

# MAINE STATE LEGISLATURE

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L.D. 711

Date: 4/20/21

(Filing No. S-5 )

**LABOR AND HOUSING**

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**STATE OF MAINE  
SENATE  
130TH LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 276, L.D. 711, "An Act To Allow Certain Police Officers To Return to Participation in the Maine Public Employees Retirement System"

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

**'An Act To Allow Certain Employees To Return to Participation in the Maine Public Employees Retirement System'**

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

**Sec. 1. 5 MRSA §18252-A, sub-§1, ¶A**, as amended by PL 2011, c. 449, §15, is further amended to read:

A. A person hired by a participating local district, or rehired following a break in service, after the date on which the employer provides a plan under section 18252-B must elect at the time of initial hiring or rehiring whether to be a member under the Participating Local District Retirement Program or to be covered under a plan provided by the employer under section 18252-B. Once an election is made under this paragraph, except as provided in paragraph E, the election is irrevocable with respect to all subsequent employment with the same employer when membership in the program is not mandatory.

**Sec. 2. 5 MRSA §18252-A, sub-§1, ¶B**, as amended by PL 2009, c. 474, §33, is further amended to read:

B. An employee of the participating local district who is a member under the Participating Local District Retirement Program on the date on which the employer provides a plan under section 18252-B may elect to remain a member under that program or to become covered under a plan provided by the employer under section 18252-B. A person must make an election within 90 days of the date on which the employer provides a plan under section 18252-B. Once an election is made under this paragraph, except as provided in paragraph E, the election is irrevocable with respect

**COMMITTEE AMENDMENT**

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1 to all subsequent employment with the same employer when membership in the  
2 program is not mandatory.

3 (1) If that person elects not to remain a member, the election is effective as of the  
4 first day of the month in which no contributions or pick-up contributions are made  
5 to the Participating Local District Retirement Program by that person. A person  
6 who elects not to remain a member may, at that person's discretion, withdraw  
7 accumulated contributions in accordance with section 18306-A.

8 **Sec. 3. 5 MRSA §18252-A, sub-§1, ¶E** is enacted to read:

9 E. An election under paragraph A or B to not be a member or not remain a member is  
10 not irrevocable if:

11 (1) The employee contribution rate for the plan provided by the employer under  
12 section 18252-B is not lower than the employee contribution rate for the applicable  
13 plan under the Participating Local District Retirement Program; and

14 (2) Employee contributions after joining or rejoining the Participating Local  
15 District Retirement Program qualify for treatment as pick-up contributions for  
16 federal tax purposes and the person's membership otherwise complies with the  
17 United States Internal Revenue Code as applicable to governmental qualified  
18 defined benefit plans.

19 **Sec. 4. 5 MRSA §18254, sub-§1**, as amended by PL 2009, c. 474, §35, is further  
20 amended to read:

21 **1. Employee eligible to withdraw accumulated contributions.** An employee of the  
22 district whose membership in the Participating Local District Retirement Program was  
23 compulsory under section 18251 must make an election to remain a member under that  
24 program or to withdraw accumulated contributions within 90 days of the effective date of  
25 the employer withdrawal from the program under section 18203, subsection 2. An  
26 employee who elects to withdraw accumulated contributions under this subsection may not  
27 be a member of the program as an employee of that district. Once an election is made  
28 under this subsection, the election is irrevocable with respect to all subsequent employment  
29 with the same employer when membership in the program is not mandatory if the employer  
30 later resumes participation in the program pursuant to section 18254-A: unless the  
31 employee is electing to rejoin the Participating Local District Retirement Program and:

32 A. The employee is covered by a plan provided by the employer under section 18252-B  
33 with an employee contribution rate that is not lower than the employee contribution  
34 rate for the applicable plan under the Participating Local District Retirement Program;  
35 and

36 B. Employee contributions after rejoining the Participating Local District Retirement  
37 Program qualify for treatment as pick-up contributions for federal tax purposes and the  
38 person's membership otherwise complies with the United States Internal Revenue Code  
39 as applicable to governmental qualified defined benefit plans.'

40 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
41 number to read consecutively.

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**SUMMARY**

This amendment replaces the bill. Current law provides that a member of the Participating Local District Retirement Program on the date on which an employer offers an alternative retirement program may make a one-time irrevocable election to remain under that program or to join the alternative retirement plan offered by the employer. This amendment provides that such an election is not irrevocable and an employee of a participating local district may elect to rejoin the Participating Local District Retirement Program if the employee is covered by a plan provided by the employer with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under the Participating Local District Retirement Program and the employee's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.

**FISCAL NOTE REQUIRED**

(See attached)



# 130th MAINE LEGISLATURE

LD 711

LR 408(02)

## An Act To Allow Certain Police Officers To Return to Participation in the Maine Public Employees Retirement System

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-51)  
Committee: Labor and Housing  
Fiscal Note Required: Yes

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### Fiscal Note

No State fiscal impact

#### Fiscal Detail and Notes

The actuarial cost for an eligible employee to repurchase previously earned service credit will be the responsibility of the employee and will have no fiscal impact to employers in the Participating Local District (PLD) Retirement Plan. Future costs for eligible individuals to rejoin the PLD Retirement Plan will be the responsibility of the participating municipalities and other local districts and their employees and will have no fiscal impact on the State or the Maine Public Employees Retirement System.