

MAINE STATE LEGISLATURE

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8018

L.D. 1996

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LABOR

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STATE OF MAINE

SENATE

123RD LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 790, L.D. 1996, Bill, "An Act To Allow Changes of Beneficiaries under the Maine Public Employees Retirement System"

Amend the bill by inserting after the title and before the enacting clause the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the implementation of this legislation is necessary for those retirees whose ability to make a change in beneficiaries is limited by time; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

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

Sec. 1. 4 MRSA §1357, sub-§3, as enacted by PL 1999, c. 744, §2, is amended to read:

3. Change of beneficiary. If the recipient of a service retirement benefit has elected an optional method of payment under subsection 2, paragraphs B to H, and has designated someone other than a spouse or ex-spouse as sole beneficiary, the recipient is permitted a one-time change in the designated beneficiary except as provided in paragraph D, but may not in change the already elected payment option or ~~in~~ the amount of the benefits under that option, by filing a written designation of the new beneficiary, duly notarized, with the executive director on a form provided or specified by the Maine Judicial Retirement System. The change of beneficiary permitted by this subsection may only be made prior to the death of the prior designated beneficiary.

COMMITTEE AMENDMENT

8.018

COMMITTEE AMENDMENT "A" to S.P. 790, L.D. 1996

1 A. The benefit payable to the recipient and the new beneficiary must be paid under
2 the same payment option. The amount of the recipient's benefit may not change, and
3 the amount of the new beneficiary's benefit must be the same as the amount of the
4 prior beneficiary's benefit.

5 B. The effective date of the designation of the new beneficiary is the date the
6 designation is received by the executive director. As of the first day of the month
7 following the effective date of the designation of the new beneficiary, the prior
8 beneficiary is no longer entitled to any benefit payment and, if concurrent payment
9 under subsection 2, paragraph E has been elected, the new beneficiary's benefit must
10 become effective on the same date.

11 C. The new beneficiary's entitlement to benefits ceases on the earlier of:

12 (1) The date of the new beneficiary's death; or

13 (2) The date established when the amount of the prior beneficiary's benefit was
14 established, which is the initial commencement date of benefits to the retiree
15 increased by the life expectancy of the prior beneficiary computed in years and
16 months using actuarial equivalence assumptions recommended by the system's
17 actuary.

18 Payment of benefits to the new beneficiary must cease as of the first day of the month
19 following the earlier of subparagraph (1) or (2).

20 D. A recipient who exercises a one-time option under this subsection may revert
21 back to the original designated beneficiary, who will be treated as the new
22 beneficiary for purposes of paragraphs A to C.

23 **Sec. 2. 5 MRSA §17804, sub-§5-F**, as amended by PL 1999, c. 790, Pt. K, §1
24 and affected by §5, is further amended to read:

25 **5-F. Change of beneficiary.** If the recipient of a service retirement benefit has
26 elected an optional method of payment under subsection 3, 4, 5, 5-A, 5-B, 5-C, 5-D or
27 5-E, and has designated someone other than a spouse or ex-spouse as sole beneficiary, the
28 recipient is permitted a one-time change in the designated beneficiary except as provided
29 in paragraph D, but may not ~~in~~ change the already elected payment option or ~~in~~ the
30 amount of the benefits under that option, by filing a written designation of the new
31 beneficiary, duly notarized, with the executive director on a form provided or specified
32 by the retirement system. The change of beneficiary permitted by this subsection may
33 only be made prior to the death of the prior designated beneficiary.

34 A. The benefit payable to the recipient and the new beneficiary must be paid under
35 the same payment option. The amount of the recipient's benefit may not change, and
36 the amount of the new beneficiary's benefit must be the same as the amount of the
37 prior beneficiary's benefit.

38 B. The effective date of the designation of the new beneficiary is the date the
39 designation is received by the executive director. As of the first day of the month
40 following the effective date of the designation of the new beneficiary, the prior
41 beneficiary is no longer entitled to any benefit payment and, if concurrent payment

1 under subsection 5-B has been elected, the new beneficiary's benefit must become
2 effective on the same date.

