

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1152

S.P. 479

In Senate, March 13, 2023

**An Act to Make Long-term Disability Insurance Coverage Available
to Public Employees**

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator INGWERSEN of York.
Cosponsored by Representative MALON of Biddeford and
Senators: DAUGHTRY of Cumberland, TIPPING of Penobscot, Representatives: BRENNAN
of Portland, GERE of Kennebunkport, PLUECKER of Warren, SHEEHAN of Biddeford.

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

2 **Sec. 1. 5 MRSA §18101**, as enacted by PL 2017, c. 378, §1, is amended to read:

3 **§18101. Long-term disability insurance coverage ~~authorized~~ required**

4 The board ~~may~~ shall offer long-term disability insurance coverage to members through
5 their employer and may contract with one or more insurance companies to provide this
6 coverage. An employer shall offer the long-term disability insurance coverage or
7 substantially equivalent coverage from another source to the employer's employees that are
8 members.

9 **1. Premiums.** All premiums and any other amounts due to an insurance company or
10 other 3rd party in connection with coverage offered by the board under this subchapter
11 must be borne by the ~~covered person, the covered person's employer or both the covered~~
12 ~~person and the covered person's employer.~~

13 **1-A. Benefits.** The coverage offered by the board under this subchapter must provide
14 for a monthly benefit payment amount of not more than \$8,000 and not less than \$100,
15 including applicable offsets. The monthly benefit payment must be in an amount to replace:

16 A. For a member who would receive a disability retirement benefit equal to 59% of
17 the member's average final compensation if qualified for disability retirement benefits,
18 59% of the covered member's income from the employer providing the coverage; or

19 B. For a member who would receive a disability retirement benefit equal to 66 2/3%
20 of the member's average final compensation if qualified for disability retirement
21 benefits, 66 2/3% of the covered member's income from the employer providing the
22 coverage.

23 **2. Rules.** The board may adopt rules to implement this subchapter. Rules adopted
24 pursuant to this subsection are routine technical rules pursuant to chapter 375, subchapter
25 2-A.

26 **Sec. 2. 5 MRSA §18701**, as enacted by PL 2017, c. 378, §2, is amended to read:

27 **§18701. Long-term disability insurance coverage ~~authorized~~ required**

28 The board ~~may~~ shall offer long-term disability insurance coverage to members and
29 employees who choose not to become members but participate in the defined contribution
30 plan pursuant to section 18801, subsection 1 through their employer and may contract with
31 one or more insurance companies to ~~provide~~ offer this coverage. An employer shall
32 provide the long-term disability insurance or substantially equivalent coverage from
33 another source to the employer's employees who are members or participants in the defined
34 contribution plan pursuant to section 18801, subsection 1.

35 **1. Premiums.** All premiums and any other amounts due to an insurance company or
36 other 3rd party in connection with coverage offered by the board under this subchapter
37 must be borne by the ~~covered person, the covered person's employer or both the covered~~
38 ~~person and the covered person's employer.~~

39 **1-A. Benefits.** The coverage offered by the board under this subchapter must provide
40 for a monthly benefit amount of not more than \$8,000 and not less than \$100, including
41 applicable offsets. The monthly benefit payment must be in an amount to replace:

1 A. For a member or a participant who would receive a disability retirement benefit
2 equal to 59% of the member's or participant's average final compensation if qualified
3 for disability retirement benefits, 59% of the member's or participant's income from the
4 employer providing the coverage;

5 B. For a member or a participant who would receive a disability retirement benefit
6 equal to 60% of the member's or participant's annual compensation if qualified for
7 disability retirement benefits, 60% of the member's or the participant's income from
8 the employer providing the coverage; or

9 C. For a member or a participant who would receive a disability retirement benefit
10 equal to 66 2/3% of the member's or the participant's average final compensation if
11 qualified for disability retirement benefits, 66 2/3% of the member's or the participant's
12 income from the employer providing the coverage.

13 **2. Rules.** The board may adopt rules to implement this subchapter. Rules adopted
14 pursuant to this subsection are routine technical rules pursuant to chapter 375, subchapter
15 2-A.

16 **SUMMARY**

17 This bill requires the Maine Public Employees Retirement System to offer long-term
18 disability insurance coverage and requires employers to provide the coverage at employer
19 expense to members of the system and certain employees who participate in the system's
20 defined contribution plan or provide substantially equivalent coverage obtained from
21 another source.