

MAINE STATE LEGISLATURE

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N I N E T Y - S E C O N D L E G I S L A T U R E

Legislative Document

No. 700

H. P. 1163

House of Representatives, February 13, 1945.

Referred to Committee on Banks and Banking. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Cobb of Gardiner.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-FIVE

**AN ACT Relating to Retiring Allowances or Life Insurance for Officers
and Employees of Savings Banks.**

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

Sec. 1. R. S., c. 55, § 47, sub-§§ I, II, V and VI, amended. Subsections I, II, V and VI of section 47 of chapter 55 of the revised statutes are hereby amended to read as follows :

1. A savings bank, by vote of its trustees, may retire any officer or employee who shall have given his whole time to the service of the bank and shall have been continuously in receipt of a regular salary from the bank for ~~25~~ 20 or more years and shall have arrived at the age of 65 years or ~~shall have become physically or mentally incapacitated for the duties of his position;~~ has been continuously in the employ of the bank for not less than 15 years and has become incapacitated for any cause for further service in his office or position; or at any time, if he shall become so incapacitated by reason of injuries suffered by him in the discharge of his duties to the bank. The trustees may pay to him during the remainder of his life, in equal monthly installments, a yearly allowance of such amount as ~~they shall see fit,~~ shall be deemed reasonable, based on the character and length of service rendered and other relevant circumstances, but not more than 1/2 of his salary at the time of his retirement. If the trustees decide

to pay such allowances entirely from the bank's funds, they shall immediately set aside from the reserve fund or other surplus earnings a special fund sufficient in amount, according to actuarial standards, to meet the cost thereof for any member or members of the bank's staff whose time for retirement has arrived or is near; and yearly, or oftener thereafter, shall appropriate from the current earnings and credit to such special fund amounts sufficient to create, as soon as may be, and maintain, for the payment of the allowances to the other members of the bank's staff, a fund sufficient therefor according to said standards; or, if the trustees prefer, they may enter into an agreement with an insurance company for the setting up of such reserves and the payment of the pensions.'

'II. ~~Instead of such retiring allowances, the~~ The trustees may also insure the lives of those officers and employees who give their whole time to the service of the bank. Such insurance shall be placed with a life insurance company and shall be for such an amount for each beneficiary thereof as the trustees may decide.'

'V. ~~Nothing in this section contained shall be held to confer upon any recipient of such allowances or beneficiary of such insurance an indefeasible right thereto; nor shall such benefits be subject to be trustee or brought into suit by his creditors or otherwise; nor may he assign or alienate them. The benefits conferred upon any recipient of such allowances or upon the beneficiary of such insurance shall not be subject to trustee process, or brought into suit by his creditors or otherwise; nor may he assign or alienate them.'~~

'VI. If, in the case of a sale of the assets of the bank, or of its merger with another bank, or if its standing and condition shall induce or oblige the commissioner or the trustees to have recourse to any of the proceedings provided by sections 65, 67, 68, 69, 70, 71, and 72. ~~the status of any such recipient or beneficiary shall be decided by the court; but if the court orders that such beneficial plan shall be annulled, the living individuals who have contributed to the cost thereof shall be entitled to a return of all such contributions together with interest thereon computed as if they had been deposits on savings accounts in the bank. Such return shall be made to them notwithstanding any pension allowances that may have been paid to them theretofore; and their right to such return shall be a preferred claim upon the assets of the bank. Any rights to accrued or future retirement allowances vested in any officer or employee under action taken by the trustees of any savings bank under the provisions of subsection I, or under any agreement with an insurance company then in force, shall be a preferred claim upon the assets of the bank.'~~

Sec. 2. R. S., c. 55, § 47, sub-§ VII, additional. Section 47 of chapter 55 of the revised statutes is hereby amended by adding thereto a new subsection to be numbered VII and to read as follows :

‘VII. Provided, however, that where such insurance or pension plan is underwritten by one or more life insurance companies, as authorized by this act, by a contract for the purpose made either with an individual bank or with an association duly empowered so to act for and on behalf of the individual banks in the association, the rights of such bank or association and of any individual member or beneficiary of such plan as against the insurance company or companies and the obligations of such insurance company or companies shall, in the situations enumerated in subsection VI, be determined by and limited to the rights and obligations of the respective parties as set forth in the insurance or pension contract by which the plan was underwritten.’