

MAINE STATE LEGISLATURE

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R.O.S.

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L.D. 1630

2 Date: 06-12-07

(Filing No. S- 295)

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JUDICIARY

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STATE OF MAINE

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SENATE

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123RD LEGISLATURE

8

FIRST REGULAR SESSION

9 COMMITTEE AMENDMENT "A" to S.P. 574, L.D. 1630, Bill, "An Act To
10 Address an Inequity in the Judicial Retirement System"

11 Amend the bill by striking out everything after the enacting clause and before the
12 summary and inserting the following:

13 'Sec. 1. 4 MRSA §1201, sub-§9, as amended by PL 1983, c. 863, Pt. B, §§8 and
14 45, is further amended to read:

15 **9. Earnable compensation.** "Earnable compensation" means the annual salary as a
16 judge. Any money paid by the State under an annuity contract for the future benefit of a
17 judge shall must be considered part of the judge's earnable compensation. The earnable
18 compensation of a member retired with a disability retirement allowance under section
19 1353 shall must be assumed, for the purposes of determining benefits under this chapter,
20 to be continued after ~~his~~ the member's date of termination of service at the same rate as
21 received immediately prior thereto, subject to the same percentage adjustments, if any,
22 that may apply to the amount of retirement allowance of the beneficiary under section
23 1358. Beginning July 1, 2003, earnable compensation for a judge includes the salary that
24 would have been paid for a judge in the given year if the cost-of-living adjustments in
25 fiscal year 2003-04 and fiscal year 2004-05 had been funded.

26 **Sec. 2. 4 MRSA §1304,** as amended by PL 1993, c. 410, Pt. L, §4, is further
27 amended to read:

28 §1304. Employees' contributions

29 On and after July 1, 1993, each member in service shall contribute at a rate of 7.65%
30 of earnable compensation, except that judges whose earnable compensation includes
31 imputed cost-of-living adjustments under section 1201, subsection 9, shall contribute
32 based on the compensation actually paid.

33 **Sec. 3. Application.** This Act applies to judges who retire on or after the effective
34 date of this Act.



123rd MAINE LEGISLATURE

LD 1630

LR 2477(02)

An Act To Address an Inequity in the Judicial Retirement System

Fiscal Note for Bill as Amended by Committee Amendment "A "

Committee: Judiciary

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$223,984	\$232,943	\$242,261	\$251,951
Appropriations/Allocations				
General Fund	\$223,984	\$232,943	\$242,261	\$251,951

Fiscal Detail and Notes

This bill includes ongoing General Fund appropriations of \$223,984 in fiscal year 2007-08 and \$232,943 in fiscal year 2008-09 to the Judicial Department for the increase in the employers' retirement contributions due to the provision that allows judges to include as earnable compensation imputed salary based upon cost-of-living adjustments that were not funded in 2003 and 2004.

This fiscal note assumes that the one-time cost of \$1,138,653 to the Maine State Retirement System for the unfunded liability cost of the provision described above will be paid from surplus funds available in the Judicial Retirement System. As of the June 30, 2006 valuation, the Judicial Retirement System had a surplus in the amount of \$1,248,240. The surplus funds are currently used to reduce the overall employer contribution rate.