

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST SPECIAL SESSION

August 21, 1989 to August 22, 1989

and

SECOND REGULAR SESSION

January 3, 1990 to April 14, 1990

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PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION

of the
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January 3, 1990 to April 14, 1990

CHAPTER 709

S.P. 787 - L.D. 2033

An Act to Allow State Employees and Teachers to Buy Back Time Spent in Certain Programs**Be it enacted by the People of the State of Maine as follows:****Sec. 1. 5 MRSA §17754, sub-§1, ¶F**, as enacted by PL 1985, c. 801, §§5 and 7, is repealed.**Sec. 2. 5 MRSA §17763, sub-§2**, as enacted by PL 1985, c. 801, §§5 and 7, is repealed.**Sec. 3. 5 MRSA §17764** is enacted to read:**§17764. Vista, Peace Corps and foreign teaching**

Members who served in the Peace Corps, foreign or domestic, the Volunteers in Service to America Program, or the Fulbright Exchange Program or who taught children of United States Foreign Service Corps personnel outside the continental United States or United States Armed Forces personnel located in any foreign country on a regularly established United States military base may purchase service credit for that service under the following conditions. For the purposes of this section "members" means state employees and teachers.

1. Limit on service credit. The service credit may not exceed 2 years.

2. Creditable service required. Members whose service in these organizations preceded their becoming members in the Maine State Retirement System must, on the date of retirement, have at least 15 years of creditable service.

3. Return to employment. Members who terminated service in the State as state employees or teachers prior to service with these organizations must return to state employment or active teaching in the State within one year of the completion of service in these organizations.

4. Payment to fund. Members must, before any retirement benefit becomes effective, pay into the Members' Contribution Fund by a single direct payment or annual direct payments to the retirement system an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made as provided in section 17701.

See title page for effective date.

CHAPTER 710

H.P. 1383 - L.D. 1914

An Act to Further Facilitate the Conversion of the Records of the Maine State Retirement System to an Automated System**Be it enacted by the People of the State of Maine as follows:****Sec. 1. 5 MRSA §17001, sub-§3-A** is enacted to read:

3-A. Annual base compensation. "Annual base compensation" means a member's earnable compensation as adjusted by board rule to provide an equitable and stable basis for setting the amount of coverage for participants in the group life insurance program administered by the board.

Sec. 2. 5 MRSA §17701, sub-§4 is enacted to read:

4. Payment or repayment of contributions, back time, refunds or purchase of service credits. The board shall designate, by rule, a period of not less than 30 days during which annual direct payments or repayments as provided in this chapter may be made.

Sec. 3. 5 MRSA §17703, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Manner of repayment. The repayment may must be made to the retirement system by a single direct payment or by ~~an increased rate of contribution through payroll deduction~~ annual direct payments. Annual repayments must be made as provided in section 17701, subsection 4.

Sec. 4. 5 MRSA §17704, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Manner of payment. The payment may must be made to the retirement system by a single direct payment or by ~~an increased rate of contribution through payroll deduction~~ annual direct payments. Annual payments must be made as provided in section 17701, subsection 4.

Sec. 5. 5 MRSA §17713, sub-§2, ¶A, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

A. If the member qualifies under section 17760, subsection 2, paragraph D, contributions shall be calculated at the percentage rate required of active members during the period of time covered by the service in the armed forces applied to the member's earnable compensation during the first year as an employee after service in the armed forces, under the following terms and conditions:

(1) If 2 or more percentage rates were in effect during the period of service in the armed forces, the highest percentage rate shall be used;

(2) The minimum rate shall be 5%; and

(3) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points shall be paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is ~~completed~~ made.

Sec. 6. 5 MRSA §17713, sub-§2, ¶C is enacted to read:

C. The payment must be made to the retirement system by a single direct payment or by annual direct payments made in accordance with section 17701, subsection 4.

Sec. 7. 5 MRSA §17754, sub-§1, ¶B, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

B. The member, before any retirement benefit becomes effective for ~~him~~ that member, must make contributions into the Members' Contribution Fund for the years of out-of-state service on the same basis as ~~he~~ the member would have made contributions had the service been in Maine, including interest at a rate to be set by the board not to exceed regular interest by 5 or more percentage points. Interest shall be computed beginning the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment. The payment must be made to the retirement system by a single direct payment or by annual direct payments made in accordance with section 17701, subsection 4.

