

# MAINE STATE LEGISLATURE

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Date: 5-19-09

(Filing No. S-183)

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 452, L.D. 1219; Bill, "An Act To Correct Inequities for Certain Maine Community College System Employees in 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, it is necessary that this legislation be enacted as soon as possible in order to avoid undue financial hardship for the employees of the Maine Community College System who were denied group life insurance through the Maine Public Employees Retirement System; 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. 5 MRSA §18058, sub-§1, as amended by PL 1993, c. 386, §3, is further amended to read:

1. Employees automatically insured. All Except as provided in Title 20-A, section 12722, subsection 8, paragraph D, all employees eligible for basic insurance under this subchapter are automatically insured for the amounts of basic coverage applicable under this subchapter, beginning on the first day of the month following one month of employment after the employee becomes eligible. Each employee shall complete an application for insurance coverage within 31 days of becoming eligible.

A. The employee shall indicate the types of coverage elected.

COMMITTEE AMENDMENT

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1 B. If an application is completed in a timely manner, any coverage in addition to  
2 basic becomes effective on the first day of the month following one month of  
3 employment after the employee becomes eligible.

4 C. If an application is not completed within 31 days of the employee's first becoming  
5 eligible, the employee may subsequently apply for supplemental and dependent  
6 insurance but must produce evidence of insurability at the employee's own expense  
7 and in accordance with the requirements of the insurance underwriter.

8 **Sec. 2. 5 MRSA §18058, sub-§2**, as amended by PL 2007, c. 17, §1 and affected  
9 by §3, is further amended to read:

10 **2. Employees not wanting to be insured.** Any Except as provided in Title 20-A,  
11 section 12722, subsection 8, paragraph D, any employee not wanting to be insured under  
12 this subchapter, at the time the employee first becomes eligible, shall, on the application  
13 form, give written notice to the employee's employing officer and to the retirement  
14 system that the employee does not want to be insured.

15 A. If after being insured, the employee wishes to cancel or reduce coverage, written  
16 notice must be given by the employee to the employee's employing officer and to the  
17 retirement system.

18 B. The employee's insurance coverage must cease or be reduced at the end of the  
19 month in which the notice is received by the employing office.

20 C. Any employee who does not want to be insured or who cancels insurance  
21 coverage may subsequently apply for insurance, but must produce evidence of  
22 insurability at the employee's own expense and in accordance with the requirements  
23 of the insurance underwriter.

24 D. Any employee who, during a period of unpaid military leave of absence, does not  
25 continue coverage while on unpaid military leave must be reinstated to the levels of  
26 coverage in effect immediately prior to the unpaid military leave. A request for  
27 reinstatement by the employee must be made within 31 days of the employee's return  
28 to work following unpaid military leave. An employee who wants to be reinstated  
29 and who does not apply for reinstatement within 31 days of the employee's return to  
30 work from unpaid military leave must produce evidence of insurability at the  
31 employee's own expense and in accordance with the requirements of the insurance  
32 underwriter.

33 **Sec. 3. 20-A MRSA §12722, sub-§8, ¶D** is enacted to read:

34 D. A person who participated in the defined contribution plan described in  
35 subsection 1 and subsequently resumed participation or commenced participation in  
36 the defined benefit plan administered by the Maine Public Employees Retirement  
37 System pursuant to paragraph A or B is eligible for coverage under the group life  
38 insurance program as of the date of resumption or commencement of participation in  
39 the defined benefit plan. A person who elects to participate in the group life  
40 insurance program as of the date of resumption or commencement of participation in  
41 the defined benefit plan does not need to provide evidence of insurability in order to  
42 receive coverage under the group life insurance program provided to employees of  
43 the Maine Community College System.





Approved: 05/13/09 *MAC*

# 124th MAINE LEGISLATURE

LD 1219

LR 1483(02)

## An Act To Correct Inequities for Certain Maine Community College System Employees in the Maine Public Employees Retirement System

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

Committee: Labor

Fiscal Note Required: Yes

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### Fiscal Note

Current biennium cost increase - Maine Community College System

#### Fiscal Detail and Notes

This legislation permits certain employees of the Maine Community College System who join or rejoin the defined benefit plan administered by the Maine Public Employees Retirement System (MainePERS) under the provisions of Public Law 2003, chapter 261, on or before January 1, 2010, to obtain coverage in the group life insurance plan administered by the MainePERS as of the date of commencement or resumption of participation in the defined benefit plan without the need to provide evidence of insurability. Allowing for an open enrollment into a life insurance plan may bring the risk of adverse selection which could increase program costs. However, because this legislation provides for a very limited number of individuals to participate, it is not anticipated to have a significant impact. Information from MainePERS indicates that approximately 30 Maine Community College System employees would be eligible.