

MAINE STATE LEGISLATURE

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M
Acts.

L.D. 830

Date: 4/27/19

(Filing No. H-171)

Minority
LABOR

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 566, L.D. 830, Bill, "An Act To Exclude Collectively Bargained Salary and Job Promotion Increases from the Earnable Compensation Limitation for Retirement Purposes"

Amend the bill by inserting after section 1 the following:

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES

Retirement System - Retirement Allowance Fund 0085

Initiative: Appropriates funds for the costs associated with excluding collectively bargained salary or wage increases and salary and wage increases that result from job promotions from the cap on earnable compensation used in the calculation of members' average final compensation.

GENERAL FUND	2009-10	2010-11
All Other	\$7,300,000	\$0
GENERAL FUND TOTAL	\$7,300,000	\$0

SUMMARY

This amendment is the minority report of the Joint Standing Committee on Labor. The amendment adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



124th MAINE LEGISLATURE

LD 830

LR 1482(02)

An Act To Exclude Collectively Bargained Salary and Job Promotion Increases from the Earnable Compensation Limitation for Retirement Purposes

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

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

	2009-10	2010-11	Projections 2011-12	Projections 2012-13
Net Cost (Savings)				
General Fund	\$7,300,000	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$7,300,000	\$0	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation of \$7,300,000 in fiscal year 2009-10 to the Retirement Allowance Program within the Maine Public Employment Retirement System for the increase in costs to the unfunded actuarial liability associated with excluding collectively bargained salary or wage increases and salary and wage increases that result from job promotions from the cap on earnable compensation used in the calculation of members' average final compensation.

Because the actual cost of this legislation can not be determined at this time, the System's actuary developed a range of costs based on 1) what percentage of all future retirements will be impacted by this change and 2) how much the average final compensation (AFC) would be increased above the current caps. This fiscal note is based on the assumption that 10% of future retirements will be impacted by this measure and that AFC would be increased by 1% over the current cap. The System's actuary considers this assumption to be at the conservative end of the range. The actual cost of this measure can not be determined at this time and will depend on actual experience.