

# MAINE STATE LEGISLATURE

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L.D. 1424

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Date: 2/26/24

(Filing No. H- 769)

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## LABOR AND HOUSING

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### STATE OF MAINE

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### HOUSE OF REPRESENTATIVES

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### 131ST LEGISLATURE

8

### SECOND REGULAR SESSION

9

COMMITTEE AMENDMENT "A" to H.P. 920, L.D. 1424, "An Act to Remove the Age Requirement for Correctional Staff Retirement Under the 1998 Special Plan"

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

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**'An Act to Establish a Special Retirement Plan for Department of Corrections Employees and Other Correctional Staff'**

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

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**'Sec. 1. 5 MRSA §17851, sub-§16**, as enacted by PL 2021, c. 548, §28, is amended to read:

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**16. Member whose position is moved from one special plan to another special plan.** A member whose position is subject to subsection 4, 5-B, 6-B or 7, section 17851-A, or section 17851-B, section 17851-C or section 17851-D and, due to a change in law, becomes subject to different benefit qualification requirements may retire under the former benefit qualification requirements and the associated benefit computation provisions if the member remains in the position until the former requirements would have been met had the change in law not occurred.

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**Sec. 2. 5 MRSA §17851-A, sub-§1, ¶E**, as amended by PL 1999, c. 493, §4, is further amended to read:

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E. Until September 30, 2024, Maine State Prison employees to whom section 17851, subsection 11, paragraph B applies and who were employed after August 31, 1984 and before January 1, 2000;

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**Sec. 3. 5 MRSA §17851-A, sub-§1, ¶I**, as amended by PL 2005, c. 519, Pt. FF, §1, is further amended to read:

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I. ~~Employees~~ Until September 30, 2024, employees of the Department of Corrections or the Department of Administrative and Financial Services on January 1, 2000 or hired thereafter, other than those described in paragraph E, who are employed in a correctional facility, as defined in Title 34-A, section 1001; or those whose duties

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# COMMITTEE AMENDMENT

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involve contact with prisoners, probationers, parolees or juvenile offenders or any person employed as the supervisor of those employees. Those employees of the Department of Corrections on January 3, 2006 whose positions were transferred to the Department of Administrative and Financial Services remain eligible for the 1998 Special Retirement Plan as long as they are assigned to work in a correctional facility, as defined in Title 34-A, section 1001, or their duties involve contact with prisoners, probationers, parolees or juvenile offenders. An employee of the Department of Administrative and Financial Services hired after January 3, 2006 to replace an employee whose position was transferred and who remained eligible for the 1998 Special Retirement Plan is also eligible for the plan as long as that employee is assigned to work in a correctional facility, as defined in Title 34-A, section 1001, and that employee's duties involve contact with prisoners, probationers, parolees or juvenile offenders;

**Sec. 4. 5 MRSA §17851-D** is enacted to read:

**§17851-D. Special plan for correctional staff**

**1. Establishment and applicability.** Effective October 1, 2024, there is established a special retirement plan, referred to in this section as "the special plan," for:

A. Employees of the Department of Corrections or the Department of Administrative and Financial Services who are employed in a correctional facility, as defined in Title 34-A, section 1001, or those whose duties involve contact with prisoners, probationers, parolees or juvenile offenders or any person employed as the supervisor of those employees; and

B. Employees of the Department of Corrections on January 3, 2006 whose positions were transferred to the Department of Administrative and Financial Services as long as the employees are assigned to work in a correctional facility, as defined in Title 34-A, section 1001, or those whose duties involve contact with prisoners, probationers, parolees or juvenile offenders.

An employee of the Department of Administrative and Financial Services hired after January 3, 2006 to replace an employee whose position was transferred and who remained eligible for the 1998 Special Plan is also eligible for the special plan as long as that employee is assigned to work in a correctional facility, as defined in Title 34-A, section 1001, and whose duties involve contact with prisoners, probationers, parolees or juvenile offenders.

