

MAINE STATE LEGISLATURE

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

Legislative Document

No. 1486

S. P. 524

In Senate, April 10, 1957.

Reported by Senator Davis of Cumberland from Committee on Retirements and Pensions and printed under joint rules No. 10.

CHESTER T. WINSLOW, Secretary.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-SEVEN

AN ACT Relating to Survivor Benefits Under Maine State Retirement Law.

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

Sec. 1. R. S., c. 63-A, § 1, amended. Section 1 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by inserting after the 5th paragraph thereof, a new paragraph, as follows:

“Child” or “children” shall mean any unmarried natural, born or unborn, or legally adopted progeny of the member, under 18 years of age, or adjudged mentally incompetent by a probate court of the State of Maine, or certified by the Medical Board of the Maine State Retirement System to be physically and permanently incapacitated. For the purposes of this chapter, providing any beneficiary is not lawfully qualified to make an election, such election shall be entered into in his behalf by his legally appointed guardian.’

Sec. 2. R. S., c. 63-A, § 1, amended. Section 1 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by inserting before the next to the last paragraph thereof, a new paragraph, as follows:

“Spouse” shall mean a person of the opposite sex either married to or divorced from the member, in that order.’

Sec. 3. R. S., c. 63-A, § 5, amended. Section 5 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by adding thereto a new paragraph to read as follows:

‘Each member shall, after July 1, 1957, make a contribution of $\frac{1}{4}\%$ of earnable compensation to the survivors’ benefit fund as long as he is employed.’

Sec. 4. R. S., c. 63-A, § 9, sub-§ I, repealed and replaced. Subsection I of section 9 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby repealed and the following enacted in place thereof:

I. Should a member die any time before attaining eligibility for retirement, one of the following payments shall be made.

A. The amount of his contribution to the members' contribution fund together with not less than $\frac{3}{4}$ of the accumulated regular interest, as the Board of Trustees shall allow, shall be paid to such person, if any, as he has nominated by written designation duly acknowledged and filed with the Board prior to his death. The last nomination of any beneficiary revokes all previous nominations. If a member dies before retirement, and is not survived by a designated beneficiary, the first of the following listed persons, if any, alive at the death of the member shall qualify as beneficiary in the following order of precedence with all attendant rights and privileges: the spouse of the member; the children of the member, share and share alike; the older parent of the member; the estate of the member. By filing a notarized statement of intent with the Board of Trustees, a member may specify the refund of his own contribution to the members' contribution fund plus allowable interest to a designated beneficiary or to his estate in lieu of any payments to survivors provided in paragraph B.

B. If the member has not so specified a refund of his own contribution to the members' contribution fund, in lieu of accepting the payment provided in paragraph A, the first of certain designated beneficiaries, if living at the death of the member, may elect to substitute the benefits described below, providing the member prior to his death has met certain conditions of eligibility. Such designated beneficiary shall be a spouse, child or children of the member, mother or father, or if no designation was made, the first of the following listed persons, if any, alive at the death of the member, spouse, child or children, mother or father of the deceased.

1. General eligibility provision for non-service-connected death. The deceased member must have had at least 18 months of creditable service within the 42 months prior to date of death, or be under 60 years of age and receiving at the time of death an ordinary disability allowance as provided in section 7 and any lump sum due under section 7 shall be paid into the survivors' benefit fund.

(a) A spouse, alive and not remarried at the time of the death of the member, shall be paid \$75 a month, commencing the first month after such death occurs, and continuing until the date of his death or remarriage, whichever happens first, providing that the deceased member also had $17\frac{1}{2}$ years of creditable service at the time of his death. Such spouse may qualify for this benefit in addition to any payments received as provided by division (b), but shall not receive this benefit simultaneously with that provided by division (b).

(b) A spouse, alive and not remarried at the time of the death of the member who has the care of unmarried children of the deceased member under 18 years of age, or any other progeny of the deceased who is adjudged mentally incompetent by a probate court in the State, or who is certified by the Medical Board of the Maine State Retirement System to be physically and permanently incapacitated, shall be paid \$75 a month, commencing the first month after each death occurs and continuing during his lifetime for such time as such children or progeny are in his care and he has not remarried.

(c) The unmarried child or children under 18 years, or any other progeny of the deceased who is adjudged mentally incompetent by a probate court in the State of Maine or who is certified by the Medical Board of the Maine State Retirement System to be physically and permanently incapacitated at the time of the death of the member, shall receive benefits as follows:

One child shall be paid \$75 per month.

Two children shall be paid \$100 per month, which shall be divided equally between them.

Three children or more shall be paid \$125 per month, which shall be divided equally among them.

The benefits shall commence the first month after the death of the member and be payable to each child until he reaches his 18th birthday or prior death, whichever occurs first. In the event of the marriage or death of any such child prior to his 18th birthday, subsequent benefits to the other children, if any, shall be payable as if he had never lived.

(d) A spouse living at the time of the death of the member and not remarried subsequent to the death of the member shall be paid \$75 a month, commencing the first month after the attainment of 60 years of age and continuing until the date of his death or remarriage, whichever happens first. Such spouse may qualify for this benefit in addition to any payments received as provided by division (b) but shall not receive this benefit simultaneously with that provided by division (a) or division (b).

