

# MAINE STATE LEGISLATURE

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Date: 4/28/06

(Filing No. H-1083)

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4 STATE OF MAINE  
5 HOUSE OF REPRESENTATIVES  
6 122ND LEGISLATURE  
7 SECOND REGULAR SESSION

8 HOUSE AMENDMENT "B" to H.P. 1491, L.D. 2098, Bill, "An Act Authorizing  
9 Participation in the State Group Health Plan for Retiring Legislators"

10 Amend the bill by striking out the title and substituting the following:

11 'An Act Relating to Certain Benefits for Legislators'

12 Further amend the bill by striking out everything after the enacting clause and before  
13 the summary and inserting in its place the following:

14 'Sec. 1. 3 MRSA §2, sub-§1 is enacted to read:

15 1. Disability benefits. Notwithstanding any other provision of this section, in order  
16 to ensure that a disability annuity or payment to which a member of the Legislature is  
17 entitled is not reduced or lost, the member may file a written notice with the Executive  
18 Director of the Legislative Council within one week after the biennium commences or  
19 within 30 days of becoming eligible to receive a disability annuity or payment stating that  
20 the member waives all or a portion of amounts to which the member would otherwise be  
21 entitled under this section. Upon filing such a waiver, the member is entitled to receive  
22 only such amounts as the member has not waived. A waiver under this subsection does  
23 not affect the coverage of or state contributions to any benefits to which the member is  
24 entitled as a Legislator, unless the waiver expressly includes a waiver of such benefits. A  
25 waiver of retirement membership under section 801 must be in accordance with section  
26 801, subsection 1-A. A waiver under this subsection applies to the term or remainder of  
27 the term of office to which the member is elected.

28 **Sec. 2. 3 MRSA §701, sub-§9, as enacted by PL 1985, c. 507, §1, is amended to**  
29 **read:**

30 **9. Earnable compensation.** "Earnable compensation" means the actual  
31 compensation of a Legislator, except that, if a Legislator waives compensation pursuant  
32 to section 2, subsection 1, "earnable compensation" also includes any amount that is  
33 waived. Any money paid by the State under an annuity contract for the future benefit of a  
34 Legislator ~~shall~~ must be considered part of the Legislator's earnable compensation. The  
35 earnable compensation of a member retired with a disability retirement allowance under  
36 section 853 ~~shall~~ must be assumed, for the purposes of determining benefits under this  
37 chapter, to be continued after ~~his~~ the Legislator's date of termination of service at the  
38 same rate as received immediately prior to that time, subject to the same percentage

R.O.S.

HOUSE AMENDMENT "B" to H.P. 1491, L.D. 2098

1 adjustments, if any, that may apply to the amount of retirement allowance of the  
2 beneficiary under section 858.

3 **Sec. 3. 3 MRSA §801, sub-§1-A**, as enacted by PL 1989, c. 501, Pt. O, §8, is  
4 amended to read:

5 **1-A. Waiver provision.** Any Legislator may petition the presiding officer for a  
6 waiver from the membership provisions of subsection 1 if it can be demonstrated that  
7 membership in the Maine Legislative Retirement System will create or exacerbate a  
8 Legislator's federal income tax liability due to the ownership of another retirement plan.  
9 A Legislator who waives compensation pursuant to section 2, subsection 1 may also  
10 petition the presiding officer for a waiver from the membership provisions of subsection  
11 1 in order to ensure that a disability annuity or payment to which the Legislator is entitled  
12 is not reduced or lost. The Office of the Executive Director of the Legislative Council  
13 shall provide assistance as requested by the Legislator or presiding officer. The presiding  
14 officer shall respond to the Legislator's petition within 30 days and shall provide copies of  
15 the decision to the Executive Director of the Legislative Council and the Executive  
16 Director of the Maine State Retirement System.'

17 **SUMMARY**

18 This amendment, which replaces the bill, is intended to ensure that a person is not  
19 required for financial reasons to choose between serving in the Legislature and receiving  
20 in full a disability annuity or payment to which the person is entitled. Under this  
21 amendment, a Legislator may file a written notice waiving compensation and expenses to  
22 which that Legislator is entitled in order to eliminate the consideration, application or use  
23 of those funds to reduce a federal or state disability annuity or payment.

24 **FISCAL NOTE REQUIRED**

25 (See attached)

26 **SPONSORED BY:**  \_\_\_\_\_

27 (Representative CUMMINGS)

28 **TOWN: Portland**



# 122nd MAINE LEGISLATURE

LD 2098

LR 3256(07)

## An Act Authorizing Participation in the State Group Health Plan for Retiring Legislators

Fiscal Note for House Amendment "B"

Sponsor: Rep. Cummings

Fiscal Note Required: Yes

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### Fiscal Note

Potential current biennium savings - General Fund

#### Fiscal Detail and Notes

This amendment removes the potential future biennium cost increase contained in the original bill. As amended, this legislation may result in minor cost savings to the Legislature if a legislator receiving or eligible to receive a disability annuity or payment waives all or a portion of the salary or expenses or other payments that a legislator is entitled to. The amount of savings can not be determined at this time and will depend on the number of legislators to which this provision would apply and whether a waiver is filed.