**2. Qualification for benefits.** A member employed in any of the positions described in subsection 1 qualifies for a service retirement benefit after completing 25 years of creditable service in that capacity, whether or not the creditable service included in determining that the 25-year requirement has been met was earned under the special plan established in this section or prior to its establishment.

**3. Purchase of service credit to be used for qualification for benefits.** This subsection governs the use of purchased service credit in order to qualify for benefits under this section. For the purpose of meeting the qualification requirement of subsection 2:

A. Service credit purchased by repayment of an earlier refund of accumulated contributions following termination of service is included if the time to which the

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refund relates was served in any one or a combination of the positions described in subsection 1;

B. Service credit purchased under section 17760 is considered service under the special plan; and

C. Service credit purchased other than as provided under paragraphs A and B is not included.

4. Computation of benefits. The amount of the service retirement benefit for members qualified under subsection 2 is 1/2 of the member's average final compensation and an additional 2% of the member's average final compensation for each year of membership service not included in determining qualification under subsection 2.

5. Contributions. Notwithstanding any provision of subchapter 3 to the contrary, on or after September 30, 2024, a member in a position described in subsection 1 shall contribute to the State Employee and Teacher Retirement Program or have pick-up contributions made at the rate of 8.65% of earnable compensation until the member has completed 25 years of creditable service as provided in this section and at the rate of 7.65% thereafter.

**Sec. 5. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Financial and Personnel Services - Division of 0713**

Initiative: Allocates funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of creditable service, regardless of age.

<b>FINANCIAL AND PERSONNEL SERVICES FUND</b>	<b>2023-24</b>	<b>2024-25</b>
All Other	\$0	\$72
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<b>FINANCIAL AND PERSONNEL SERVICES FUND</b>	<b>\$0</b>	<b>\$72</b>
<b>TOTAL</b>		

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF DEPARTMENT TOTALS**

	<b>2023-24</b>	<b>2024-25</b>
<b>FINANCIAL AND PERSONNEL SERVICES FUND</b>	<b>\$0</b>	<b>\$72</b>
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<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$72</b>

**CORRECTIONS, DEPARTMENT OF**

**Administration - Corrections 0141**

Initiative: Provides funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a

**COMMITTEE AMENDMENT**

1 special retirement plan that provides for retirement after 25 years of creditable service,  
 2 regardless of age.

3	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
4	All Other	\$0	\$4,220
5			
6	GENERAL FUND TOTAL	\$0	\$4,220

7 **Administration - Corrections 0141**

8 Initiative: Allocates funds for the prospective costs of allowing the service retirement  
 9 benefit of certain employees earned under the 1998 Special Plan to be calculated under a  
 10 special retirement plan that provides for retirement after 25 years of creditable service,  
 11 regardless of age.

12	<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2023-24</b>	<b>2024-25</b>
13	All Other	\$0	\$140
14			
15	OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$140

16 **Adult Community Corrections 0124**

17 Initiative: Provides funds for the prospective costs of allowing the service retirement  
 18 benefit of certain employees earned under the 1998 Special Plan to be calculated under a  
 19 special retirement plan that provides for retirement after 25 years of creditable service,  
 20 regardless of age.

21	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
22	All Other	\$0	\$12,935
23			
24	GENERAL FUND TOTAL	\$0	\$12,935

25 **Bolduc Correctional Facility Z155**

26 Initiative: Provides funds for the prospective costs of allowing the service retirement  
 27 benefit of certain employees earned under the 1998 Special Plan to be calculated under a  
 28 special retirement plan that provides for retirement after 25 years of creditable service,  
 29 regardless of age.

30	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
31	All Other	\$0	\$5,302
32			
33	GENERAL FUND TOTAL	\$0	\$5,302

34 **Correctional Center 0162**

35 Initiative: Provides funds for the prospective costs of allowing the service retirement  
 36 benefit of certain employees earned under the 1998 Special Plan to be calculated under a  
 37 special retirement plan that provides for retirement after 25 years of creditable service,  
 38 regardless of age.