3 C. The new beneficiary's entitlement to benefits ceases on the earlier of:

4 (1) The date of the new beneficiary's death; or

5 (2) The date established when the amount of the prior beneficiary's benefit was
6 established, which is the initial commencement date of benefits to the retiree
7 increased by the life expectancy of the prior beneficiary computed in years and
8 months using actuarial equivalence assumptions recommended by the system's
9 actuary.

10 Payment of benefits to the new beneficiary must cease as of the first day of the month
11 following the earlier of subparagraph (1) or (2).

12 D. A recipient who exercises a one-time option under this subsection may revert
13 back to the original designated beneficiary, who will be treated as the new
14 beneficiary for purposes of paragraphs A to C.

15 **Sec. 3. 5 MRSA §18404, sub-§5-F**, as amended by PL 1999, c. 790, Pt. K, §2
16 and affected by §5, is further amended to read:

17 **5-F. Change of beneficiary.** If the recipient of a service retirement benefit has
18 elected an optional method of payment under subsection 3, 4, 5, 5-A, 5-B, 5-C, 5-D or
19 5-E, and has designated someone other than a spouse or ex-spouse as sole beneficiary, the
20 recipient is permitted a one-time change in the designated beneficiary except as provided
21 in paragraph D, but may not ~~in~~ change the already elected payment option or ~~in~~ the
22 amount of the benefits under that option, by filing a written designation of the new
23 beneficiary, duly notarized, with the executive director on a form provided or specified
24 by the retirement system. The change of beneficiary permitted by this subsection may
25 only be made prior to the death of the prior designated beneficiary.

26 A. The benefit payable to the recipient and the new beneficiary must be paid under
27 the same payment option. The amount of the recipient's benefit may not change, and
28 the amount of the new beneficiary's benefit must be the same as the amount of the
29 prior beneficiary's benefit.

30 B. The effective date of the designation of the new beneficiary is the date the
31 designation is received by the executive director. As of the first day of the month
32 following the effective date of the designation of the new beneficiary, the prior
33 beneficiary is no longer entitled to any benefit payment and, if concurrent payment
34 under subsection 5-B has been elected, the new beneficiary's benefit must become
35 effective on the same date.

36 C. The new beneficiary's entitlement to benefits ceases on the earlier of:

37 (1) The date of the new beneficiary's death; or

38 (2) The date established when the amount of the prior beneficiary's benefit was
39 established, which is the initial commencement date of benefits to the retiree
40 increased by the life expectancy of the prior beneficiary computed in years and

COMMITTEE AMENDMENT "A" to S.P. 790, L.D. 1996

1 months using actuarial equivalence assumptions recommended by the system's
2 actuary.

3 Payment of benefits to the new beneficiary must cease as of the first day of the month
4 following the earlier of subparagraph (1) or (2).

5 D. A recipient who exercises a one-time option under this subsection may revert
6 back to the original designated beneficiary, who will be treated as the new
7 beneficiary for purposes of paragraphs A to C.

8 **Emergency clause.** In view of the emergency cited in the preamble, this
9 legislation takes effect when approved.

10 **SUMMARY**

11 Current law allows a retiree under the Maine Public Employees Retirement System to
12 make a one-time change of the retiree's previously designated beneficiary for retirement
13 benefits without the permission of the beneficiary if the beneficiary is not the spouse or
14 former spouse of the retiree. The bill would have allowed a retiree to change a previously
15 designated beneficiary more than once. This amendment creates a one-time exception to
16 the current law. This amendment would allow a retiree to change the retiree's previously
17 chosen new beneficiary back to the original beneficiary.

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 1996

LR 3094(02)

An Act To Allow Changes of Beneficiaries under the Maine Public Employees Retirement System

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

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

No fiscal impact

Fiscal Detail and Notes

Permitting a retiree who previously chose to exercise the one-time change in beneficiary option to revert back to the originally named beneficiary will have no fiscal impact to the Maine Public Employees Retirement System or the State as an employer.