Sec. 8. 5 MRSA §17754, sub-§1, ¶F, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

F. A public school teacher who leaves service in Maine to teach children of United States Armed Forces personnel, located in any foreign country on a regularly established United States military base, shall be allowed service credit for that service, not to exceed 2 years, if:

(1) The teacher returned to active teaching service in the State within one year of the completion of the foreign service; and

(2) The teacher pays into the retirement system the same amount of contributions which would have been made if the service had been rendered in the State, including interest computed in accordance with paragraph B. The payment must be made to the retirement system by a single direct payment

or by annual direct payments made in accordance with section 17701, subsection 4.

Sec. 9. 5 MRSA §17754, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Alternative. If service credit for out-of-state service is not allowed under subsection 1, additional service credit for out-of-state service shall be allowed for any member in the determination of ~~his~~ the retirement benefit under this Part, if the member, before any retirement benefit becomes effective for ~~himself~~ that member, pays into the Members' Contribution Fund, by a single direct payment or by an increased rate of contribution through payroll deduction or annual direct payments to the retirement system, an amount ~~plus that~~, together with regular interest on that amount, ~~which will be~~ is the actuarial equivalent, at the effective date of ~~his~~ the retirement benefit, of the portion of ~~his~~ the retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 17701, subsection 4.

A. Additional amounts paid under this subsection shall become a part of the members' accumulated contributions.

B. If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service which that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

Sec. 10. 5 MRSA §17763, sub-§1, ¶C, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

C. The teacher must, before any retirement benefit becomes effective for ~~him~~ that teacher, pay into the Members' Contribution Fund, by a single direct payment or by an increased rate of contribution through payroll deduction or annual direct payments to the retirement system, an amount ~~which that~~, together with regular interest on that amount, is the actuarial equivalent, at the effective date of ~~his~~ the retirement benefit, of the portion of ~~his~~ the retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 17701, subsection 4.

Sec. 11. 5 MRSA §17763, sub-§2, ¶C, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

C. The teacher must, before any retirement benefit becomes effective for ~~him~~ that teacher, pay into the Members' Contribution Fund, by a single direct payment or by an increased rate of contribution through payroll deduction or annual direct payments to the retirement system, an amount ~~which~~

that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of ~~his~~ the retirement benefit, of the portion of ~~his~~ the retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 17701, subsection 4.

Sec. 12. 5 MRSA §18056, sub-§1, ¶A, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

A. The amount of life insurance to be paid upon death shall be equal to the participant's annual earnable base compensation rounded up to the next \$1000.

(1) A participant insured under a basic insurance policy shall be automatically covered for any change in the maximum due to a change in annual earnable base compensation.

(2) The date of change in coverage under subparagraph (1) shall coincide with the effective date of the change in annual earnable base compensation.

Sec. 13. 5 MRSA §18061, sub-§2, ¶C, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

C. On retirement for disability, the amount of basic insurance in force at the time of retirement shall be continued in force until normal retirement age, after which the amount shall be reduced, as provided in paragraphs A and B, at no cost to the recipient. The 10-year participation requirement does not apply to recipients of disability retirement benefits.

Sec. 14. 5 MRSA §18301, sub-§4 is enacted to read:

4. Payment or repayment of contributions, back time, refunds or purchase of service credits. The board shall designate, by rule, a period of not less than 30 days during which annual direct payments or repayments as provided in this chapter may be made.

Sec. 15. 5 MRSA §18304, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Manner of repayment. The repayment ~~may~~ must be made to the retirement system by a single direct payment or by an increased rate of contribution through payroll deduction annual direct payments made in accordance with section 18301, subsection 4.

Sec. 16. 5 MRSA §18305, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Manner of payment. The payment ~~may~~ must be made to the retirement system by a single direct payment or by an increased rate of contribution through payroll deduction annual direct payments made in accordance with section 18301, subsection 4.

Sec. 17. 5 MRSA §18311, sub-§2, ¶A, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

A. If the member qualifies under section 18360, subsection 2, paragraph D, contributions shall be calculated at the percentage rate required of active members during the period of time covered by the service in the armed forces applied to the member's earnable compensation during the first year as an employee subsequent to service in the armed forces under the following terms and conditions:

(1) If 2 or more percentage rates were in effect during the period of service in the armed forces, the highest percentage rate shall be used;

(2) The minimum rate shall be 5%; and

(3) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points shall be paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is completed made.

