

MAINE STATE LEGISLATURE

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NINETY-SECOND LEGISLATURE

Legislative Document

No. 960

H. P. 1311

House of Representatives, February 27, 1945.

Transmitted by revisor of statutes pursuant to joint order

Referred to Committee on Judiciary. Sent up for concurrence and 1,000 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Payson of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-FIVE

AN ACT to Amend the Employees' Contributory Retirement System.

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

Sec. 1. R. S., c. 60, § 1, sub-§ XII, amended. Subsection XII of section 1 of chapter 60 of the revised statutes is hereby amended to read as follows:

'**XII.** "Average final compensation" shall mean the average annual earnable compensation of a member during his last ~~to~~ 5 years of creditable service, or if he has less than ~~to~~ 5 years of creditable service, it shall mean his average annual earnable compensation during his total creditable service. **Over-all temporary deductions shall not be considered in computing average final compensation.**'

Sec. 2. R. S., c. 60, § 3, sub-§ III, repealed. Subsection III of section 3 of chapter 60 of the revised statutes is hereby repealed.

Sec. 3. R. S., c. 60, § 3, sub-§§ IV, V, VI, renumbered. Subsections IV, V and VI of section 3 of chapter 60 of the revised statutes are hereby renumbered to read subsections III, IV and V.

Sec. 4. R. S., c. 60, § 5, sub-§ I, ¶ A, amended. Paragraph A of sub-

section I of section 5 of chapter 60 of the revised statutes is hereby amended to read as follows:

'A. Any member in service may retire on a service retirement allowance upon written application to the board of trustees, setting forth at what time, not less than 30 days nor more than 90 days subsequent to the filing thereof, he desires to be retired, provided that such member at the time so specified for his retirement shall have attained age 65 and notwithstanding that during such period of notification he may have separated from service, **and provided further, that any member who has prior service credit may retire when his service retirement allowance provided in subsection II shall be equal to $\frac{1}{2}$ average final compensation.'**

Sec. 5. R. S., c. 60, § 5, sub-§ II, amended. Subsection II of section 5 of chapter 60 of the revised statutes is hereby amended to read as follows:

'II. Upon service retirement the member shall receive a service retirement allowance which **in no case shall exceed $\frac{1}{2}$ average final compensation and** shall consist of:

A. An annuity which shall be ~~the actuarial equivalent~~ **4%** of his accumulated contributions at the time of retirement;

B. A pension which shall be equal to $\frac{1}{140}$ of his average final compensation multiplied by the number of years of his membership service; and

C. If he has a prior service certificate in full force and effect, an additional pension which shall be equal to ~~$\frac{1}{70}$~~ **$\frac{1}{50}$** of his average final compensation multiplied by the number of years of his prior service.'

Sec. 6. R. S., c. 60, § 5, sub-§ III, IV, V, amended. Subsections III, IV and V of section 5 of chapter 60 of the revised statutes are hereby amended to read as follows:

'III. Any warden of the department of inland fisheries and game who is a member of this system and who has creditable service of at least 25 years may be retired at $\frac{1}{2}$ of his average final compensation provided such retirement is requested either by the member or commissioner. If any such member should become eligible under the provisions of this system, as a result of prior service and membership service, to a retirement allowance in excess of $\frac{1}{2}$ of his average final compensation, he shall be entitled to the higher retirement allowance, **notwithstanding the provisions of subsection II.'**

'IV. The deputy warden, the captain of the guard, and any guard of the state prison who is a member of this system and who has creditable service of at least 25 years may be retired at $\frac{1}{2}$ of his average final compensation provided such retirement is requested either by the member or the commissioner of institutional service. If any such member should become eligible under the provisions of this system, as a result of prior service and membership service, to a retirement allowance in excess of $\frac{1}{2}$ of his average final compensation, he shall be entitled to the higher retirement allowance, **notwithstanding the provisions of subsection II.'**

