

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Eighty-first Legislature

OF THE

STATE OF MAINE

1923

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PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Eighty-First Legislature

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said board of registration, shall not be altered or amended by any person whatsoever, except said board of registration, and then only upon application to change his enrollment made by a person listed thereon as a legally qualified voter, which application shall not be made to said board within six months prior to the date of the holding of any such caucuses. Such lists, as prepared, shall at the time of the holding of such caucuses, be delivered to the warden in each of said wards and shall be used in said wards for the purposes of holding said caucuses and shall be returned intact to said board of registration, after said caucuses are closed, and shall be preserved by said board of registration until the same are superseded by new lists, prepared by said board. Said board of registration shall supply to the political committees of each such political party such number of the copies of such lists and the enrollments noted thereon, as may be reasonably required for the purposes of said committees.'

Approved April 5, 1923.

Chapter 209.

An Act to Establish a Teachers' Retirement System.

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

Sec. 1. Teachers' retirement system established. The Maine teachers' retirement system, hereinafter called the retirement system, is hereby established, to become effective on July first, nineteen hundred twenty-four.

Sec. 2. Definitions. The following words and phrases as used in this act shall have the following meanings:

(1) "Teacher" shall mean any teacher, principal, supervisor, or superintendent employed in any day school within the state; also a teacher or principal of a normal school, the state superintendent or his assistants and teachers who teach in any school which is supported at least three-fifths by state or town appropriations.

(2) "Public School" shall mean any public school conducted within the state under the authority and supervision of a duly elected board of education or superintending school committee.

(3) "Year" as used in this act referring to the term of school service of a teacher shall mean the same as "school year" defined in the general laws of the state at the time when the school service in question was rendered, provided, however, that the retirement board may in special cases determine what school service shall constitute the equivalent of a specified period of service under this act.

(4) "Interest," unless herein otherwise provided, shall mean compound interest at four per cent.

(5) Wherever the word "he" appears it shall be taken to apply to females as well as males.

Sec. 3. Organization; membership, how acquired. An association to be known as the Maine teachers' retirement association, hereinafter called the retirement association, may be organized by and among the teachers in the public schools of the state. Membership in said association may be acquired under the following conditions:

All teachers who shall serve in the public schools and any academy which has contract relations with a town under section eighty-four of chapter sixteen, of the revised statutes, and which receives at least three-fifths of its support from the state or who teaches in a normal school which is under the control of the state or members of the state department of education on or after July first, nineteen hundred twenty-four, may become members of the association, upon application to and approval by a majority of the retirement board and under such rules and regulations as it may prescribe.

Sec. 4. When organization may be effected; form of organization. The teachers who desire to become members of the retirement association shall, as soon as may be after July first, nineteen hundred twenty-four, adopt such form of organization for said association as shall be prescribed by the state superintendent of public schools, state treasurer and attorney-general; and thereafter such organization shall be maintained for the purpose herein contemplated, with such modifications thereof as may be adopted from time to time by the members of the association with the approval of the retirement board. No modifications of this act that will affect the interests of existing members shall be made without their consent.

Sec. 5. Administration; personnel of retirement board; vacancies; retirement board to serve without pay. The administration of the retirement system hereby established is hereby vested in a board to be known as the teachers' retirement board, herein called the retirement board, consisting of seven members, as follows: the state superintendent of public schools, the state treasurer, the attorney-general, the bank commissioner and the insurance commissioner and two members of the retirement association. Upon the organization of said association the members thereof shall elect from among their number, in a manner to be approved by the state superintendent of public schools, the state treasurer and the attorney-general, bank commissioner and insurance commissioner, two persons to

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serve upon the retirement board, one member to serve for one year and one for two years; and thereafter the members of the retirement association shall elect annually from among their number, in a manner to be approved by the retirement board, one person to serve on said board for the term of two years.