39	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
40	All Other	\$0	\$27,818
41			
42	GENERAL FUND TOTAL	\$0	\$27,818

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**Correctional Center 0162**

Initiative: Allocates funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of creditable service, regardless of age.

	2023-24	2024-25
<b>OTHER SPECIAL REVENUE FUNDS</b>		
All Other	\$0	\$83
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$0</u>	<u>\$83</u>

**Corrections Industries Z166**

Initiative: Allocates funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of creditable service, regardless of age.

	2023-24	2024-25
<b>PRISON INDUSTRIES FUND</b>		
All Other	\$0	\$540
<b>PRISON INDUSTRIES FUND TOTAL</b>	<u>\$0</u>	<u>\$540</u>

**Downeast Correctional Facility 0542**

Initiative: Provides funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of creditable service, regardless of age.

	2023-24	2024-25
<b>GENERAL FUND</b>		
All Other	\$0	\$1,595
<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>\$1,595</u>

**Justice - Planning, Projects and Statistics 0502**

Initiative: Allocates funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of creditable service, regardless of age.

	2023-24	2024-25
<b>FEDERAL EXPENDITURES FUND</b>		
All Other	\$0	\$211
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$0</u>	<u>\$211</u>

**Juvenile Community Corrections 0892**

Initiative: Provides funds for the prospective costs of allowing the service retirement benefit of certain employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of creditable service, regardless of age.

	2023-24	2024-25
<b>GENERAL FUND</b>		

**ROS**

COMMITTEE AMENDMENT "A" to H.P. 920, L.D. 1424

1	All Other	\$0	\$7,523
2			
3	GENERAL FUND TOTAL	\$0	\$7,523
4	<b>Long Creek Youth Development Center 0163</b>		
5	Initiative: Provides funds for the prospective costs of allowing the service retirement		
6	benefit of certain employees earned under the 1998 Special Plan to be calculated under a		
7	special retirement plan that provides for retirement after 25 years of creditable service,		
8	regardless of age.		
9	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
10	All Other	\$0	\$13,588
11			
12	GENERAL FUND TOTAL	\$0	\$13,588
13	<b>Mountain View Correctional Facility 0857</b>		
14	Initiative: Provides funds for the prospective costs of allowing the service retirement		
15	benefit of certain employees earned under the 1998 Special Plan to be calculated under a		
16	special retirement plan that provides for retirement after 25 years of creditable service,		
17	regardless of age.		
18	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
19	All Other	\$0	\$15,951
20			
21	GENERAL FUND TOTAL	\$0	\$15,951
22	<b>Office of Victim Services 0046</b>		
23	Initiative: Provides funds for the prospective costs of allowing the service retirement		
24	benefit of certain employees earned under the 1998 Special Plan to be calculated under a		
25	special retirement plan that provides for retirement after 25 years of creditable service,		
26	regardless of age.		
27	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
28	All Other	\$0	\$151
29			
30	GENERAL FUND TOTAL	\$0	\$151
31	<b>State Prison 0144</b>		
32	Initiative: Provides funds for the prospective costs of allowing the service retirement		
33	benefit of certain employees earned under the 1998 Special Plan to be calculated under a		
34	special retirement plan that provides for retirement after 25 years of creditable service,		
35	regardless of age.		
36	<b>GENERAL FUND</b>	<b>2023-24</b>	<b>2024-25</b>
37	All Other	\$0	\$29,810
38			
39	GENERAL FUND TOTAL	\$0	\$29,810
40			
41	<b>CORRECTIONS, DEPARTMENT OF</b>		
42	<b>DEPARTMENT TOTALS</b>	<b>2023-24</b>	<b>2024-25</b>

