

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "G" to COMMITTEE AMENDMENT "B" to H.P. 706, L.D. 1021, Bill, "An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters"

Amend the amendment in Part A in section 3 in §286-M in subsection 3 by striking out all of the first paragraph (page 4, lines 32 to 34 in amendment) and inserting in its place the following:

'3. Eligibility for program coverage. A person must make contributions pursuant to subsection 8 for 60 months or the payment required pursuant to subsection 9 in order to be eligible for coverage under the program. In addition, a person must satisfy the eligibility criteria specified in this subsection as follows:'

Further amend the amendment in Part A in section 3 in §286-M in subsection 3 in paragraph A by inserting before subparagraph (1) the following:

'(1) Be at least 50 years of age;'

Further amend the amendment in Part A in section 3 in §286-M in subsection 3 in paragraph A by renumbering the subparagraphs to read consecutively

Further amend the amendment in Part A in section 3 in §286-M by inserting after subsection 8 the following:

'9. Retirees without 5 years of contributions to fund. A person who retires without making 60 months of contributions to the fund but who meets the other eligibility criteria of

subsection 3, referred to in this subsection as "the retiree," is
eligible to participate pursuant to this subsection.

A. The retiree is eligible for coverage under the program
upon enrollment.

B. The retiree shall pay the dollar equivalent of the
retiree's scheduled contributions based upon the following
schedule:

(1) A retiree who is at least 50 years of age and
under 55 years of age shall pay 2% of that retiree's
average final monthly compensation multiplied by 60;

(2) A retiree who is at least 55 years of age and
under 60 years of age shall pay 1.75% of that retiree's
average final monthly compensation multiplied by 60; and

(3) A retiree who is at least 60 years of age shall
pay 1.5% of that retiree's average final monthly
compensation multiplied by 60.

As used in this paragraph, "average final monthly
compensation" means the average annual rate of earnable
compensation, divided by 12, of a retiree during the 3 years
of creditable service as a county or municipal law
enforcement officer or municipal firefighter, not
necessarily consecutive, in which the average annual rate of
earnable compensation is highest or during the retiree's
entire period of creditable service as a county or municipal
law enforcement officer or municipal firefighter, if the
period is less than 3 years.

C. If the retiree has made contributions to the fund while
employed as a county or municipal law enforcement officer or
municipal firefighter, the retiree shall pay the difference
between:

(1) The total of the retiree's employee contributions
required pursuant to paragraph B based on the retiree's
age as of the date of retirement; and

(2) The dollar equivalent of the retiree's scheduled
contributions for 60 months pursuant to subsection 8.

D. The retiree shall make the payments required by
paragraph B or C to the division within 12 months of
enrollment in the program. A retiree who fails to make the
required payment within 12 months of enrollment must be
disenrolled from the program.'

Further amend the amendment in section 3 in §286-M by renumbering the subsections to read consecutively.

Further amend the amendment in Part A by inserting after section 3 the following:

'Sec. A-4. 5 MRSA §1534, sub-§1, as amended by PL 2005, c. 621, §3, is further amended to read:

1. Establishment of General Fund appropriation limitation.

As of December 1st of each even-numbered year, there must be established a General Fund appropriation limitation for the ensuing biennium. The General Fund appropriation limitation applies to all General Fund appropriations, except that the additional cost for essential programs and services for kindergarten to grade 12 education under Title 20-A, chapter 606-B over the fiscal year 2004-05 appropriation for general purpose aid for local schools is excluded from the General Fund appropriation limitation until the state share of that cost reaches 55% of the total state and local cost and except that the additional state costs for the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program, established pursuant to chapter 13, is excluded from the General Fund appropriation limitation.

A. For the first fiscal year of the biennium, the General Fund appropriation limitation is equal to the biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2.

B. For the 2nd year of the biennium, the General Fund appropriation limitation is the General Fund appropriation limitation of the first year of the biennium biennial base year appropriation multiplied by one plus the growth limitation factor in subsection 2.'

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

SUMMARY

This amendment does the following:

1. It exempts from the General Fund appropriation limitation the state costs of the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program;

2 2. It establishes a minimum age for participation of 50
4 years; and

6 3. It requires a person to pay into the fund for at least
8 60 months before becoming eligible, upon retirement, to obtain a
10 subsidy. A person who retires without making 60 months of
12 contributions may participate in the program by making a payment
14 to the fund. The amount of the payment is based on the person's
16 age at the date of enrollment in the program, the person's
18 average monthly final compensation and any payments made by the
20 person to the fund prior to retirement. The percentage of
22 average monthly final compensation payment ranges from 2% for
24 retirees who are at least 50 years of age to 1.5% for retirees
26 who are at least 60 years of age. A retiree is allowed to
 participate upon enrollment but must make the required payment
 within 12 months of enrollment or be disenrolled.

SPONSORED BY: 

(Senator MARTIN)

COUNTY: Aroostook

FISCAL NOTE REQUIRED
(See attached)

**122nd MAINE LEGISLATURE****LD 1021****LR 0263(21)****An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters****Fiscal Note for Senate Amendment 'G' to Committee Amendment "B"****Sponsor: Sen. Martin****Fiscal Note Required: Yes**

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	\$0	(\$2,092,719)	(\$693,743)
Appropriations/Allocations				
General Fund	\$0	\$0	(\$2,092,719)	(\$693,743)
Revenue				
Other Funds	\$0		\$1,990,221	\$580,995

Fiscal Detail and Notes

This fiscal note reflects the incremental difference between this amendment and Committee Amendment B.

The amendment establishes age 50 as the minimum age for eligibility for subsidies under the program. The amendment establishes a new retiree contribution based on a percentage of each retiree's average monthly final compensation ranging from 2.0% for retirees at least 50 years of age to 1.5% for retirees at least 60 years of age. Retirees will be required to pay 60 months of contributions into the fund within 12 months of enrollment in the program. The fiscal note assumes an estimated 60 month contribution of approximately \$2,800 to \$4,700 per retiree depending on age and average monthly final compensation. Because of the amendment's requirement that these contributions be made within twelve months of enrollment, it is assumed most of the estimated \$2.6 million in retiree contributions would be paid in the first year of the program. Active employees who retire before making 60 months of employee contributions would need to make up the difference upon retirement in order to be eligible for the program.

The amendment also exempts the state costs of this bill from the General Fund appropriations limitation established under 5 MRSA §1534.

	Projections 2007-08	Projections 2008-09
Total Estimated Subsidy	\$4,432,240	\$4,875,464
Estimated Administrative Costs	\$109,392	\$111
Total Estimated Costs	\$4,541,632	\$4,987,575
Estimated Contributions from Actives Employees	(\$1,230,876)	(\$1,289,958)
Estimated Contributions from Retirees	(\$1,990,221)	(\$580,995)
General Fund Subsidy Net of Contributions	\$1,320,536	\$3,116,405
Less General Fund Subsidy already in Committee Amendment "B"	(\$3,413,255)	(\$3,810,148)
Incremental change to General Fund cost in this amendment	(\$2,092,719)	(\$693,743)