

MAINE STATE LEGISLATURE

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Legislative Document

No. 1667

S. P. 646

In Senate, January 13, 1958

Committee on Retirements and Pensions suggested.

CHESTER T. WINSLOW, Secretary

Presented by Senator Davis of Cumberland

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-EIGHT

AN ACT Relating to Survivor Benefits for Local Participating Districts Under Retirement Law.

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

Sec. 1. R. S., c. 63-A, § 15, sub-§ III, ¶ H, additional. 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 and as amended by sections 8, 9 and 10 of chapter 367 of the public laws of 1957, is further amended by adding at the end a paragraph H to read as follows:

‘H. If the designated beneficiary elects, in accordance with section 9, subsection III, to receive the benefits under section 9, subsection I, paragraph B, there shall be transferred to the Survivor’s Benefit Fund from the Retirement Allowance Fund the amount of reserve actuarially determined for the retirement allowance under section 9, subsection III, including the amount provided by the members contributions.’

Sec. 2. R. S., c. 63-A, § 17, sub-§ VI, amended. Subsection VI of section 17 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public laws of 1955, is amended by adding at the end a new sentence to read as follows:

‘The retirement system shall be liable for payment of survivor benefits to beneficiaries of members of participating local districts if such participating local districts have elected survivor benefits.’

Sec. 3. R. S., c. 63-A, § 17, sub-§ X, additional. Section 17 of chapter 63-A of the Revised Statutes, as enacted by section 1 of chapter 417 of the public

laws of 1955 and as amended by section 2 of chapter 292 and sections 62 and 63 of chapter 429, both of the public laws of 1957, is further amended by adding a new subsection X to read as follows:

'X. Before electing survivor benefits as provided by section 9, subsections I and III, the chief fiscal officer of a participating local district shall submit to the board of trustees such information as shall be prescribed by the board of trustees in order to determine, on such actuarial basis as may be adopted by the board of trustees, the cost of the initial survivor's contribution of such participating local district. The expense of making such initial determination shall be assessed against and paid by the participating local district on whose account it is made.

The survivor's contribution of a participating local district which has elected such survivor benefits shall be actuarially determined annually by the board of trustees on the basis of such information which it may prescribe.

The board of trustees may increase by not more than 25% in any year the survivor's contribution of a participating local district so determined if, in the opinion of the board of trustees, the actual experience as to benefits paid on behalf of beneficiaries of members of the participating local district is greater than the experience expected on the actuarial basis.

The contributions so computed, together with a pro rata share of the cost of the administration of the survivor's benefit program, based upon the gross payroll of employees and the expense of determining the annual survivor's contribution shall be certified by the board of trustees to the chief fiscal officer of the participating local district, and the amounts so certified shall be a charge against the participating local district.

The participating local district may require each of its members to make a contribution, not to exceed $\frac{1}{4}$ of 1% of earnable compensation, to the Survivor's Benefit Fund as long as he is employed.

All contributions for survivor benefits by members of all participating local districts which have elected survivor benefits and all survivor contributions by such participating local districts shall be paid into the Survivor's Benefit Fund.'

SUMMARY STATEMENT

The statute at present requires that each participating district have reserves on deposit with the Maine State Retirement System in an amount sufficient to meet its costs.

The intent of section one and 2 of this amendment is to protect those cities and towns which accept the Survivor Benefit coverage from being faced with a large increase in cost when any one district might incur an immediate claim before having built sufficient reserves, by pooling the survivors contributions and paying claims from the pooled funds.

Section 3 allows the use of reserves that have been accrued for the retirement allowance of the deceased member, who had reached retirement status, to be applied toward the payment of survivor benefits in those instances where the beneficiary would have the choice of selection between Survivor Benefits and Automatic Option II or IV.

There are at present six participating districts, namely—City of Augusta, the Houlton Water District, Livermore Falls Water District, Waldo County, Cumberland County, and the City of Ellsworth; each of whom have been advised of this legislation and who have stated that they are willing to present their views in writing to Mr. Perkins, the actuary of the system, for presentation to the legislative committee.