**COMMITTEE AMENDMENT**

**ROS**

COMMITTEE AMENDMENT "A" to H.P. 920, L.D. 1424

1			
2	GENERAL FUND	\$0	\$118,893
3	FEDERAL EXPENDITURES FUND	\$0	\$211
4	OTHER SPECIAL REVENUE FUNDS	\$0	\$223
5	PRISON INDUSTRIES FUND	\$0	\$540
6			
7	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$119,867
8	RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES		
9	Retirement System - Retirement Allowance Fund 0085		
10	Initiative: Provides one-time funds for the increase in the unfunded actuarial liability		
11	created as a result of allowing the service retirement benefits for certain employees in the		
12	Department of Corrections earned under the 1998 Special Plan to be calculated under a		
13	special retirement plan that provides for retirement after 25 years of creditable service,		
14	regardless of age.		
15	GENERAL FUND	2023-24	2024-25
16	All Other	\$0	\$15,304,317
17			
18	GENERAL FUND TOTAL	\$0	\$15,304,317
19			
20	RETIREMENT SYSTEM, MAINE PUBLIC		
21	EMPLOYEES		
22	DEPARTMENT TOTALS	2023-24	2024-25
23			
24	GENERAL FUND	\$0	\$15,304,317
25			
26	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$15,304,317
27			
28	SECTION TOTALS	2023-24	2024-25
29			
30	GENERAL FUND	\$0	\$15,423,210
31	FEDERAL EXPENDITURES FUND	\$0	\$211
32	OTHER SPECIAL REVENUE FUNDS	\$0	\$223
33	FINANCIAL AND PERSONNEL SERVICES	\$0	\$72
34	FUND		
35	PRISON INDUSTRIES FUND	\$0	\$540
36			
37	SECTION TOTAL - ALL FUNDS	\$0	\$15,424,256
38			
39	Amend the bill by relettering or renumbering any nonconsecutive Part letter or section		
40	number to read consecutively.		

## COMMITTEE AMENDMENT



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**SUMMARY**

This amendment, which is the unanimous report of the committee, replaces the bill and changes the title. The amendment removes from the 1998 Special Plan certain employees of the Department of Corrections and the Department of Administrative and Financial Services who work in correctional facilities or whose duties involve contact with prisoners, probationers, parolees or juvenile offenders. The amendment establishes a special retirement plan for those employees that provides for retirement after 25 years of creditable service, regardless of age, and includes qualifications and methods for computing benefits and contribution rates. The amendment also adds an appropriations and allocations section.

**FISCAL NOTE REQUIRED**

**(See attached)**



# 131st MAINE LEGISLATURE

LD 1424

LR 1114(02)

## An Act to Remove the Age Requirement for Correctional Staff Retirement Under the 1998 Special Plan

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-769)

Committee: Labor and Housing

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$15,423,210	\$164,229	\$170,141
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$15,423,210	\$164,229	\$170,141
Federal Expenditures Fund	\$0	\$211	\$291	\$302
Other Special Revenue Funds	\$0	\$223	\$307	\$318
Financial and Personnel Services Fund	\$0	\$72	\$100	\$103
Prison Industries Fund	\$0	\$540	\$746	\$773

### Fiscal Detail and Notes

This bill includes General Fund appropriations totaling \$15,423,210 and other funds allocations totaling \$1,046 in fiscal year 2024-25 for the cost of allowing the service retirement benefit of certain Department of Corrections and Department of Administrative and Financial Services employees earned under the 1998 Special Plan to be calculated under a special retirement plan that provides for retirement after 25 years of service, regardless of age, effective October 1, 2024.

Of this amount, \$15,304,317 is appropriated on a one-time basis in fiscal year 2024-25 to the Retirement Allowance Fund within the Maine Public Employees Retirement System for the increase in the unfunded actuarial liability created as a result of the provisions in this bill. Pursuant to the Constitution of Maine, Article IX, Section 18-A, unfunded liabilities may not be created except those that result from experience losses.

Additionally, \$118,893 is appropriated on an ongoing basis beginning in fiscal year 2024-25 to various programs within the Department of Corrections for the increase in the employer contributions for the normal cost component on a prospective basis. Ongoing Federal Expenditures Fund allocations of \$211; Other Special Revenue Funds allocations of \$223, Financial and Personnel Services Fund allocations of \$72 and Prison Industries Fund allocations of \$540 for fiscal year 2024-25 are also included in the bill for this same purpose.