

MAINE STATE LEGISLATURE

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 415

H.P. 324

House of Representatives, January 29, 2019

**An Act To Enhance the Retired County and Municipal Law
Enforcement Officers and Municipal Firefighters Health Insurance
Program**

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 VEROW of Brewer.
Cosponsored by Senator LIBBY of Androscoggin and
Representatives: COSTAIN of Plymouth, MARTIN of Eagle Lake, Senator: BELLOWS of
Kennebec.

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

2 **Sec. 1. 5 MRSA §285, sub-§11-A**, as enacted by PL 2005, c. 636, Pt. A, §2, is
3 amended to read:

4 **11-A. Coverage for retired law enforcement officers and firefighters.** A retired
5 county or municipal law enforcement officer or retired municipal firefighter, as defined in
6 section 286-M, subsection 2, who participates in an employer-sponsored retirement
7 program and, prior to July 1, 2007, was enrolled in a self-insured health benefits plan
8 offered by the employing county or municipality may, if the requirements of this
9 subsection are met, enroll in a group health plan administered pursuant to this section that
10 provides coverage for the retired county or municipal law enforcement officer or retired
11 municipal firefighter effective no earlier than July 1, 2007.

12 A. A retiree who fails to enroll in a group health plan pursuant to this subsection is
13 not otherwise eligible to enroll in such a plan and is not eligible for the premium
14 subsidy provided pursuant to this subsection for enrollment in any other health plan.
15 Retirees may enroll themselves, their spouses or their dependents in a group health
16 plan during the following time periods, as applicable.

17 (1) When the effective date of retirement from the county or municipality is on or
18 before May 1, 2007, the retiree must enroll in the plan before July 1, 2007.

19 (2) When the effective date of retirement from the county or municipality is after
20 May 1, 2007 but before January 1, 2020, the retiree must enroll in the plan no
21 later than 60 days following the effective date of retirement from the county or
22 municipality.

23 (3) Notwithstanding the requirements of subparagraphs (1) ~~and~~, (2) and (4), when
24 the retiree, the retiree's spouse or the retiree's dependent experiences an
25 involuntary loss of other health insurance coverage carried as of July 1, 2007 or
26 60 days following the date of the retiree's retirement, whichever is later, the
27 retiree may elect to enroll in the plan no later than 60 days after the effective date
28 of the loss of that coverage. Involuntary loss of coverage does not include a loss
29 of coverage arising as a result of nonpayment of premiums.

30 (4) When the effective date of retirement from the county or municipality is on or
31 after January 1, 2020, the retiree must enroll in the plan no later than 60 days
32 following the effective date of retirement from the county or municipality.
33 Retirees may also enroll their spouses or their dependents in the group health
34 plan as applicable.

35 B. Eligible persons enrolling in a group health plan in which the retiree enrolls
36 pursuant to this subsection are responsible for the premium payment associated with
37 participation in the plan to the extent such an obligation exists following application
38 of any premium subsidy. Failure to remit premium payments in the manner required
39 by the administration policies of the group health plan must result in disenrollment
40 from the plan.

41 C. The State shall pay a premium subsidy that equals the dollar amount equivalent
42 to the highest premium subsidy provided in accordance with section 286-M,

1 subsection 6 or 45% of the cost of the retiree's share of the individual premium for
2 the standard plan identified and offered under the group health insurance plan in
3 which the retiree enrolls pursuant to this subsection, whichever is less. For retirees
4 enrolled in the plan on or after January 1, 2020, the State shall pay 100% of the cost
5 of the retiree's share of the individual premium for the standard plan identified and
6 offered under the group health insurance plan in which the retiree is enrolled pursuant
7 to this subsection. A retiree electing to enroll a spouse or dependent in the plan is
8 responsible for payment of 100% of the cost of such coverage, in addition to that
9 portion of the retiree's individual premium cost not contributed by the State.

10 **Sec. 2. 5 MRSA §286-M, sub-§3, ¶A**, as enacted by PL 2005, c. 636, Pt. A, §3
11 and amended by PL 2007, c. 58, §3, is further amended to read:

12 A. The person must:

13 (1) Be at least 50 years of age; except, if the person is less than 50 years of age,
14 the person must have at least 25 years of service in a position as a county or
15 municipal law enforcement officer or a municipal firefighter and have
16 participated in the special consolidation retirement plan from the Maine Public
17 Employees Retirement System;

18 (2) Be a retired county or municipal law enforcement officer or a retired
19 municipal firefighter;

20 (3) Have, while actively employed as a county or municipal law enforcement
21 officer or municipal firefighter, participated in the person's employer's health
22 insurance plan or other fully-insured health insurance plan; and

23 (4) Receive or be eligible to receive:

24 (a) If retired from at least 25 years of service in a position as a county or
25 municipal law enforcement officer or a municipal firefighter, a retirement
26 benefit from the Maine Public Employees Retirement System or a defined
27 contribution retirement plan other than the United States Social Security Act;
28 or