Until the organization of the retirement association and the election of two representatives therefrom to membership on the retirement board, the state superintendent of public schools, the state treasurer and the attorney-general, bank commissioner and insurance commissioner, shall be employed to perform all the duties of said board.

When a vacancy occurs in the retirement board by reason of the death, resignation or inability to serve of one of the members chosen by the retirement association, such vacancy shall be filled for the unexpired term by the election of a new member of said association, at a meeting duly called for that purpose.

The members of the retirement board shall serve without compensation, but they shall be reimbursed for all necessary expenses of travel which they may sustain through their service on the board. All claims for such reimbursement shall be subject to the approval of the state auditor.

Sec. 6. Duties of retirement board; expenses how paid. The retirement board shall provide for the payment of retirement allowances and such other expenditures as are prescribed by this act, and shall perform such other functions as are required for the execution of the provisions hereof; and to that end said board shall make by-laws and regulations not inconsistent with the provisions of this act, shall employ a secretary, whose duty it shall be to keep a record of all its proceedings, and shall provide such other clerical assistance as may be necessary for the discharge of the duties prescribed hereunder. The reasonable and necessary expense of such clerical assistance shall be met out of the regular appropriation for the state superintendent of schools.

Sec. 7. Board to adopt mortality tables, establish rates of interest, and maintain system of records and accounting. The retirement board shall adopt mortality tables for the retirement system hereby created, and, except as herein otherwise provided, shall determine what rates of interest shall be established in connection with such tables or otherwise under the provision hereof. Said board may modify such mortality tables or adopt others, and may change rates of interest once established, unless otherwise provided herein, but not so as to impair the vested rights hereunder of any member of the retirement association, unless such modifications or changes shall be assented to by such member. Said board shall establish

and maintain a complete system of records and accounting. All action taken by the retirement board under the provisions of this section shall be upon competent actuarial advice.

Sec. 8. Annuities, how paid; fund, how created. The annuities hereinafter provided shall be paid out of a fund to be known as the annuity fund, which shall be constituted as follows:

(1) Each member of the retirement association shall pay into the annuity fund under regulations to be prescribed by the retirement board five per cent of such members' salary; provided, however, that no member shall in any one year pay into said fund less than twenty dollars nor more than one hundred dollars.

(2) Any member of the retirement association, who for thirty years shall have paid into said fund his regular assessments, as above provided, shall be exempt from further assessments, but such member may thereafter, if he so elects, continue to pay his assessments into said fund.

(3) During the months of July or August of each year the retirement board shall notify the state superintendent of public schools of the exact amount paid in between July first and June thirtieth preceding by the members of the teachers' retirement association and before the state superintendent of public schools shall distribute the state school fund in December, he shall deduct the amount necessary to equal the contributions of members as certified by the retirement board. Such amount together with the amounts paid in by members shall be invested as provided in this act. The amount deducted from the state school fund shall not exceed the sum of thirty-five thousand dollars for any one year.

Sec. 9. Individual accounts with members to be kept. The contributions made by the members of the retirement association to the annuity fund hereinbefore created, shall be credited as made to such members severally in individual accounts up to the time of retirement, and at the same time each member so contributing shall be credited individually with a like amount as the contribution of the state. Contributing members shall also be credited with the interest earned by their several contributions and by the equal contributions made by the state as aforesaid.

Sec. 10. When members may retire from service in public schools. Any member of the retirement association, who shall have served as a public school teacher for a period of thirty years, of which twenty years, and the last seven preceding retirement, shall have been in this state, may retire from service in the public schools on or after attaining the age of sixty years without forfeiting any of the benefits of the retirement system;

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and at any time thereafter, if incapable of rendering satisfactory service, such member may be so retired, with the approval of the retirement board.

Sec. 11. Members who have withdrawn from service in public schools may be reinstated in the association. Any member of the retirement association, who shall have withdrawn from service in the public schools of the state, shall, on being re-employed therein, be reinstated in the retirement association upon such terms and conditions as shall be prescribed by the retirement board.

