

MAINE STATE LEGISLATURE

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Ms
H. 681

Date: 3/23/18

(Filing No. H-681)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 132, L.D. 176, Bill, "An Act To Amend the Laws Pertaining to Disability Retirement Benefits Administered by the Maine Public Employees Retirement System"

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

'An Act To Authorize the Maine Public Employees Retirement System To Procure and Offer Long-term Disability Insurance'

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

'Sec. 1. 5 MRSA c. 423, sub-c. 7 is enacted to read:

SUBCHAPTER 7

LONG-TERM DISABILITY INSURANCE

§18101. Long-term disability insurance coverage authorized

The board may offer long-term disability insurance coverage to members through their employer 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, the covered person's employer or both the covered person and 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. 2. 5 MRSA c. 425, sub-c. 7 is enacted to read:

COMMITTEE AMENDMENT

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SUBCHAPTER 7

LONG-TERM DISABILITY INSURANCE

§18701. Long-term disability insurance coverage authorized

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 through their employer 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, the covered person's employer or both the covered person and 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. Report. The Maine Public Employees Retirement System shall report twice to the joint standing committee of the Legislature having jurisdiction over retirement matters, no later than January 31, 2019 and January 31, 2020, on the use of the authority granted to the Board of Trustees of the Maine Public Employees Retirement System pursuant to the Maine Revised Statutes, Title 5, chapter 423, subchapter 7 and Title 5, chapter 425, subchapter 7, including the results of any offering of long-term disability insurance by the board.'

SUMMARY

This amendment replaces the bill, which is a concept draft.

The amendment authorizes the Board of Trustees of the Maine Public Employees Retirement System to procure and offer long-term disability insurance to the retirement system's members and employees who choose not to become members but participate in the defined contribution plan pursuant to the Maine Revised Statutes, section 18801, subsection 1. The decision about whether to offer coverage is made by the employer. Premiums would not be paid for by the retirement system, but would be paid by employers, by employees electing the coverage or by a combination of both.

The amendment also directs the retirement system to report twice to the joint standing committee of the Legislature having jurisdiction over retirement matters on the use of the authority granted by this bill, once in 2019 and once in 2020.

FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 176

LR 1033(02)

An Act To Amend the Laws Pertaining to Disability Retirement Benefits Administered by the Maine
Public Employees Retirement System

Fiscal Note for Bill as Amended by Committee Amendment *A(H-681)*

Committee: Appropriations and Financial Affairs

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Maine Public Employees Retirement System

Fiscal Detail and Notes

This bill authorizes the Maine Public Employees Retirement System (MainePERS) to procure and offer long-term disability insurance coverage to its members through their employers. Additional costs to MainePERS associated with the rulemaking and reporting requirements can be absorbed within existing budgeted resources. Because participation by employers is optional, there is no fiscal impact to the State, local school administrative units and local towns and municipalities that participate in the retirement system.