

# MAINE STATE LEGISLATURE

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# 124th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2009

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Legislative Document

No. 488

S.P. 184

In Senate, February 10, 2009

### **An Act To Address an Inequity in the Judicial Retirement System**

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Reported by Senator BLISS of Cumberland for the Joint Standing Committee on Judiciary pursuant to the Maine Revised Statutes, Title 4, section 1701, subsection 13.

Reference to the Committee on Judiciary suggested and ordered printed under Joint Rule 218.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 4 MRSA §1201, sub-§9**, as amended by PL 2007, c. 449, §1 and affected by §3, is further amended to read:

**9. Earnable compensation.** "Earnable compensation" means the annual salary as a judge. Any money paid by the State under an annuity contract for the future benefit of a judge must be considered part of the judge's earnable compensation. The earnable compensation of a member retired with a disability retirement allowance under section 1353 must be assumed, for the purposes of determining benefits under this chapter, to be continued after the member's date of termination of service at the same rate as received immediately prior thereto, subject to the same percentage adjustments, if any, that may apply to the amount of retirement allowance of the beneficiary under section 1358. ~~Beginning For a member who served as a judge any time between July 1, 2003 and June 30, 2005, earnable compensation for a sitting judge as of June 30, 2005 includes the salary that would have been paid for a judge in the given year if the cost-of-living adjustments in fiscal year 2003-04 and fiscal year 2004-05 had been funded.~~

**Sec. 2. Calculation; implementation.** The Maine Public Employees Retirement System shall recalculate the retirement benefits of those judges who retired between July 1, 2003 and September 20, 2007. The retirement benefit must be recalculated based on the effective retirement date of each individual judge and must include the cost-of-living adjustments as set forth in the Maine Revised Statutes, Title 4, section 1201, subsection 9, as amended by this Act.

**Sec. 3. Retroactivity.** That section of this Act that amends the Maine Revised Statutes, Title 4, section 1201, subsection 9 applies retroactively to September 20, 2007.

## SUMMARY

Public Law 2007, chapter 449 amended the judicial retirement laws to include in the calculation of retirement benefits the cost-of-living adjustments that were not paid to judges during fiscal years 2003-04 and 2004-05. It applied only to judges who retired on or after the effective date of chapter 449, which was September 20, 2007. Five justices or judges worked during the 2-year period in which COLAs were withheld, but retired before September 20, 2007. This bill amends the judicial retirement laws to provide that for any judge who served during the 2 fiscal years in which the COLAs were not paid, the earnable compensation for retirement benefit calculation purposes includes the COLAs that would have been paid. This revised definition of "earnable compensation" must be used for the recalculation of benefits, and is effective retroactively to September 20, 2007. This bill directs the Maine Public Employees Retirement System to recalculate the retirement benefits of those judges who retired between July 1, 2003 and September 20, 2007. The calculation must include benefits as of the effective retirement date of each individual judge.