

MAINE STATE LEGISLATURE

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

Legislative Document

No. 1303

H. P. 1112

House of Representatives, March 15, 1955.

Referred to Committee on Retirements and Pensions. Sent up for concurrence and 750 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Ferguson of Hanover.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-FIVE

**AN ACT Amending the Law Permitting Municipal Employees to Receive
Federal Social Security Benefits.**

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

Sec. 1. R. S., c. 65, § 1, amended. Section 1 of chapter 65 of the revised statutes is hereby amended to read as follows :

'Sec. 1. Declaration of policy. In order to extend to employees of the state and of political subdivisions of the State of Maine ~~who are not members of existing retirement or pension systems~~ the benefits of social security, provided under the Federal Social Security Act enacted by the Congress of the United States, it is **hereby** declared to be the policy of the Legislature, subject to the limitations of this chapter, that such steps be taken as to provide such protection to employees of the state and of political subdivisions of the State on as broad a basis as is permitted under the Social Security Act. ~~Provided, however, that the provisions of this chapter shall also apply to employees of the University of Maine who are members of an existing retirement or pension system.~~

Sec. 2. R. S., c. 65, § 2, amended. The first 6 paragraphs of section 2 of chapter 65 of the revised statutes are hereby amended to read as follows :

'For the purposes of this chapter :

The term "wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which,

even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that act;

The term "employment" means any service performed by an employee in the employ **of the State and** of any political subdivision of the state, for such employer, except service which in the absence of an agreement entered into under the provisions of this chapter would constitute "employment" as defined in the Social Security Act; or service which under the Social Security Act may not be included in an agreement between the State and the ~~federal security administrator~~ **Secretary of Health, Education and Welfare** entered into under the provisions of this chapter. ~~Employment in positions covered by any retirement system supported wholly or in part by the state or any of its subdivisions may not be included in such agreement;~~

The term "employee" includes an officer **of the State and** of a political subdivision of the state;

The term "state agency" means the Maine State Retirement System;

The term ~~"federal security administrator"~~ **"Secretary of Health, Education and Welfare"** includes any individual to whom the ~~federal security administrator~~ **Secretary of Health, Education and Welfare** has delegated any of his functions under the Social Security Act with respect to coverage under such act of employees of states and their political subdivisions;

The term "State" means the State of Maine;

Sec. 3. R. S., c. 65, § 3, amended. The 1st paragraph of section 3 of chapter 65 of the revised statutes is hereby amended to read as follows:

'The State Agency, with the approval of the Governor, is **hereby** authorized to enter on behalf of the State into an agreement with the ~~federal security administrator~~ **Secretary of Health, Education and Welfare**, consistent with the terms and provisions of this chapter, for the purpose of extending the benefits of the Federal Old Age and Survivors Insurance System to employees of **the State and of** any political subdivision of the state with respect to services specified in such agreement which constitute "employment" as defined in section 2. Such agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration and other appropriate provisions as the State Agency and ~~federal security administrator~~ **Secretary of Health, Education and Welfare** shall agree upon, but, except as may be otherwise required by or under the Social Security Act as to the services to be covered, such agreement shall provide in effect that:

Sec. 4. R. S., c. 65, § 3, sub-§ IV, amended. Subsection IV of section 3 of chapter 65 of the revised statutes is hereby amended to read as follows:

IV. All services which constitute employment as defined in section 2, are performed in the employ of **the State and of** a political subdivision of the State, and are covered by a plan which is in conformity with the terms of the agreement and has been approved by the State Agency under the provisions of section 5, shall be covered by the agreement.'

Sec. 5. R. S., c. 65, § 4, sub-§ I, ¶ D, amended. Paragraph D of subsection I of section 4 of chapter 65 of the revised statutes is hereby amended to read as follows:

'D. It provides that the political subdivision will make such reports, in such form and containing such information, as the State Agency may from time to time require, and comply with such provisions as the State Agency or the ~~federal security administrator~~ **Secretary of Health, Education and Welfare** may from time to time find necessary to assure the correctness and verification of such reports; and'

Sec. 6. R. S., c. 65, §, sub-§ III, amended. Subsection III of section 4 of chapter 65 of the revised statutes is hereby amended to read as follows:

III.

A. ~~Each~~ The State and each political subdivision as to which a plan has been approved under the provisions of this section shall pay into the contribution fund, with respect to wages, as defined in section 2, at such time or times as the State Agency may by regulation prescribe, contributions in the amounts and at the rate specified in the applicable agreement entered into by the State Agency under the provisions of section 3.

B. ~~Each~~ The State and each political subdivision required to make payments under the provisions of paragraph A of this subsection is authorized, in consideration of the employee's retention in, or entry upon, employment after enactment of this chapter, to impose upon each of its employees, as to services which are covered by an approved plan, a contribution with respect to his wages, as defined in section 2, not exceeding the amount of tax which would be imposed by section 1400 of the Federal Insurance Contributions Act if such services constituted employment within the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of such political subdivision or instrumentality under paragraph A of this subsection. Failure to deduct such contribution shall not relieve the employee or employer of liability therefor.'

Sec. 7. R. S., c. 65, § 5, amended. The 2nd paragraph of section 5 of chapter 65 of the revised statutes is hereby amended to read as follows:

'The contribution fund shall be established and held separate and apart from any other funds or moneys of the State and shall be used and administered exclusively for the purpose of this chapter. Withdrawals from such fund shall be made for, and solely for, payment of amounts required to be paid to the Secretary of the Treasury pursuant to an agreement entered into under the provisions of section 3; and refunds of overpayments, not otherwise adjustable, made by **the State or by** a political subdivision or instrumentality.'

Sec. 8. R. S., c. 65, § 7, amended. Section 7 of chapter 65 of the revised statutes is hereby amended to read as follows:

'**Sec. 7. Cost of administration.** Any cost of administering the provisions of this chapter may be prorated among the **state and** political subdivisions joining

this plan. A revolving fund of \$10,000 is appropriated from the general fund unappropriated surplus of the State from which costs of administration shall be paid and to which shall be credited the amounts billed to and received from the political subdivisions in the plan.'

Sec. 9. Effective date. The provisions of this act shall be retroactive to January 1, 1951 with respect to any political subdivision that shall have elected prior to September 1, 1954 to accept its provisions as of that date, and it shall be effective as of January 1, 1955 with respect to the State and to any political subdivision which shall accept its provisions on or after September 1, 1954.