

# MAINE STATE LEGISLATURE

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MINORITY

APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE

SENATE

125TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 542, L.D. 1632, Bill, "An Act To Amend Provisions Limiting the Return to Work after Retirement by Teachers, School Employees and State Employees"

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

'An Act To Amend Provisions Limiting the Return to Work after Retirement by Teachers and School Administrators'

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

'Sec. 1. 5 MRSA §17859, as amended by PL 2011, c. 420, Pt. L, §1, is further amended to read:

§17859. Retiring and returning to work

1. Restoration to service. Any state employee or ~~teacher~~ school administrator who has reached normal retirement age and who retires after September 1, 2011 may be restored to service for up to 5 years. The decision to hire a retired state employee or retired ~~teacher~~ school administrator under this section is at the discretion of the appointing authority. The retired state employee or retired ~~teacher~~ school administrator must have had a bona fide termination of employment in accordance with state and federal laws and rules, may not return to employment after retirement with the same employer for at least 30 calendar days after the termination of employment and may not return to employment before the effective date of the person's retirement. For the purposes of this section, "school administrator" means a superintendent as defined in Title 20-A, section 1, subsection 39 or a principal as defined in Title 20-A, section 1, subsection 21.

2. Compensation and benefits. The compensation and benefits of the retired state employee or retired ~~teacher~~ school administrator who returns to service after retirement as set out in subsection 1 is governed by this subsection.

COMMITTEE AMENDMENT

1 A. The compensation of the retired state employee or retired ~~teacher~~ school  
2 administrator who returns to service must be set at 75% of the compensation  
3 established for the position to be filled, at a step determined by the appointing  
4 authority.

5 B. The retired state employee or retired ~~teacher~~ school administrator who returns to  
6 service under this section is not a member and therefore may not accrue additional  
7 creditable service or change the retired state employee's or retired ~~teacher's~~ school  
8 administrator's earnable compensation for benefit calculation purposes.

9 C. During the period of reemployment, the retired state employee or retired ~~teacher~~  
10 school administrator is not entitled to health insurance, dental insurance or life  
11 insurance benefits. The retired state employee or retired ~~teacher~~ school administrator  
12 is entitled to all other benefits for the reemployment position under collective  
13 bargaining agreements or civil service laws and rules. Health insurance benefits must  
14 be provided under the provisions of section 285, subsection 1-A for retired state  
15 employees or Title 20-A, section 13451 for retired ~~teachers~~ school administrators and  
16 life insurance benefits must be provided under the provisions of section 18055.

17 **3. Contributions to the Maine Public Employees Retirement System and state**  
18 **group health plan.** The portion of the employer contribution that goes to pay the  
19 retirement system for the unfunded liability and the state group health plan for retiree  
20 health care must be continued and based on the retired state employee's or retired  
21 ~~teacher's~~ school administrator's compensation as provided under subsection 2 during the  
22 reemployment period.

23 **4. Notification requirements.** Employers under this section are required to identify  
24 and report to the retirement system, in the manner specified by the retirement system,  
25 each individual who is a retiree who becomes an employee of the employer under the  
26 option provided in this section. Departments shall also report each retiree who becomes  
27 an employee to the Bureau of the Budget in a manner specified by the bureau. The  
28 employer shall report each such employee whenever and so long as the employee is the  
29 employer's employee.

30 **5. Exclusion.** A retired state employee or retired ~~teacher~~ school administrator who is  
31 hired as a substitute teacher is not subject to the restoration to service 5-year limitation in  
32 subsection 1 or the compensation limitation in subsection 2, paragraph A.'

33 **SUMMARY**

34 This amendment is the minority report of the committee. This amendment amends  
35 the bill to retain the provisions in current law that provide that limitations on conditions  
36 of restoration to service after retirement enacted in 2011 apply to state employees. The  
37 amendment retains the provisions of the bill that exempt teachers from these limitations  
38 and that provide that the limitations apply to school superintendents and principals.

39 **FISCAL NOTE REQUIRED**

40 (See attached)



# 125th MAINE LEGISLATURE

LD 1632

LR 2594(02)

**An Act To Amend Provisions Limiting the Return to Work after Retirement by Teachers**

**Fiscal Note for Bill as Amended by Committee Amendment "A" 8-567**

**Committee: Appropriations and Financial Affairs**

**Fiscal Note Required: Yes**

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## Fiscal Note

No net fiscal impact

### Fiscal Detail and Notes

When limitations on conditions of restoration to service after retirement were enacted in 2011 no costs or savings were budgeted. It was assumed that limiting compensation to 75% would deter some retirees from returning to work and those positions would have to be filled by replacement workers. The State and school administrative units would have to pay health insurance costs and retirement costs for new replacement workers, which would offset the savings from the 25% reduction in compensation for those who would return at the lower pay. Excluding teachers from these limitations is not expected to significantly change the net impact of the original legislation.