

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 178

H.P. 141

House of Representatives, January 17, 2019

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

(EMERGENCY)

Reference to the Committee on Labor and Housing suggested and ordered printed.

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

ROBERT B. HUNT
Clerk

Presented by Representative COLLINGS of Portland.
Cosponsored by Senator SANBORN, H. of Cumberland and
Representatives: DODGE of Belfast, HEPLER of Woolwich, INGWERSEN of Arundel,
McCREA of Fort Fairfield, MEYER of Eliot, Senators: BELLOWS of Kennebec, President
JACKSON of Aroostook, POULIOT of Kennebec.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** this legislation needs to take effect before the expiration of the 90-day
4 period in order to provide an increase in the State's share of the cost of health insurance
5 for retired teachers at the beginning of the next fiscal year; and

6 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
7 the meaning of the Constitution of Maine and require the following legislation as
8 immediately necessary for the preservation of the public peace, health and safety; now,
9 therefore,

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

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

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

- 15 A. Thirty percent until July 1, 2002;
- 16 B. Thirty-five percent from July 1, 2002 to July 31, 2003;
- 17 C. Forty percent from August 1, 2003 to December 31, 2005; ~~and~~
- 18 D. Forty-five percent ~~after December 31, 2005.~~ from January 1, 2006 to June 30,
19 2019;
- 20 E. Fifty percent from July 1, 2019 to June 30, 2020;
- 21 F. Fifty-five percent from July 1, 2020 to June 30, 2021;
- 22 G. Sixty percent from July 1, 2021 to June 30, 2022;
- 23 H. Sixty-five percent from July 1, 2022 to June 30, 2023;
- 24 I. Seventy percent from July 1, 2023 to June 30, 2024;
- 25 J. Seventy-five percent from July 1, 2024 to June 30, 2025;
- 26 K. Eighty percent from July 1, 2025 to June 30, 2026;
- 27 L. Eighty-five percent from July 1, 2026 to June 30, 2027; and
- 28 M. Ninety percent after June 30, 2027.

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

33 ~~For the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014 and June 30,~~
34 ~~2015, the State's total cost for retired teachers' health insurance premiums is budgeted at~~
35 ~~the fiscal year 2010-11 funding level adjusted for projected membership growth. The~~
36 ~~increase in the State's total cost for retired teachers' health insurance premiums for fiscal~~

1 ~~years ending after June 30, 2015 is budgeted at no more than any percentage increase in~~
2 ~~the Consumer Price Index as defined in Title 5, section 17001, subsection 9 plus 3%. A~~
3 provider of a health insurance benefit plan for retired teachers must make available data
4 related to the provider's premium costs and any related data as requested by the Executive
5 Director of Health Insurance within the Department of Administrative and Financial
6 Services.

7 **Emergency clause.** In view of the emergency cited in the preamble, this
8 legislation takes effect when approved.

9 **SUMMARY**

10 Current law requires the State to pay 45% of a retired teacher's share of the premium
11 for group accident and sickness or health insurance. This bill raises that percentage to
12 50% from July 1, 2019 to June 30, 2020; 55% from July 1, 2020 to June 30, 2021; 60%
13 from July 1, 2021 to June 30, 2022; 65% from July 1, 2022 to June 30, 2023; 70% from
14 July 1, 2023 to June 30, 2024; 75% from July 1, 2024 to June 30, 2025; 80% from July 1,
15 2025 to June 30, 2026; 85% from July 1, 2026 to June 30, 2027; and 90% after June 30,
16 2027. It also removes some outdated language and the cap on the increase in the State's
17 total cost for retired teachers' health insurance premiums for fiscal years ending after June
18 30, 2015.