

# MAINE STATE LEGISLATURE

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STATE OF MAINE

SENATE

124TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 683, L.D. 1776, Bill, "An Act To Protect Teacher Retirement Income"

Amend the bill by striking out the title and substituting the following:

'An Act To Protect Retirement Income'

Amend the bill by inserting after the title 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, there are members of the retirement system who are subject to furloughs and who may be planning to retire for fiscal years ending June 30, 2010 and June 30, 2011; 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 in section 1 in paragraph A in the 3rd line from the end (page 1, line 29 in L.D.) by inserting after the following: "June 30, 1993," the following: 'or if a member is subject to days off without pay during the fiscal year beginning July 1, 2009 or July 1, 2010 as a result of actions of a participating local district and the member elects to make the payments as set forth in section 18305-C.'

Amend the bill by inserting after section 1 the following:

'Sec. 2. 5 MRSA §18305-C is enacted to read:

§18305-C. Back contributions for certain days off without pay

1. Election. If the retirement system determines at the time a member retires that the member's benefit would be increased as a result of the inclusion of compensation that would have been paid for days off without pay in fiscal year 2009-10 or 2010-11, or a

COMMITTEE AMENDMENT

1 combination thereof, as provided in section 17001, subsection 4, paragraph A, the  
2 retirement system shall advise the member of that result and shall allow the member to  
3 elect to have that compensation included in the calculation of the member's benefit and to  
4 make payments as set forth in subsection 2.

5 **2. Payment.** The amount that a member who makes the election permitted in  
6 subsection 1 must pay is the amount equal to the employee contribution that member  
7 would have made on compensation that would have been paid to that member on the days  
8 off without pay during fiscal year 2009-10 or 2010-11, or a combination thereof, as  
9 provided in section 17001, subsection 4, paragraph A, plus interest at the same rate as that  
10 required for repayment of withdrawn contributions pursuant to section 18304. If the  
11 member elects to make the payment, the retirement system shall withhold the required  
12 amount from the member's first retirement benefit check.

13 **3. Benefit calculation.** If a member fails to make the election within 31 days of the  
14 notification provided under subsection 1, the retirement system shall calculate the  
15 member's retirement benefit without inclusion of compensation that would have been  
16 paid for days off without pay during fiscal year 2009-10 or 2010-11, or a combination  
17 thereof, as provided in section 17001, subsection 4, paragraph A.

18 **Emergency clause.** In view of the emergency cited in the preamble, this  
19 legislation takes effect when approved.'

20 **SUMMARY**

21 This amendment allows participating local district employees covered by the Maine  
22 Public Employees Retirement System to make payments equal to retirement contributions  
23 that would have been made if the employees had been paid on days off without pay as a  
24 result of budget decisions made by a participating local district for the fiscal years ending  
25 June 30, 2010 and June 30, 2011. This amendment provides to those employees the same  
26 benefits available to other system members.

**FISCAL NOTE REQUIRED**  
(See attached)



# 124th MAINE LEGISLATURE

LD 1776

LR 2539(02)

## An Act To Protect Teacher Retirement Income

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

Committee: Labor

Fiscal Note Required: Yes

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### Fiscal Note

Potential future biennium cost increase - General Fund

#### Fiscal Detail and Notes

Allowing teachers and participating local district employees covered by the Maine Public Employees Retirement System to purchase time attributable to days off without pay during fiscal year 2009-10 and fiscal year 2010-11 as a result of actions taken by a school administrative unit or participating local district will not increase the unfunded actuarial liability of the State Employee and Teacher program or result in an unfunded actuarial liability to the Participating Local District Program. The potential impact on the employers' future contribution rate can not be determined at this time and will be based on the future experience of each plan. Because the State pays 100% of the employer's share of teacher retirement costs, any increase in the employers' contribution rate for teachers will be borne fully by the General Fund.