

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 758

DATE: 5-24-05

(Filing No. H-488)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 535, L.D. 758, Bill, "An Act To Increase Retired Teachers' Health Insurance Benefits"

Amend the amendment in section 2 by striking out all of paragraph D (page 1, line 35 in amendment) and inserting in its place the following:

'D. Forty-five percent after--September--30,--2005, from October 1, 2005 to September 30, 2006;'

Further amend the amendment by striking out all of sections 3 and 4 and inserting in their place the following:

'Sec. 3. 20-A MRSA §13451, sub-§3, ¶¶E to O are enacted to read:

E. Fifty percent from October 1, 2006 to September 30, 2007;

F. Fifty-five percent from October 1, 2007 to September 30, 2008;

G. Sixty percent from October 1, 2008 to September 30, 2009;

H. Sixty-five percent from October 1, 2009 to September 30, 2010;

I. Seventy percent from October 1, 2010 to September 30, 2011;

R. of S.

- 2 J. Seventy-five percent from October 1, 2011 to September 30, 2012;
- 4 K. Eighty percent from October 1, 2012 to September 30, 2013;
- 6 L. Eighty-five percent from October 1, 2013 to September 30, 2014;
- 8 M. Ninety percent from October 1, 2014 to September 30, 2015;
- 10 N. Ninety-five percent from October 1, 2015 to September 30, 2016; and
- 12 O. One hundred percent on and after October 1, 2016.

18 **Sec. 4. 20-A MRSA §13451, sub-§6 is enacted to read:**

20 **6. Limit on state share.** Notwithstanding subsection 3, if
 22 the state share of the health insurance premium paid by the State
 24 pursuant to Title 5, section 285, subsection 7 for a retired
 26 state employee decreases to less than 100% and the percentage
 28 paid by the State of retired teacher members' insurance pursuant
 30 to subsection 3 is greater than the percentage paid by the State
 for retired state employees, then the percentage paid by the
 State for retired teachers must be equal to the percentage paid
 by the State for retired state employees. As used in this
 subsection, "retired state employee" means a state employee who
 retires with 10 or more years of creditable service.

32 **Sec. 5. Appropriations and allocations.** The following
 34 appropriations and allocations are made.

36 **EDUCATION, DEPARTMENT OF**

38 **Retired Teachers' Health Insurance 0854**

40 Initiative: Provides additional funds to increase the State's
 42 share of funding health insurance for retired teachers from 45%
 to 50% effective October 1, 2006.

44 GENERAL FUND	2005-06	2006-07
All Other	\$0	\$3,273,620
46 GENERAL FUND TOTAL	\$0	\$3,273,620'

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SUMMARY

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This amendment ties the percentage paid by the State for retired teachers' health insurance to the percentage paid by the State for state employees who retire with 10 or more years of creditable service. Currently, the share paid by the State for retired state employees with 10 or more years of creditable service is 100%. This limitation takes effect only if the share paid by the State for retired state employees is decreased to a share that is less than the share paid by the State for retired teachers' health insurance.

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This amendment also changes the annual start date for subsequent increases in the percentage paid by the State to October 1st, which results in a reduced cost in fiscal year 2006-07.

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FISCAL NOTE REQUIRED
(See attached)

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SPONSORED BY: 
(Representative DUPREY)

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TOWN: Hampden

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122nd MAINE LEGISLATURE

LD 758

LR 0680(06)

An Act To Increase Retired Teachers' Health Insurance Benefits

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

Sponsor: Rep. Duprey

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	(\$335,303)	(\$446,895)	(\$559,688)
Appropriations/Allocations				
General Fund	\$0	(\$335,303)	(\$446,895)	(\$559,688)

Fiscal Detail and Notes

This amendment reduces the General Fund cost of the bill by \$335,303 in fiscal year 2006-07.

As amended, this bill includes a General Fund appropriation of \$3,273,620 in fiscal year 2006-07 to increase the State's contribution of funding health insurance for retired teachers from 45% to 50% beginning October 1, 2006. As amended, this bill continues to increase the State's contribution to funding health insurance for retired teachers by 5% per year until the State's share equals 100% in fiscal year 2016-17.