

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

SECOND REGULAR SESSION-2016

Legislative Document

No. 1463

H.P. 1004

House of Representatives, December 21, 2015

An Act To Allow Members of the State Employee and Teacher Retirement Program To Reapply for Disability Retirement Benefits after Denial and To Allow the Board of Trustees of the Maine Public Employees Retirement System To Offer Long-term Disability Insurance Coverage

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 17, 2015. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FOLEY of Wells.
Cosponsored by Senator COLLINS of York and
Representatives: BEAVERS of South Berwick, HANLEY of Pittston, HARRINGTON of Sanford, ORDWAY of Standish, PICCHIOTTI of Fairfield, TIMBERLAKE of Turner, VACHON of Scarborough.

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

2 **Sec. 1. 5 MRSA §17925**, as amended by PL 1995, c. 643, §§9 and 10, is further
3 amended to read:

4 **§17925. Application**

5 ~~In order to receive a benefit under this article:~~

6 **1. Written application.** ~~The~~ In order to receive a benefit under this article, a person
7 must apply in writing to the executive director in the format specified by the executive
8 director.

9 A. The executive director shall obtain medical consultation on each applicant for
10 disability in accordance with related rules established by the board, which must
11 include provisions indicating when a case must be reviewed by a medical board and
12 when alternative means of medical consultation are acceptable. Rules adopted
13 pursuant to this paragraph are routine technical rules as defined in chapter 375,
14 subchapter ~~H-A~~ 2-A. Whether provided by the medical board or by an alternative
15 means, medical consultation obtained by the executive director must be objective and
16 be provided by a physician or physicians qualified to review the case by specialty or
17 experience and to whom the applicant is not known.

18 **2. Workers' compensation.** If the incapacity upon which the application is based is
19 a result of an injury or accident received in the line of duty, the application must include
20 proof that the member has made application for benefits under the workers' compensation
21 laws;

22 **3. Social security.** If the employment for which creditable service with the
23 employer is allowed was also covered under the United States Social Security Act, the
24 application must include proof that the member has made application for benefits under
25 this Act; ~~and~~.

26 **4. Approval.** The written application ~~shall~~ must be approved by the executive
27 director upon finding that the member has met the requirements of section 17924.

28 **5. Reapplication.** A member who has had a disability retirement benefit application
29 denied may file a new application based on the same medical conditions or other medical
30 conditions if that member has had a bona fide return to service with an employer whose
31 employees are covered by this article or chapter 425, subchapter 5, article 3-A. If the
32 executive director finds that the member has met the requirements of section 17924, the
33 new application must be approved notwithstanding the earlier denial.

34 **Sec. 2. 5 MRSA c. 423, sub-c. 7** is enacted to read:

35 **SUBCHAPTER 7**

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LONG-TERM DISABILITY INSURANCE

§18101. Authorization

The board may offer long-term disability insurance coverage to members and may contract with one or more insurance companies to provide this coverage.

1. Premiums. All premiums and any other amounts due to an insurance company or other 3rd party in connection with coverage under this subchapter must be borne by the covered person or the covered person's employer.

2. Rules. The board may adopt rules to implement this subchapter. Rules adopted pursuant to this subsection are routine technical rules pursuant to chapter 375, subchapter 2-A.

Sec. 3. 5 MRSA §18525, sub-§5 is enacted to read:

5. Reapplication. A member who has had a disability retirement benefit application denied may file a new application based on the same medical conditions or other medical conditions if that member has had a bona fide return to service with an employer whose employees are covered by this article or chapter 423, subchapter 5, article 3-A. If the executive director finds that the member has met the requirements of section 18524, the new application must be approved notwithstanding the earlier denial.

Sec. 4. 5 MRSA c. 425, sub-c. 7 is enacted to read:

SUBCHAPTER 7

LONG-TERM DISABILITY INSURANCE

§18701. Authorization

The board may offer long-term disability insurance coverage to members and employees who choose not to become members but participate in the defined contribution plan pursuant to section 18801, subsection 1 and may contract with one or more insurance companies to provide this coverage.

1. Premiums. All premiums and any other amounts due to an insurance company or other 3rd party in connection with coverage under this subchapter must be borne by the covered person or the covered person's employer.

2. Rules. The board may adopt rules to implement this subchapter. Rules adopted pursuant to this subsection are routine technical rules pursuant to chapter 375, subchapter 2-A.

Sec. 5. Study. The Maine Public Employees Retirement System shall conduct a study on the feasibility of procuring and offering long-term disability insurance pursuant to the Maine Revised Statutes, Title 5, chapter 423, subchapter 7 and Title 5, chapter 425, subchapter 7, including the means by which the Maine Public Employees Retirement

1 System would procure and offer the insurance, the anticipated administrative burdens and
2 expenses associated with offering the insurance and any other factors determined relevant
3 by the Maine Public Employees Retirement System. The Maine Public Employees
4 Retirement System shall report the results of its study under this section together with any
5 recommendations and suggested legislation to the joint standing committee of the
6 Legislature having jurisdiction over appropriations and financial affairs no later than
7 January 4, 2017. The joint standing committee may report out a bill based on the report
8 to the First Regular Session of the 128th Legislature.

9 **Sec. 6. Effective date.** Those sections of this Act that enact the Maine Revised
10 Statutes, Title 5, chapter 423, subchapter 7 and Title 5, chapter 425, subchapter 7 take
11 effect January 5, 2017.

12 SUMMARY

13 This bill provides that a denial of a disability retirement benefit application to the
14 Maine Public Employees Retirement System does not bar the filing and approval of a
15 subsequent application for the same or different medical conditions if the applicant has
16 returned to service with an employer covered under the Maine Public Employees
17 Retirement System.

18 It authorizes the Board of Trustees of the Maine Public Employees Retirement
19 System, beginning January 5, 2017, to procure and offer long-term disability insurance to
20 the retirement system's members and nonmembers who participate in the retirement
21 system defined contribution plan. Persons who elect this coverage or their employers are
22 responsible for premiums and other 3rd-party costs.

23 It directs the Maine Public Employees Retirement System to study how it would
24 procure and offer long-term disability insurance and to report the results of its study to
25 the joint standing committee of the Legislature having jurisdiction over appropriations
26 and financial affairs, which is authorized to report out a bill to the First Regular Session
27 of the 128th Legislature.