Sec. 18. 5 MRSA §18311, sub-§2, ¶C is enacted to read:

C. The payment must be made to the retirement system by a single direct payment or annual direct payments made in accordance with section 18301, subsection 4.

Sec. 19. 5 MRSA §18354, sub-§1, ¶B, as amended by PL 1989, c. 95, §12, is further amended to read:

B. The member, before any retirement benefit becomes effective, must make contributions into the Members' Contribution Fund for the years of out-of-state service on the same basis as the member would have made contributions had the service been in the State, including interest at a rate, to be set by the board, not to exceed regular interest by 5 or more percentage points. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment. The payment must be made to the retirement system by a single direct payment or by annual direct payments made in accordance with section 18301, subsection 4;

Sec. 20. 5 MRSA §18354, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Alternative. If service credit for out-of-state service is not allowed under subsection 1, additional service credit for out-of-state service shall be allowed for any member in the determination of ~~his~~ retirement benefit under this Part if the member, before any retirement benefit becomes effective for ~~himself~~ that member, pays into the Members' Contribution Fund, by a single

direct payment ~~or by an increased rate of contribution through payroll deduction or annual direct payments to the retirement system~~, an amount ~~plus that, together with regular interest on that amount, which will be~~ is the actuarial equivalent, at the effective date of ~~his~~ the retirement benefit, of the portion of ~~his~~ the retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 18301, subsection 4.

A. Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

B. If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service ~~which that~~ the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

Sec. 21. 5 MRSA §18362, sub-§1, ¶C, as enacted by PL 1989, c. 78, §4, is amended to read:

C. The member must, before any retirement benefit becomes effective for the member, pay into the Members' Contribution Fund, by a single direct payment ~~or by an increased rate of contribution through payroll deduction or annual direct payments to the retirement system~~, an amount ~~which that~~, together with regular interest on that amount, is the actuarial equivalent, at the effective date for the member's retirement benefit, of the portion of the member's retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 18301, subsection 4.

Sec. 22. 5 MRSA §18362, sub-§2, ¶C, as enacted by PL 1989, c. 78, §4, is amended to read:

C. The member must, before any retirement benefit becomes effective for the member, pay into the Members' Contribution Fund, by a single direct payment ~~or by an increased rate of contribution through payroll deduction or annual direct payments to the retirement system~~, an amount ~~which that~~, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the member's retirement benefit, of the portion of the member's retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 18301, subsection 4.

Sec. 23. 5 MRSA §18656, sub-§1, ¶A, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

A. The amount of life insurance to be paid upon death is to be equal to the participant's annual

earnable base compensation rounded up to the next \$1,000.

(1) A participant insured under a basic insurance policy shall be automatically covered for any change in the maximum due to a change in annual earnable base compensation.

(2) The date of change in coverage under subparagraph (1) shall coincide with the effective date of the change in annual earnable base compensation.

Sec. 24. 5 MRSA §18661, sub-§2, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

2. Retirement. If, on the date the insurance would otherwise terminate, the employee retires, in accordance with this Part, the United States Social Security Act or other local retirement program, the employee's basic life insurance only shall be continued without cost to ~~him~~ the employee and in the amounts provided in this subsection.

A. On retirement for reasons other than disability, the average amount of basic insurance in force for the last 3 years prior to retirement shall be continued in force at no cost to the participant, if ~~he~~ the participant has participated in the group life insurance program for a minimum of 10 years continuously and immediately before retirement.

(1) Except as provided in paragraph B, the average amount shall be reduced at the rate of 15% a year to a minimum of 40% of the average amount or \$2,500, whichever is greater.

(2) In determining benefits under this subchapter, the reductions shall become effective at 12:01 a.m. of the day following the first year anniversary of the date of retirement and each succeeding retirement anniversary thereafter until the minimum has been reached.

B. On retirement for disability, the amount of basic insurance in force at the time of retirement shall be continued in force until normal retirement age, after which the amount shall be reduced, as provided in paragraph A at no cost to the recipient. The 10-year participation requirement does not apply to recipients of disability retirement benefits.

Sec. 25. Purchase of service credit. Any member making payments by payroll deduction to purchase service credit under the provisions of the Maine Revised Statutes, Title 5, Part 20, as of the effective date of this Act may continue to do so. If the member discontinues payment by payroll deduction, it may not be resumed.

See title page for effective date.