(e) A parent, if living at the time of the death of the member, and at least 60 years of age or when that age is attained shall be paid \$75 per month. If both parents are eligible to benefits under this section and the older parent elects benefits under this subsection, the younger parent shall receive \$50 per month if at least 60 years of age or when that age is attained. Upon the death of either parent, the survivor shall receive \$75 per month. Such payments to any parent shall commence the first month after the death of the member occurs and continue until death or remarriage, whichever happens first. Benefits are only payable under this provision in the event no other benefits have been received in accordance with divisions (a), (b), (c) or (d).

2. **Service-connected death.** Should a member die as the result of illness or injury received in line of duty while in the service of the State of Maine, irrespective of the number of years of creditable service, the provisions of divisions (a), (b), (c) or (e) shall be payable if applicable. Notwithstanding anything to the contrary, benefits payable hereunder shall be in lieu of any benefits payable under section 10, provided further that the beneficiary specified in this section may elect to receive the benefits under section 10 instead of any benefits under this section. The Board of Trustees shall determine upon receipt of proper proof that the illness or injury received in line of duty occurred while in actual performance of duty at some definite time or place, and was not caused by the willful negligence of the member.

3. **Transfer of accumulated contributions.** If benefits are paid under subparagraph 1 of paragraph B, the amount of deceased member's accumulated contributions in the members' contribution fund shall be transferred to the survivors' benefits fund. If benefits are paid under subparagraph 2 of paragraph B the amount of the deceased member's contributions in the members' contribution fund, together with such interest thereon, not less than $\frac{3}{4}$ of accumulated regular interest, as the Board of Trustees shall allow shall also be paid to the specified beneficiary.'

Sec. 5. R. S., c. 63-A, § 9, sub-§ III, additional. Section 9 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by adding thereto a new subsection to be numbered III, to read as follows:

'III. Should a member die any time after attaining eligibility for retirement under any of the provisions of this chapter, but before any election in accordance with the provisions of section 12 becomes effective, the designated beneficiary if a spouse, child or children, mother or father may elect to receive either the benefits provided under subsection I or those provided under paragraphs A or B of subsection II, but not both.'

Sec. 6. R. S., c. 63-A, § 15, sub-§ I, amended. Subsection I of section 15 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended to read as follows:

'I. **Funds.** All of the assets of the Retirement System shall be credited, according to the purpose for which they are held, among ~~3~~ 4 funds, namely, the members' contribution fund, the retirement allowance fund ~~and~~, the expense fund ~~and~~ the survivors' benefit fund.'

Sec. 7. R. S., c. 63-A, § 15, sub-§ II, ¶ D, amended. Paragraph D of subsection II of section 15 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by adding at the end thereof the following sentence:

'If the member dies before becoming eligible for retirement and benefits become payable under paragraph B of subsection I of section 9, his accumulated contributions shall be transferred from the members' contribution fund to the survivors' benefit fund.'

Sec. 8. R. S., c. 63-A, § 15, sub-§ III, ¶ A, amended. Paragraph A of subsection III of section 15 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended as follows:

'A. The retirement allowance fund shall be the fund in which shall be accumulated all reserves required for the payment of benefits under this chapter other than reserves in the members' contribution fund **and the survivors' benefit fund.**'

Sec. 9. R. S., c. 63-A, § 15, sub-§ III, ¶ F, amended. Paragraph F of subsection III of section 15 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended to read as follows:

'F. All benefits payable under this chapter shall be paid from the retirement allowance fund except those payable from the members' contribution fund **and the survivors' benefit fund** or as otherwise specifically provided in this chapter.'

Sec. 10. R. S., c. 63-A, § 15, sub-§ III, ¶ G, amended. Paragraph G of subsection III of section 15 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by adding at the end thereof a new sentence, as follows:

'The Board of Trustees annually shall allow regular interest on the mean amount accumulated in the survivors' benefit fund and shall transfer such interest from the retirement allowance fund to the survivors' benefit fund.'

Sec. 11. R. S., c. 63-A, § 15, sub-§ VI, additional. Section 15 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is hereby amended by adding thereto a new subsection to be numbered VI, to read as follows:

'VI. Survivors' benefit fund.

A. The survivors' benefit fund shall be the fund in which shall be accumulated all reserves required for the payment of survivors' benefits as set forth in subsection I of section 9.

B. Each member shall contribute at the rate of .0025% of his salary to the survivors' benefit fund and such contribution shall be reported and held separately from contributions made to the members' contribution fund. Anything to the contrary notwithstanding, contributions to the survivors' benefit fund shall not be refunded to the member. To facilitate the making of deductions, the board of trustees may adjust the deduction of any member to the next higher nickel.

C. On account of each member there shall be paid annually into the survivors' benefit fund by the State an amount equal to a certain percentage of the annual earnable compensation of such member to be known as the "survivors' contribution." The rate per cent of such contributions shall be fixed on the basis of the liabilities established by subsection I of section 9 as shown by actuarial valuation.

D. All benefits payable under subsection I of section 9 shall be paid from the survivors' benefit fund except as may be otherwise specifically provided.'