'V. Any member of the state police who becomes a member of this system and who has creditable service of at least 25 years may be retired at $\frac{1}{2}$ of his average final compensation provided such retirement is requested either by the member or the chief of the state police. If any such member should become eligible under the provisions of this system, as a result of prior service and membership service, to a retirement allowance in excess of $\frac{1}{2}$ of his average final compensation, he shall be entitled to the higher retirement allowance, **notwithstanding the provisions of subsection II.'**

Sec. 7. R. S., c. 60, § 9, amended. The 1st paragraph of section 9 of chapter 60 of the revised statutes is hereby amended to read as follows:

'Until the first payment on account of a retirement allowance becomes normally due, any member may elect to convert the retirement allowance otherwise payable on his account after retirement into a retirement allowance of equivalent actuarial value of one of the optional forms named below; provided, however, that ~~no an~~ election of an optional benefit shall be effective ~~until 60 days after the date of the filing of the election thereof with the board of trustees, or until 60 days after retirement, whichever is the later on the date of retirement,~~ and should the member die before such election becomes effective, the benefits payable on his account shall be the same as though his election has not been filed and he had not been retired.'

Sec. 8. R. S., c. 60, § 11, sub-§ I, amended. Subsection I of section 11 of chapter 60 of the revised statutes is hereby amended by adding at the end thereof the following:

'In addition there shall be appointed by the governor 2 other members of the board, one of whom shall be a subordinate state employee who shall be a member of the retirement system, and the other shall be a citizen of the state who is not employed by the state. The initial term of one such

appointee shall be for a term of 3 years and the other for a term of 4 years, and thereafter both shall serve for a term of 4 years and until their successors have been appointed and qualified. The treasurer of state, chairman of the personnel board and the state controller shall be ex officio members of the board.'

Sec. 9. R. S., c. 60, § 13, sub-§ I, ¶ A, amended. The first 4 sentences of paragraph A of subsection I of section 13 of chapter 60 of the revised statutes is hereby amended to read as follows:

'The annuity savings fund shall be a fund in which shall be accumulated contributions deducted from the compensation of members to provide for their annuities and the rate of deductions shall be established at the rate of 4%. Upon the basis of such tables as the board of trustees shall adopt and regular interest, the actuary shall determine for each member the proportion of earnable compensation which, when deducted from each payment of his prospective compensation earnable prior to his attainment of age 65 and accumulated at regular interest until his attainment of said age, shall be computed to provide at that time an annuity equal to the pension to which he will be entitled at that age on account of his service as a member. Such proportion of compensation shall be computed to remain constant. The proportion so computed for a member age 64 shall be applied to a member who has attained a greater age before becoming a member of the retirement system.'

Sec. 10. R. S., c. 60, § 13, sub-§ III, ¶ B, amended. Paragraph B of subsection III of section 13 of chapter 60 of the revised statutes is hereby amended to read as follows:

'B. On account of each member there shall be paid annually into the pension accumulation fund by the state for the preceding fiscal year an amount equal to ~~a certain percentage~~ 4% of the annual earnable compensation of such member to be known as the "normal contribution," and an additional amount equal to a percentage of his annual earnable compensation to be known as the "accrued liability contribution." The rates per cent of such ~~contributions~~ accrued liability contribution shall be fixed on the basis of the liabilities of the retirement system as shown by actuarial valuation. Until the first valuation the normal contribution shall be 2.13% and the accrued liability contribution shall be 1.92% of the annual earnable compensation of all members.'

Sec. 11. R. S., c. 60, § 13, sub-§ III, ¶ C, repealed. Paragraph C of sub-

section III of section 13 of chapter 60 of the revised statutes is hereby repealed.

Sec. 12. R. S., c. 60, § 13, sub-§ III, ¶¶ D-J, inclusive, renumbered. Paragraphs D to J, inclusive, of subsection III of section 13 of chapter 60 of the revised statutes are hereby renumbered to read paragraphs C to I, inclusive.

Sec. 13. Limitation. The sections of chapter 60 as amended by this act shall still be retained by the participating local districts and this act shall be applicable only to state employees unless and until the participating local district by proper action of its legislative body authorizes its employees to come under any of the provisions hereof.