

MAINE STATE LEGISLATURE

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Date: 4/12/17 Report C

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EDUCATION AND CULTURAL AFFAIRS

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

COMMITTEE AMENDMENT "B" to H.P. 370, L.D. 526, Bill, "An Act To Increase the State Share of the Cost of Health Insurance for Retired Teachers"

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

'An Act To Remove the Cap on an Increase in the State Share of the Cost of Health Insurance for Retired Teachers'

Amend the bill by striking out all of section 1 and inserting the following:

'Sec. 1. 20-A MRSA §13451, sub-§3, as amended by PL 2013, c. 368, Pt. H, §3, is further amended to read:

3. Payment by State. The State shall pay a percentage of the retired teacher members' share of this insurance according to the following schedule:

- A. Thirty percent until July 1, 2002;
B. Thirty-five percent from July 1, 2002 to July 31, 2003;
C. Forty percent from August 1, 2003 to December 31, 2005; and
D. Forty-five percent after December 31, 2005.

Except for individuals who are receiving or who have received retirement benefits under Title 5, section 17907 or 17929, for a teacher who retires after July 1, 2012, the State shall begin paying the percentage of the retired teacher member's share pursuant to this subsection when the retiree reaches normal retirement age.

For the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30, 2015, the State's total cost for retired teachers' health insurance premiums is budgeted at the fiscal year 2010-11 funding level adjusted for projected membership growth. The increase in the State's total cost for retired teachers' health insurance premiums for fiscal years ending after on June 30, 2015, June 30, 2016 and June 30, 2017 is budgeted at no more than any percentage increase in the Consumer Price Index as defined in Title 5, section 17001, subsection 9 plus 3%. A provider of a health insurance benefit plan for retired teachers must make available data related to the provider's premium costs and any

COMMITTEE AMENDMENT

1 related data as requested by the Executive Director of Health Insurance within the
2 Department of Administrative and Financial Services.'

3 **SUMMARY**

4 This amendment is a minority report of the committee. The amendment strikes the
5 bill's proposal to raise the required percentage of a retired teacher's share of the premium
6 for group accident and sickness or health insurance from 45% to 60% between fiscal year
7 2016-17 and fiscal year 2020-21. The amendment retains the current requirement that the
8 State pay 45% of a retired teacher's share of the premium for group accident and sickness
9 or health insurance and, beginning in fiscal year 2017-18, removes the restriction in
10 current law that limits the increase in the State's total cost for retired teachers' health
11 insurance premiums.

12 **FISCAL NOTE REQUIRED**

13 **(See attached)**



128th MAINE LEGISLATURE

LD 526

LR 1991(02)

An Act To Increase the State Share of the Cost of Health Insurance for Retired Teachers

Fiscal Note for Bill as Amended by Committee Amendment "B" (H-42)
Committee: Education and Cultural Affairs
Fiscal Note Required: Yes

Fiscal Note

Potential current biennium cost increase - General Fund

Fiscal Detail and Notes

Removing the cap on the increase in the State's total cost for retired teachers' health insurance premiums will result in increased General Fund costs to the State for any year that the growth in premium costs exceeds the percentage increase in the Consumer Price Index, as defined in Title 5, section 17001, subsection 9, plus 3%.