

# MAINE STATE LEGISLATURE

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L.D. 1220

Date: 6/12/19

Majority

(Filing No. H-566)

**LABOR AND HOUSING**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
129TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 880, L.D. 1220, Bill, "An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators"

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

**'An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work'**

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

**'Sec. 1. 5 MRSA §17859'**, as amended by PL 2015, c. 321, §1, is further amended to read:

**§17859. Retiring and returning to work**

**1. Restoration to service.** Any state employee or teacher who has reached normal retirement age and who retires after September 1, 2011 may be restored to service for up to 5 years. The decision to hire a retired state employee or retired teacher under this section is at the discretion of the appointing authority. The retired state employee or retired teacher must have had a bona fide termination of employment in accordance with state and federal laws and rules, may not return to employment after retirement with the same employer for at least 30 calendar days after the termination of employment and may not return to employment before the effective date of the person's retirement.

**1-A. Restoration to work as classroom-based employees or administrators.** ~~Effective August 1, 2014, a classroom-based employee who has reached normal retirement age and who retires after September 1, 2011~~ Any retired state employee, retired teacher or retired school administrator may be restored to service as a classroom-based employee or school administrator in a school in the unorganized territory or with a school administrative unit as defined in Title 20-A, section 1, subsection 26:

**COMMITTEE AMENDMENT**

R. G. P. S.

COMMITTEE AMENDMENT "A" to H.P. 880, L.D. 1220

- 1           A. ~~In one-year contracts, which may be nonconsecutive. The maximum time that a~~
- 2           ~~classroom-based employee may be restored to service with an individual school~~
- 3           ~~administrative unit pursuant to this paragraph is 5 years;~~
- 4           B. ~~Subject to the 5 year restriction specified in subsection 1 and the 75%~~
- 5           ~~compensation limitation for retired state employees and retired teachers specified in~~
- 6           ~~subsection 2, paragraph A; or~~
- 7           C. ~~In any combination of paragraphs A and B, as long as the total time the~~
- 8           ~~classroom-based employee is restored to service does not exceed 10 years with an~~
- 9           ~~individual school administrative unit.~~

10           The retired classroom-based employee must have had a bona fide termination of  
11           employment in accordance with state and federal laws and rules, may not return to  
12           employment after retirement with the same employer for at least 30 calendar days after  
13           the termination of employment and may not return to employment before the effective  
14           date of the person's retirement.

15           For purposes of this section, "classroom-based employee" means a teacher whose  
16           principal function is to introduce new learning to students in the classroom or to provide  
17           support in the classroom during the introduction of new learning to students.

18           ~~**2. Compensation and benefits.** The compensation and benefits of the retired state~~  
19           ~~employee or retired teacher who returns to service after retirement as set out in subsection~~  
20           ~~1 is governed by this subsection.~~

21           ~~A. The compensation of the retired state employee or retired teacher who returns to~~  
22           ~~service must be set at 75% of the compensation established for the position to be~~  
23           ~~filled, at a step determined by the appointing authority. The compensation of the~~  
24           ~~retired classroom-based employee who returns to service as a classroom based~~  
25           ~~employee pursuant to subsection 1 A, paragraph A must be set at 100% of the~~  
26           ~~compensation established for the position to be filled, at a step determined by the~~  
27           ~~school administrative unit, for up to the maximum 5 year period that a classroom-~~  
28           ~~based employee may contract with an individual school administrative unit.~~

29           ~~B. The retired state employee or retired teacher who returns to service under this~~  
30           ~~section is not a member and therefore may not accrue additional creditable service or~~  
31           ~~change the retired state employee's or retired teacher's earnable compensation for~~  
32           ~~benefit calculation purposes.~~

33           ~~C. During the period of reemployment, the retired state employee or retired teacher~~  
34           ~~is not entitled to health insurance, dental insurance or life insurance benefits. The~~  
35           ~~retired state employee or retired teacher is entitled to all other benefits for the~~  
36           ~~reemployment position under collective bargaining agreements or civil service laws~~  
37           ~~and rules. Health insurance benefits must be provided under the provisions of section~~  
38           ~~285, subsection 1 A for retired state employees or Title 20 A, section 13451 for~~  
39           ~~retired teachers and life insurance benefits must be provided under the provisions of~~  
40           ~~section 18055.~~

41           **2-A. Compensation.** The compensation rate of the retired state employee, retired  
42           teacher or retired school administrator returning to service under subsection 1 or 1-A is  
43           the same as is required for the position as if the position were filled by an employee who

# COMMITTEE AMENDMENT

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1 is not a retired state employee, retired teacher or retired school administrator. The  
2 compensation rate is determined on the basis of the position under any applicable  
3 collective bargaining agreement or determined through normal salary negotiations when  
4 the position is not part of a collective bargaining unit.

