

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1607

S.P. 639

In Senate, April 11, 2023

**An Act to Stabilize the Pension Funds of the Maine Public
Employees Retirement System**

Reference to the Committee on Labor and Housing 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 PIERCE of Cumberland.
Cosponsored by Representative MILLETT of Cape Elizabeth and
Senators: INGWERSEN of York, LIBBY of Cumberland, RAFFERTY of York, TIPPING of
Penobscot, Representatives: DODGE of Belfast, GATTINE of Westbrook, MURPHY of
Scarborough, SARGENT of York.

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

2 **Sec. 1. 5 MRSA §1536, sub-§1**, as amended by PL 2021, c. 398, Pt. ZZZ, §§2 and
3 is further amended to read:

4 **1. Final priority reserves.** After the transfers to the State Contingent Account
5 pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section
6 1511, the transfers pursuant to section 1522, a transfer of \$2,500,000 for the Reserve for
7 General Fund Operating Capital ~~and~~, the transfers to the Retiree Health Insurance Internal
8 Service Fund pursuant to section 1519 and the transfer to the Retirement Improvement
9 Fund pursuant to section 17445, the State Controller shall transfer at the close of each fiscal
10 year from the unappropriated surplus of the General Fund an amount equal to the amount
11 available from the unappropriated surplus after all required deductions of appropriations,
12 budgeted financial commitments and adjustments considered necessary by the State
13 Controller have been made as follows:

14 A. Eighty percent to the stabilization fund; and

15 G. Twenty percent to the Highway and Bridge Capital program, Other Special
16 Revenue Funds account.

17 **Sec. 2. 5 MRSA c. 421, sub-c. 4, art. 10** is enacted to read:

18 **ARTICLE 10**

19 **RETIREMENT IMPROVEMENT FUND**

20 **§17445. Retirement Improvement Fund**

21 **1. Establishment of fund.** The Retirement Improvement Fund, referred to in this
22 section as "the fund," is established as an interest-bearing, nonlapsing fund for the payment
23 of retirement benefit improvements.

24 **2. Content of fund.** The fund consists of all resources transferred to the fund under
25 section 1536, subsection 1 and other resources made available to the fund.

26 A. At the close of each fiscal year, the State Controller shall transfer to the fund from
27 the unappropriated surplus of the General Fund, after all required deductions of
28 appropriations, budgeted financial commitments and adjustments considered necessary
29 by the State Controller have been made pursuant to section 1536, subsection 1, and
30 prior to the transfers required under section 1536, subsection 1, paragraphs A and G,
31 an amount calculated under subsection 3.

32 **3. Calculation of transfer amount.** The amount required to be transferred to the fund
33 under subsection 2 is equal to the difference between the amount of the payments made
34 toward the obligation for the unfunded actuarial liability in the year in which the amount is
35 transferred and the amount of those payments for the year preceding the year in which the
36 amount is transferred.

37 **4. Use of fund.** Money in the fund must be used to pay for retirement benefit
38 improvements, including the increase in benefits described by section 17806, subsection 1,
39 paragraph A.

SUMMARY

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This bill requires that an amount of surplus General Fund revenue be transferred annually to a nonlapsing fund to be used to pay for retirement benefit improvements for retired state employees and teachers and their beneficiaries.