29 (b) If retired from less than 25 years of service in a position as a county or
30 municipal law enforcement officer or a municipal firefighter, a retirement
31 benefit from the Maine Public Employees Retirement System or a defined
32 contribution retirement plan other than the United States Social Security Act,
33 as long as the benefit provided is at least 50% of average final compensation,
34 with no reduction for early retirement and with or without a cost-of-living
35 adjustment; or

36 **Sec. 3. 5 MRSA §286-M, sub-§5, ¶C**, as enacted by PL 2005, c. 636, Pt. A, §3,
37 is amended to read:

38 C. Notwithstanding paragraphs A ~~and~~ B ~~and~~ D, when the eligible person, the
39 eligible person's spouse or the eligible person's dependent experiences an involuntary
40 loss of other health insurance coverage carried as of January 1, 2007 or 60 days
41 following the date of the eligible person's hire, whichever is later, the eligible person
42 may elect to enroll in the program no later than 60 days after the effective date of the

1 loss of that coverage, subject to the enrollment and eligibility requirements of the
2 applicable group health plan. Involuntary loss of coverage does not include a loss of
3 coverage arising as a result of nonpayment of premiums.

4 **Sec. 4. 5 MRSA §286-M, sub-§5, ¶D** is enacted to read:

5 D. When the effective date of hire of the eligible person is on or after January 1,
6 2020, the eligible person must enroll in the program no later than 60 days following
7 the effective date of hire and receives coverage through the applicable group health
8 plan pursuant to section 285, subsection 11-A.

9 **Sec. 5. 5 MRSA §286-M, sub-§6**, as enacted by PL 2005, c. 636, Pt. A, §3, is
10 amended to read:

11 **6. Premiums; subsidy.** Premiums for the program and the premium subsidy are
12 subject to the provisions of this subsection. Premium subsidies are not provided for
13 supplemental health insurance coverage.

14 A. An enrollee participating in the majority multiple-employer welfare arrangement
15 is responsible for the premium payment associated with the cost of the majority
16 multiple-employer welfare arrangement benefit option in which the enrollee is
17 participating, to the extent such premium obligations exist following the application
18 of any premium subsidy authorized by law. An enrollee who fails to remit the
19 premium payments as established and required by the majority multiple-employer
20 welfare arrangement must be disenrolled from the program. Beginning July 1, 2007,
21 the State shall provide a premium subsidy for enrollees in the form of a direct
22 payment to the majority multiple-employer welfare arrangement for each enrollee.
23 The level of the subsidy must equal 45% of the individual premium cost for the
24 enrollee and varies among enrollees depending upon the terms of the majority
25 multiple-employer welfare arrangement coverage plan in which each enrollee is
26 participating. Enrollees are responsible for the balance of the applicable individual
27 premium, as well as the total cost of the premium for any applicable dependent
28 coverage, and shall make payments directly to the majority multiple-employer
29 welfare arrangement. Beginning January 1, 2020 or the start of the health plan year,
30 whichever is later, an enrollee participating in the majority multiple-employer welfare
31 arrangement pursuant to this paragraph must be enrolled in the applicable group
32 health plan pursuant to paragraph C and section 285, subsection 11-A.

33 B. Enrollees retiring from counties or municipalities that do not participate in the
34 majority multiple-employer welfare arrangement but who are eligible and elect to
35 participate in that county's or municipality's fully insured health benefits plan are
36 responsible for the premium payment associated with the cost of that plan, to the
37 extent such premium obligations exist following the application of any premium
38 subsidy authorized by law. An enrollee who fails to remit the premium payments as
39 established and required by the fully insured plan must be disenrolled from the
40 program. Beginning July 1, 2007, the State shall provide a premium subsidy for
41 enrollees participating in fully insured health benefits plans pursuant to this
42 subsection. This subsidy must be made in the form of a direct payment to the
43 enrollee's health benefits plan and must equal 45% of the individual premium cost for
44 the enrollee or a dollar amount equivalent to the highest premium subsidy provided in

1 accordance with paragraph A, whichever is less. A retiree electing to enroll a spouse
2 or a dependent in the program is responsible for payment of 100% of such coverage
3 in addition to that portion of the retiree's individual premium cost not contributed by
4 the State. Beginning January 1, 2020 or the start of the health plan year, whichever is
5 later, an enrollee participating in that county's or municipality's fully insured health
6 benefits plan pursuant to this paragraph must be enrolled in the applicable group
7 health plan pursuant to paragraph C and section 285, subsection 11-A.

8 C. Beginning January 1, 2020, enrollees shall participate in the applicable group
9 health plan pursuant to section 285, subsection 11-A. Beginning January 1, 2020, the
10 State shall provide a premium subsidy equal to 100% of the individual premium cost
11 for the enrollee. A retiree electing to enroll a spouse or a dependent in the program is
12 responsible for payment of 100% of such coverage.

13 **Sec. 6. 5 MRSA §286-M, sub-§8, ¶A**, as enacted by PL 2005, c. 636, Pt. A, §3,
14 is amended to read:

15 A. Beginning January 1, 2007 and until December 31, 2019, each enrollee who
16 participates as an active employee in a retirement plan shall contribute 1.5% of that
17 enrollee's gross wages to the fund. Beginning January 1, 2020, each enrollee who
18 participates as an active employee in a retirement plan shall contribute 2.5% of that
19 enrollee's gross wages to the fund.

