MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

SECOND REGULAR SESSION-2016

Legislative Document

No. 1677

H.P. 1144

House of Representatives, March 24, 2016

Resolve, Directing the Department of Administrative and Financial Services and the Maine Public Employees Retirement System To Identify Retirees Whose Retirement Benefit Calculations Were Adversely Affected by Certain Pay Freezes and To Calculate Costs Associated with Authorizing Those Retirees To Include Such Lost Wages in Retirement Benefit Calculations

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

ROBERT B. HUNT

R(+ B. Hunt

Clerk

Presented by Representative PICKETT of Dixfield. Cosponsored by Senator WHITTEMORE of Somerset and

Representatives: DOORE of Augusta, GROHMAN of Biddeford, HANINGTON of Lincoln, HANLEY of Pittston, HERRICK of Paris, MARTIN of Sinclair, TURNER of Burlington, WINSOR of Norway.

Preamble. Whereas, the law governing the calculation of member retirement benefits was amended by Public Law 2015, chapter 267, Part CCCC, section 1 and chapter 385 to allow members of the Maine Public Employees Retirement System who retired on or after July 1, 2015 to pay the necessary member contributions to include in their retirement benefit calculations wages lost due to merit pay freezes and longevity pay freezes; and

Whereas, equity requires that the law be similarly amended to allow members of the Maine Public Employees Retirement System who retired prior to July 1, 2015 to pay the necessary member contributions to include in their retirement benefit calculations wages lost due to such pay freezes; and

Whereas, in order to rectify the situation, it is necessary first to determine the population of retirees who are potentially affected by this inequity, and then to calculate the costs associated with expanding the universe of retirees who are permitted to elect to contribute the necessary member contributions to include in their retirement benefit calculations wages lost due to such pay freezes; now, therefore, be it

- **Sec. 1. Identification of members. Resolved:** That the Department of Administrative and Financial Services and the Maine Public Employees Retirement System shall work together to identify retirees who retired prior to July 1, 2015 and whose retirement benefit calculations were adversely affected by merit pay freezes and longevity pay freezes in effect in fiscal years 2011-12 and 2012-13; and be it further
- **Sec. 2. Calculation of costs. Resolved:** That the Department of Administrative and Financial Services and the Maine Public Employees Retirement System shall work together to calculate the projected costs associated with authorizing members of the Maine Public Employees Retirement System who retired prior to July 1, 2015 to include in their retirement benefit calculations wages lost due to merit pay freezes and longevity pay freezes in effect in fiscal years 2011-12 and 2012-13; and be it further
- **Sec. 3. Report. Resolved:** That, no later than November 2, 2016, the Department of Administrative and Financial Services and the Maine Public Employees Retirement System shall report their findings pursuant to sections 1 and 2 to the Joint Standing Committee on Appropriations and Financial Affairs. The joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs may report out to the First Regular Session of the 128th Legislature a bill to authorize members of the Maine Public Employees Retirement System who retired prior to July 1, 2015 to include in their retirement benefit calculations wages lost due to merit pay freezes and longevity pay freezes in effect in fiscal years 2011-12 and 2012-13.

36 SUMMARY

This resolve directs the Department of Administrative and Financial Services and the Maine Public Employees Retirement System to work together to identify retirees who retired prior to July 1, 2015 and whose retirement benefit calculations were adversely affected by merit pay freezes and longevity pay freezes in effect in fiscal years 2011-12

and 2012-13, and to calculate the projected costs associated with authorizing members of the Maine Public Employees Retirement System who retired prior to July 1, 2015 to include in their retirement benefit calculations wages lost due to merit pay freezes and longevity pay freezes in effect in fiscal years 2011-12 and 2012-13. The joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs is authorized to report out a bill to the First Regular Session of the 128th Legislature to authorize members of the Maine Public Employees Retirement System who retired prior to July 1, 2015 to include in their retirement benefit calculations wages lost due to merit pay freezes and longevity pay freezes in effect in fiscal years 2011-12 and 2012-13.