Sec. 12. When members shall be entitled to annuity; amount of annuity; options. Except as hereinafter provided, a member of the retirement association, who shall have retired from service in the public schools of the state, and who shall have complied with all the provisions of this act and with the rules and regulations of the retirement board hereby authorized, shall be entitled to receive from the annuity fund hereinbefore established, (1) such annuity as his contributions to said fund, with interest thereon, together with the like contributions made thereto by the state, and the interest thereon, will purchase on the basis of McClintock's table of mortality among annuitants, and an interest rate of three and a half per cent per annum; or, (2) at his option, he shall be entitled to receive an annuity of less amount, as may be determined by the retirement board for annuitants electing such option, with the provision that if the annuitant dies before receiving payments equal to the sum of his assessments hereunder and the contributions equal thereto made by the state, as hereinbefore provided, with interest, the difference between the total amount of said payments and the total amount of such assessments and contributions, with interest, shall be paid as an annuity to a surviving husband, or wife, as the case may be, or to his or her legal representatives as such member may elect, subject to such reasonable rules and regulations as the retirement board may prescribe.

Sec. 13. Members becoming permanently disabled to teach, entitled to annuity; amount, how determined. A member of the retirement association, who shall have been a teacher in the public schools of the state at least six years, and who shall become totally and permanently disabled to teach, as determined upon examination by physicians approved by the retirement board, shall receive an annuity based upon the accumulated sum of his contributions and the equal contributions of the state, with interest, calculated on the basis of McClintock's table of mortality among annuitants and three and a half per cent interest, with such additional annual allowance from the state as the retirement board, in the exercise of sound discretion, shall deem equitable, the same being limited by his earning capacity in other occupations, such additional allowance to be

continued so long, and in such amount, as the retirement board may determine; provided, however, that in no event shall the total sum received annually by such member, under this section, including his annuity and the additional allowance above provided for, exceed half of his average annual salary throughout his entire period of service as determined by the retirement board.

In the case of persons who receive assistance under this section annual re-examination and reports by physicians in receipt of disability shall be required and the allowance discontinued if the report shows ability to return to teaching.

If such retiring member should die before receiving in the form of an annuity all of the accumulations up to the time of his disability from his own and the state's annual contributions on his account, the balance shall be paid to his or her legal representatives, as he or she may elect, subject to such rules and regulations as may be prescribed by the retirement board.

Sec. 14. Members withdrawing entitled amounts contributed, with interest; in case of death, amount payable to heirs; in case of death or withdrawal prior to six years' service, payments of member to be placed in general reserve fund. (1) Any member of the retirement association withdrawing from service in the public schools of the state, by resignation or dismissal, before becoming eligible to retirement under the provisions of this act, shall be entitled to receive from the annuity fund all amounts contributed thereto as assessments together with such interest as has accrued thereon.

(2) In case of the death of such member under the circumstances above set forth, the several amounts to which he would be entitled, if living, shall be paid to a surviving husband or wife, or to the legal representatives of such deceased member, as may be elected, subject to the rules and regulations of the retirement board.

(3) In the case of the death or withdrawal from service of such member before the completion of six years of service in the public schools of the state the contributions made by the state on his account, as hereinbefore provided, shall be placed in the reserve fund hereinafter established for the general purposes of the retirement system.

(4) Contributions returned as above provided shall be paid in lump sums or in installments as the member may elect, subject, however, to such reasonable rules and regulations as may be prescribed by the retirement board.

Sec. 15. Annuity and rights therein exempt from taxation, bankruptcy

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and insolvency laws, and attachment; annuity fund not assignable. That portion of the salary or wages of a member deducted or to be deducted under this act, the right of a member to an annuity or allowance hereunder, and all his rights in the funds of the retirement system, shall be exempt from taxation, and from the operation of any laws relating to bankruptcy or insolvency, shall not be attached or taken upon execution or other process of any court. No assignment by a member of any part of such funds to which he is or may be entitled, or of any right to or interest in such funds, shall be valid.