20 **Sec. 7. 5 MRSA §286-M, sub-§9**, as enacted by PL 2005, c. 636, Pt. A, §3, is
21 amended to read:

22 **9. Retirees without 5 years of contributions to fund.** A person who retires without
23 making 60 months of contributions to the fund but who meets the other eligibility criteria
24 of subsection 3, referred to in this subsection as "the retiree," is eligible to participate
25 pursuant to this subsection.

26 A. The retiree is eligible for coverage under the program upon enrollment.

27 B. ~~The~~ Until December 31, 2019, the retiree shall pay the dollar equivalent of the
28 retiree's scheduled contributions based upon the following schedule:

29 (1) A retiree who is at least 50 years of age and under 55 years of age shall pay
30 2% of that retiree's average final monthly compensation multiplied by 60;

31 (2) A retiree who is at least 55 years of age and under 60 years of age shall pay
32 1.75% of that retiree's average final monthly compensation multiplied by 60; and

33 (3) A retiree who is at least 60 years of age shall pay 1.5% of that retiree's
34 average final monthly compensation multiplied by 60.

35 As used in this paragraph, "average final monthly compensation" means the average
36 annual rate of earnable compensation, divided by 12, of a retiree during the 3 years of
37 creditable service as a county or municipal law enforcement officer or municipal
38 firefighter, not necessarily consecutive, in which the average annual rate of earnable
39 compensation is highest or during the retiree's entire period of creditable service as a
40 county or municipal law enforcement officer or municipal firefighter, if the period is
41 less than 3 years.

1 B-1. Beginning January 1, 2020, the retiree shall pay the dollar equivalent of the
2 retiree's scheduled contributions based upon the following schedule:

3 (1) A retiree who is at least 50 years of age and under 55 years of age shall pay
4 2.5% of that retiree's average final monthly compensation multiplied by 60;

5 (2) A retiree who is at least 55 years of age and under 60 years of age shall pay
6 2.0% of that retiree's average final monthly compensation multiplied by 60; and

7 (3) A retiree who is at least 60 years of age shall pay 1.75% of that retiree's
8 average final monthly compensation multiplied by 60.

9 As used in this paragraph, "average final monthly compensation" means the average
10 annual rate of earnable compensation, divided by 12, of a retiree during the 3 years of
11 creditable service as a county or municipal law enforcement officer or municipal
12 firefighter, not necessarily consecutive, in which the average annual rate of earnable
13 compensation is highest or during the retiree's entire period of creditable service as a
14 county or municipal law enforcement officer or municipal firefighter, if the period is
15 less than 3 years.

16 C. If the retiree has made contributions to the fund while employed as a county or
17 municipal law enforcement officer or municipal firefighter, the retiree shall pay the
18 difference between:

19 (1) The total of the retiree's employee contributions required pursuant to
20 paragraph B or B-1 based on the retiree's age as of the date of retirement; and

21 (2) The dollar equivalent of the retiree's scheduled contributions for 60 months
22 pursuant to subsection 8.

23 D. The retiree shall make the payments required by paragraph B, B-1 or C to the
24 division within 12 months of enrollment in the program. A retiree who fails to make
25 the required payment within 12 months of enrollment must be disenrolled from the
26 program.

27 **Sec. 8. Open enrollment.** A county or municipal law enforcement officer, a
28 municipal firefighter or a person retired from such a position with an effective date of
29 hire after November 1, 2006 who elected not to enroll may make a one-time election to
30 enroll in the Retired County and Municipal Law Enforcement Officers and Municipal
31 Firefighters Health Insurance Program established in the Maine Revised Statutes, Title 5,
32 section 286-M before July 1, 2020.

33 SUMMARY

34 This bill makes changes to the Retired County and Municipal Law Enforcement
35 Officers and Municipal Firefighters Health Insurance Program.

36 1. It makes enrollment in the program mandatory for a county or municipal law
37 enforcement officer or municipal firefighter with a date of hire on or after January 1,
38 2020 and offers one-time open enrollment until July 1, 2020 to those officers and
39 firefighters with a date of hire after November 1, 2006 who elected not to enroll.

1 2. It increases the employee contribution for participation in the program from 1.5%
2 of gross wages to 2.5% and makes corresponding changes to the contribution
3 requirements for retirees with less than 5 years of contributions upon retirement.

4 3. It allows a retiree to be eligible if the retiree is less than 50 years of age as long as
5 the retiree has at least 25 years of service in a position as a county or municipal law
6 enforcement officer or a municipal firefighter and has participated in the special
7 consolidation retirement plan from the Maine Public Employees Retirement System.

8 4. It increases the state subsidy for the retiree's share of the costs of health
9 insurance coverage from 45% to 100%.

10 5. It requires that all retirees be provided health insurance coverage through the
11 group health plan provided to state employees beginning January 1, 2020.