

MAINE STATE LEGISLATURE

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Date: 06-13-07

(Filing No. S- 311)

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STATE OF MAINE
SENATE
123RD LEGISLATURE
FIRST REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 534,
L.D. 1511, "RESOLUTION, Proposing an Amendment to the Constitution of Maine To
Dispose of Unfunded Liabilities in State Retiree Health Care Plans"


Amend the amendment by striking out all of section 24 and inserting the following:

'Section 24. Payment of unfunded liabilities in state retiree health care plans.
The normal cost of all benefits in the retiree health care plans for state employees and
teachers must be funded annually on an actuarially sound basis. The Legislature shall
appropriate and allocate funds that will retire the unfunded liabilities in the retiree health
care plans for state employees and teachers through annual payments that must be made
on the basis of an independent actuarial analysis conducted every 2 years so that the
unfunded liability as it exists on the effective date of this section is eliminated no later
than June 30, 2038.'

Amend the amendment in the question in the last line (page 1, line 25 in amendment)
by striking out the following: "fiscal year 2038" and inserting the following: 'June 30,
2038'

SUMMARY

This amendment provides a requirement for the allocation of funds in the proposed
constitutional amendment, identifies state employee and teacher plans as the subject of
the amendment, changes the time period by the end of which unfunded liabilities will be
retired to June 30, 2038 and provides that actuarial analyses be conducted every 2 years
as a basis for annual payments. The amendment also changes the question to reflect that
the unfunded liabilities must be eliminated by June 30, 2038.

SPONSORED BY: 

(Senator MILLS, P.)

COUNTY: Somerset

FISCAL NOTE REQUIRED
(See attached)

SENATE AMENDMENT



Approved: 06/13/07 *MAC*

123rd MAINE LEGISLATURE

LD 1511

LR 1280(04)

RESOLUTION, Proposing an Amendment to the Constitution of Maine To Dispose of Unfunded Liabilities in State Retiree Health Care Plans

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

Sponsor: Sen. Mills, P. of Somerset

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Fiscal Detail and Notes

If the voters approve the referendum in November, this amendment would accelerate the timing of increased annual contributions necessary to fund the liability of the retiree health plans over that assumed in the Committee Amendment. The Administration's current 10-year plan to ramp up annual contributions would increase contributions as a percentage of payroll from 5.9% in fiscal year 2008-09 to 13.4% by fiscal year 2019. This amendment may require an increase of this magnitude by fiscal year 2008-09.