Sec. 16. Funds to be in custody of state treasurer; how invested; duties of state treasurer; report. (1) All funds of the retirement system shall be in the custody and charge of the state treasurer, who shall invest and reinvest such funds as are not required for current disbursements in accordance with the laws of the state governing the investment of the assets of savings institutions.

(2) The state treasurer shall make such payments to the members of the retirement association from the annuity fund as the retirement board shall order to be paid in accordance with the provisions hereof.

(3) On or before the first day of August in each year, the state treasurer shall file with the insurance commissioner and with the secretary of the retirement board a sworn statement exhibiting the financial condition of the retirement system on the thirtieth day of June in each year, and its financial transactions for the year ending on such date. Such statements shall be in the form prescribed by the retirement board, and shall be published with the report of the state treasurer.

Sec. 17. Special reserve fund created; how expended. A reserve fund is hereby created, to consist of gifts and receipts from sources other than those herein specified, returns to the state of its contributions to the annuity funds as hereinbefore provided, and balances that may accrue on account of interest, savings or otherwise, which fund shall be maintained and used, in the discretion of the retirement board, for unforeseen contingencies, expenses of administration, or any other purpose within the scope of the retirement system.

Sec. 18. General reserve fund; how administered. All moneys paid into the retirement board under paragraph one of section eight hereof and all sums deducted from the state school fund under the provisions of paragraph three of section eight hereof not otherwise expended shall be set aside and administered as a reserve fund wherewith to meet accrued liabilities for retiring and disability allowances as hereinbefore provided. Said fund shall be in all respects subject to the provisions of this act and to the

rules and regulations of the retirement board hereby authorized in respect to custody, investment, audit and disbursement.

Sec. 19. Retirement board to cause system to be examined annually by state auditor, and triennially by competent actuary; board may change scale of rates. The retirement board shall cause the system hereby established to be thoroughly examined annually by the state auditor and once in every three years, and oftener if deemed necessary, by a competent actuary or actuaries, and may call in actuary in consultation at any time; and such board is hereby empowered to change the scale of contributions required of teachers, if deemed advisable as the result of actuarial experience hereunder; but such changes shall not be effective as to teachers becoming members of the retirement association before the same shall have been made, unless assented to by such members.

Sec. 20. Books and accounts to be examined and audited annually. The accounts of the retirement board and the books and accounts of the state treasurer as custodian of the funds of the retirement system, and the cash and securities in his hands representing such funds, shall be examined and audited annually at the time and in the manner prescribed for the annual audit of the accounts of the trustees of the permanent school fund and the accounts of the state treasurer in connection therewith.

Sec. 21. Rules and regulations subject to change; benefits by members to be enjoyed so long as he meets requirements of act and complies with rules. The rules and regulations hereby prescribed for the administration of the retirement system hereby created, shall be subject to change by the retirement board whenever deemed to be for the best interests of the entire body of teachers in the service of the state. But no changes affecting existing members of the association shall be made without their approval. The benefits of the retirement system shall be enjoyed by each member of the retirement association so long as he meets all the requirements of this act and complies with all the rules and regulations of the retirement board.

Sec. 22. Teachers may elect between this act and the provisions to teachers' pensions; not eligible to both; teachers entering service after July 1, 1924, eligible to this act only. Any teacher now in service may elect between the provisions of this act and the provisions of sections one hundred and sixty-nine to one hundred and seventy-seven inclusive of chapter sixteen of the revised statutes, but shall not in any case be eligible to benefits under both such acts. No teacher entering into service after July first, nineteen hundred and twenty-four, shall be eligible to any benefits under said sections one hundred and sixty-nine to one hundred and seventy-seven but shall be eligible to the benefits of this act only.