

MAINE STATE LEGISLATURE

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E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 211

S. P. 103

In Senate, Jan. 31, 1933.

Referred to Committee on Education and 500 copies ordered printed.
Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Jackson of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED THIRTY-
THREE

AN ACT Relating to Teachers' Retirement System.

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

Section 1. **State's contribution to retirement fund discontinued.** Sections 229, Paragraph II, as amended by P. L. 1931, c. 8; 234; 235; 238; 239; 240; 243; and 244, of c. 19 of the revised statutes are hereby amended to read as follows:

'II. Provided, that each and every teacher who began teaching after the first day of July, nineteen hundred ~~and~~ twenty-four and therefore is ineligible to the provisions of section two hundred nineteen to two hundred twenty-five inclusive, and who shall ~~have taught under contract within the state for a period of six years shall, after July first, nineteen hundred and thirty,~~ become 25 years of age on or before August 1 of any year shall be required to contribute to his or her retirement foundation. It shall be the duty of each employer to deduct from each and every pay-roll period such amounts as are required to meet the provisions herein provided. The amount of said deductions shall be certified by the superintendent of schools and approved by the governing board to the treasurer of the town and also to the state commissioner of education. The treasurer of the town shall annually forward in one payment to the treasurer of state on or before ~~July fifteenth~~ **June thirtieth** following, the total of the amounts so deducted.'

Sec. 234. **Annuities, how paid; fund, how created.** The annuities hereinafter provided shall be paid out of a fund to be known as the annuity fund, which shall be constituted as follows:

(1) Each member of the retirement association shall pay into the annuity fund under regulations to be prescribed by the retirement board 5% of such member's salary; provided, however, that no member shall in any one year pay into said fund less than \$20 nor more than \$100.

(2) Any member of the retirement association, who for 30 years shall have paid into said fund his regular assessments, as above provided, shall be exempt from further assessments, but such member may thereafter, if he so elects, continue to pay his assessments into said fund.

~~(3) During the months of July or August of each year the retirement board shall notify the state commissioner of education of the exact amount paid in between July first and June thirtieth preceding by the members of the teachers' retirement association and before the state commissioner of education shall distribute the state school fund in December, he shall deduct the amount necessary to equal the contributions of members as certified by the retirement board. Such amount together with the amounts paid in by members shall be invested as provided in section two hundred forty-two. The amount deducted from the state school fund shall not exceed the sum of thirty-five thousand dollars for any one year.~~

Sec. 235. **Individual accounts with members to be kept.** The contributions made by the members of the retirement association to the annuity fund hereinbefore created, shall be credited as made to such members severally in individual accounts up to the time of retirement. ~~and at the same time each member so contributing shall be credited individually with a like amount as the contribution of the state.~~ Contributing members shall also be credited with the interest earned by their several contributions. ~~and by the equal contributions made by the state as aforesaid.~~

Sec. 238. **When members shall be entitled to annuity; amount of annuity; options.** Except as hereinafter provided, a member of the retirement association, who shall have retired from service in the public schools of the state, and who shall have complied with all the provisions of sections 228 to 248 inclusive and with the rules and regulations of the retirement board hereby authorized, shall be entitled to receive from the ~~annuity fund hereinbefore established~~ **state** (1) such annuity as his contributions to said fund, **doubled** with interest thereon, ~~together with the like contributions made thereto by the state, and the interest thereon,~~ will purchase on the basis of McClintock's table of mortality among annuitants, and an interest rate of $3\frac{1}{2}\%$ per annum; or, (2) at his option, he shall

be entitled to receive an annuity of less amount, as may be determined by the retirement board for annuitants electing such option, with the provision that if the annuitant dies before receiving payments equal to the sum of his assessments hereunder, ~~doubled and the contributions equal thereto made by the state~~, as hereinbefore provided, with interest, the difference between the total amount of said payments **doubled** and the total amount of such assessments, ~~and contributions~~, with interest, shall be paid as an annuity to a surviving husband, or wife, as the case may be, or to his or her legal representatives as such member may elect, subject to such reasonable rules and regulations as the retirement board may prescribe.

Sec. 239. **Members becoming permanently disabled to teach, entitled to annuity; amount, how determined.** A member of the retirement association, who shall have been a teacher in the public schools of the state at least 6 years, and who shall become totally and permanently disabled to teach, as determined upon examination by physicians approved by the retirement board, shall receive an annuity based upon the accumulated sum of his contributions, ~~doubled and the equal contributions of the state~~, with interest, calculated on the basis of McClintock's table of mortality among annuitants and $3\frac{1}{2}\%$ interest, with such additional annual allowance from the state as the retirement board, in the exercise of sound discretion, shall deem equitable, the same being limited by his earning capacity in other occupations, such additional allowance to be continued so long, and in such amount, as the retirement board may determine; provided, however, that in no event shall the total sum received annually by such member, under this section, including his annuity and the additional allowance above provided for, exceed half of his average annual salary throughout his entire period of service as determined by the retirement board.

In the case of persons who receive assistance under this section annual re-examination and reports by physicians in respect to disability shall be required and the allowance discontinued if the report shows ability to return to teaching.

If such retiring member should die before receiving in the form of an annuity **the sum of** all of the accumulations up to the time of his disability from his own ~~and the state's annual~~ contributions on his account **doubled**, the balance shall be paid to his or her legal representatives, as he or she may elect, subject to such rules and regulations as may be prescribed by the retirement board.

Sec. 240. **Members withdrawing entitled amounts contributed, with interest; in case of death, amount payable to heirs; in case of death or withdrawal prior to six years' service, contribution to state to be placed in**

general reserve fund. (1) Any member of the retirement association withdrawing from service in the public schools of the state, by resignation or dismissal, before becoming eligible to retirement under the provisions of sections 228 to 248 inclusive, shall be entitled to receive from the annuity fund all amounts contributed thereto as assessments together with such interest as has accrued thereon.

(2) In case of the death of such member under the circumstances above set forth, the several amounts to which he would be entitled, if living, shall be paid to a surviving husband or wife, or to the legal representatives of such deceased member, as may be elected, subject to the rules and regulations of the retirement board.

~~(3) In the case of the death or withdrawal from service of such member before the completion of six years of service in the public schools of the state the contributions made by the state on his account, as hereinbefore provided, shall be placed in the reserve fund hereinafter established for the general purposes of the retirement system.~~

(3) Contributions returned as above provided shall be paid in lump sums or in instalments as the member may elect, subject, however, to such reasonable rules and regulations as may be prescribed by the retirement board.

Sec. 243. **Special reserve fund created; how expended.** There shall be a reserve fund, to consist of gifts and receipts from sources other than those herein specified, ~~returns to the state of its contributions to the annuity funds as hereinbefore provided,~~ and balances that may accrue on account of interest, savings, or otherwise, which fund shall be maintained and used, in the discretion of the retirement board, for unforeseen contingencies, expenses of administration, or any other purpose within the scope of the retirement system.

Sec. 244. **General reserve fund; how administered.** All moneys paid into the retirement board under paragraph 1 of section 234 ~~and all sums deducted from the state school fund under the provisions of paragraph three of said section~~ not otherwise expended shall be set aside and administered as a reserve fund wherewith to meet accrued liabilities for retiring and disability allowances as hereinbefore provided. Said fund shall be in all respects subject to the provisions of sections 228 to 248 inclusive and to the rules and regulations of the retirement board authorized in respect to custody, investment, audit, and disbursement.

Sec. 2. **State's contribution to date placed in reserve fund.** All contributions of the state to the teachers' retirement fund up to the effective date of this act shall be placed in the general reserve fund.