5 **2-B. Benefits.** The benefits of the retired state employee, retired teacher or retired  
6 school administrator who returns to service after retirement as set out in subsection 1 or  
7 1-A are governed by this subsection.

8 A. During the period of reemployment, a retired teacher or retired school  
9 administrator continues to receive any retirement benefits that the teacher or  
10 administrator is entitled to under Title 20-A, section 13451.

11 B. During the period of reemployment, a retired state employee continues to receive  
12 any retirement benefits that the employee is entitled to under sections 285 and 18055.

13 C. During the period of reemployment, a retired state employee, retired teacher or  
14 retired school administrator who is not receiving any retirement benefits as described  
15 in paragraphs A and B is eligible for such benefits as per the local collective  
16 bargaining agreement or established through normal negotiations if the position is not  
17 part of a collective bargaining unit.

18 D. During the period of reemployment, a retiree as described in paragraphs A and B  
19 may receive additional compensation toward such benefits in an amount not to  
20 exceed that of the local collective bargaining agreement if applicable.

21 ~~**3. Contributions to the Maine Public Employees Retirement System and state**~~  
22 ~~**group health plan.**~~ ~~The portion of the employer contribution that goes to pay the~~  
23 ~~retirement system for the unfunded liability and the state group health plan for retiree~~  
24 ~~health care must be continued and based on the retired state employee's or retired~~  
25 ~~teacher's compensation as provided under subsection 2 during the reemployment period.~~

26 **3-A. Contributions to the Maine Public Employees Retirement System.** For a  
27 reemployed retired state employee, retired teacher or retired school administrator, the  
28 portion of the employer contribution that goes to pay the retirement system for the  
29 unfunded liability must be continued at the same contribution rate of the employer as  
30 described in section 17253 as is required for the position as if the position were filled by  
31 an employee who is not a retired state employee, retired teacher or retired school  
32 administrator. A retired state employee, retired teacher or retired school administrator  
33 who returns to service under this section is not a member and therefore may not accrue  
34 additional creditable service during the reemployment period or change the retired state  
35 employee's, retired teacher's or retired school administrator's earnable compensation for  
36 benefit calculation purposes.

37 **3-B. Contributions to the state group health plan.** For a reemployed retired state  
38 employee, retired teacher or retired school administrator, the portion of the employer and  
39 employee contribution that goes to pay the state group health plan for health care must be  
40 continued at the same contribution rate of the employer and employee as is required for  
41 the position as if the position were filled by an employee who is not a retired state  
42 employee, retired teacher or retired school administrator.





# 129th MAINE LEGISLATURE

LD 1220

LR 363(02)

## An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators

Fiscal Note for Bill as Amended by Committee Amendment *A(H-566)*

Committee: Labor and Housing

Fiscal Note Required: Yes

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### Fiscal Note

Potential current biennium cost increase - All funds

#### Fiscal Detail and Notes

Removing the requirement that the compensation of a retired state employee or retired teacher who returns to service must be set at 75% of the compensation established for the position to be filled may result in increased costs to the State or local school administrative units to fill a position with a retiree versus what it would cost absent this legislation if compensation is increased for any employees above 75%.

Allowing retired state employees and retired teachers to receive compensation greater than 75% when returning to work may result in more retirees opting to return to service, resulting in the State and school administrative units paying less for certain benefits than would be paid if replacement workers had to be hired to fill vacant positions. The benefits for returning retired employees are less expensive because they do not accrue additional retirement benefits for the time worked after returning to work. To the extent that retirees who return to work are paid higher salaries than what would be paid to replacement workers hired to fill a vacant position, any costs from higher wages would be partially offset by lower benefit costs.