  
19           this subsection that, with respect to any group health plan  
20           offered by the State:
- 21
- 22           (1) Eligibility criteria for a vested employee or a  
23           family member of a vested employee to participate in a  
24           group health plan under this section after retirement  
25           will be no more restrictive than eligibility criteria  
26           applicable to that employee or family member at the  
27           time of vesting;
- 28
- 29           (2) The state contribution toward the cost of the  
30           premium for any group health plan offered by the State  
31           for a retired vested employee, as a percentage of the  
32           cost of coverage, is not less than that provided at the  
33           time of vesting; and
- 34
- 35           (3) The group health plans offered in each plan year  
36           to retired vested employees under this section will be  
37           the same as or substantially similar to the group  
38           health plans offered to active employees in that same  
39           plan year. The State Employee Health Commission shall  
40           determine whether plans are substantially similar.
- 41
- 42           D. This subsection does not create a contractual commitment  
43           on the part of the State to offer group health plans or to  
44           maintain coverage for a specific type of benefit or level of  
45           benefit payment. The State may reduce or eliminate coverage  
46           for types of benefits or levels of benefit payments for  
47           retired vested employees only if it makes the same or  
48           substantially similar reductions for active employees.

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HOUSE AMENDMENT "Q" to COMMITTEE AMENDMENT "A" to H.P. 1420,  
L.D. 1919

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E. This subsection does not create an ancillary benefit within the meaning of the Constitution of Maine, Article IX, Section 18-A and may not be construed to create a claim against the assets of the Maine State Retirement System.


F. The solemn contractual commitment provided in this subsection is void if a court of competent jurisdiction rules that this subsection creates an ancillary benefit within the meaning of the Constitution of Maine, Article IX, Section 18-A.'

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

**SUMMARY**

This amendment clarifies that the committee amendment does not create a contractual commitment on the part of the State to offer group health plans at all or to continue to offer health insurance coverage for any type of benefit or to offer a specific level of benefit payment. However, the State may reduce coverage for retirees only if it makes the same or substantially similar reductions for active employees. It also includes employees of the Maine Maritime Academy in the list of vested employees eligible to receive health insurance as state retirees.

**FISCAL NOTE REQUIRED  
(See attached)**

SPONSORED BY:   
(Representative BRANNIGAN)  
  
TOWN: Portland

**121st Maine Legislature  
Office of Fiscal and Program Review**



**LD 1919**

**An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2004 and June 30, 2005**

**LR 2833(50)**

**Fiscal Note for House Amendment " " to Committee Amendment "A"**

**Sponsor: Rep. Brannigan**

**Fiscal Note Required: Yes**

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**Fiscal Note**

**Fiscal Detail and Notes**

This amendment will have no net effect on General Fund appropriations and revenue and a balanced budget is maintained for the 2004-2005 biennium.