MAINE STATE LEGISLATURE

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LAWS

OF THE

STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR SECOND REGULAR SESSION NON-EMERGENCY LAWS IS JUNE 30, 1998

> SECOND SPECIAL SESSION NON-EMERGENCY LAWS IS JULY 9, 1998

PUBLISHED BY THE REVISOR OF STATUTES IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED, TITLE 3, SECTION 163-A, SUBSECTION 4.

> J.S. McCarthy Company Augusta, Maine 1997

- C. A discussion of the progress toward meeting the goals of chapter 161;
- D. A review of the operations of the retirement system, including a summary of administrative expenses and improvements in the delivery of services to members of the retirement system; and
- E. A budget report showing the budget status of the administrative operations and functions of the system for the current fiscal year relative to the budget for the current fiscal year.
- **Sec. 4. 5 MRSA §17159**, **sub-§4**, **¶A**, as enacted by PL 1995, c. 541, §3, is amended to read:
 - A. The panel consists of the Commissioner of Administrative and Financial Services or the commissioner's designee who has authority to act on behalf of the commissioner and 3 members appointed by the Governor. One member represents school administrators; one member represents teachers; and one member is either of the 2 trustees a trustee of the board who are appointed by the Governor and qualified in the fields of investments, accounting, banking and insurance or as actuaries is not serving under section 17102, subsection 1, paragraph B or section 17102, subsection 1, paragraph D, subparagraph (2). Members shall elect a chair annually.
- **Sec. 5. 5 MRSA §17705, sub-§2, ¶B,** as amended by PL 1991, c. 619, §7 and affected by §18, is further amended to read:
 - B. No interest may be added to the member's account for any period beyond the 5th anniversary of the date of the member's termination of service, except that interest Interest on accumulated contributions related to a member's compensation for service rendered as a part-time, seasonal or temporary employee after December 31, 1991 must be added as required by 26 CFR Part 31.
- **Sec. 6. 5 MRSA §18306, sub-§2, ¶B,** as amended by PL 1991, c. 619, §14 and affected by §18, is further amended to read:
 - B. No interest may be added to the member's account for any period beyond the 5th anniversary of the date of the member's termination of service, except that interest Interest on accumulated contributions related to a member's compensation for service rendered as a part-time, seasonal or temporary employee after December 31, 1991 must be added as required by 26 CFR Part 31.

Emergency clause. In view of the emergency cited in the preamble, section 4 of this Act takes effect

when approved. The other sections of this Act take effect July 1, 1998.

Effective April 1, 1998 unless otherwise indicated.

CHAPTER 652

S.P. 707 - L.D. 1955

An Act to Amend the Health Insurance Benefits of State Employees and Teachers Who Retire or Terminate Service

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

- **Sec. 1. 5 MRSA §285, sub-§1, ¶G,** as amended by PL 1997, c. 80, §2, is further amended to read:
 - G. Subject to subsection 1-A, employees in any of the categories denominated in paragraphs A to F-1 and paragraph F-3 who:
 - (1) On April 26, 1968, have retired and who were covered under group health plans that by virtue of Public Law 1967, chapter 543 were terminated;
 - (2) After April 26, 1968, retire and who on the date of their retirement are currently enrolled in this group health plan as employees:
 - (3) After December 2, 1986, and after reaching normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine State Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986; or
 - (4) After December 2, 1986, and not yet normal retirement age, cease to be members of the Legislature and are recipients of retirement allowances from the Maine State Retirement System based upon creditable service as teachers, as defined by section 17001, subsection 42. This paragraph also applies to former members who were members on December 2, 1986; and or
 - (5) After January 1, 1999, terminate employment under which they were eligible for the group health plan but do not retire at that time and who satisfy the requirements

of subsection 1-A, paragraph D or paragraph E; and

- Sec. 2. 5 MRSA §285, sub-§1-A, as amended by PL 1989, c. 776, §1, is further amended to read:
- **1-A.** Eligibility; retirees. Any person otherwise eligible pursuant to subsection 1, paragraph G, must in addition, in order to be eligible under this section:
 - A. If retiring on a disability retirement, have participated in the group health plan immediately prior to retirement;
 - B. If <u>retiring but</u> not retiring on a disability retirement, have participated, as an employee, in the group health plan for at least one year immediately prior to retirement; or
 - C. If eligibility is based upon subsection 1, paragraph G, subparagraph (3), have participated in the group health plan for at least one year immediately prior to ceasing to be a member of the Legislature-:
 - D. If terminating employment but not retiring at that time, have 25 years of creditable service under chapter 423, subchapter IV and remain a member of the Maine State Retirement System, make a one-time election to continue coverage from the date of termination until retirement and pay the cost of the coverage plus the cost incurred by the Division of State Employee Health Insurance in administering coverage under the plan. If a terminated employee who elects coverage under this paragraph fails to pay the cost of coverage and any administrative costs in the amount and manner determined by the division, the coverage may be cancelled in accordance with the requirements of Title 24 and Title 24-A. Regardless of election of coverage or cancellation of coverage under this paragraph, an employee terminating employment as provided in this paragraph may elect coverage upon retirement under paragraph E; or
 - E. If retiring and not in service immediately prior to retirement, have at least 25 years of creditable service under chapter 423, subchapter IV and make a one-time election at retirement to rejoin the plan. Coverage of preexisting conditions upon rejoining the plan under this paragraph is governed by Title 24-A, chapter 36. The payment provisions of subsection 7 apply to retirees exercising the option under this paragraph.
- **Sec. 3. 20-A MRSA §13451,** as amended by PL 1995, c. 368, Pt. G, §14, is further amended to read:

§13451. Group accident and sickness or health insurance for retired teachers

Group accident and sickness or health insurance shall must be available to retired and certain inactive teachers as defined in Title 5, section 17001, subsection 42, subject to the following.

- 1. Access to a group plan. The group accident and sickness and health insurance plan that is in effect for active teachers in a public school system or school unit must be made available to all teachers eligible under subsection 2, who retired under the Maine State Retirement System when they left that system or school unit or who terminated employment without retiring as provided in subsection 2-B. The rate for the insurance coverage must be the same as the rate provided for active teachers in that school system or school unit.
- 2. Eligibility; retired teacher members. Any retired teacher who receives a retirement benefit from the Maine State Retirement System shall be is eligible for group accident and sickness or health insurance, provided that the retired teacher also meets the eligibility requirements for participation imposed by the group plan that governed the teacher last as an active teacher and participated in the plan for one year immediately prior to retirement or October 1, 1987, whichever comes last. Retired teachers may not be required to maintain a dues-paying membership in any organization as a requirement for participation in a group health insurance plan under this subsection.
- 2-A. Access to group plan; retired teachers who serve as Legislators. Any retired teacher eligible for group accident and sickness or health insurance under subsection 2, or terminated teacher who does not retire but who elects group accident and sickness or health insurance under subsection 2-B, who becomes a member of the Legislature must be permitted to reenroll in the teachers' group plan within 90 days of the date the retired teacher ceases to be a Legislator. The retired or terminated teacher seeking to reenroll must show that continuous insurance coverage was maintained from at least one year immediately prior to retirement from the school district to within 90 days of the date of reenrollment.
- 2-B. Eligibility; teachers who terminate employment but do not retire. Any teacher who terminates employment but does not retire at that time, who has 25 years of creditable service under Title 5, chapter 423, subchapter IV and remains a member of the Maine State Retirement System after termination, who makes a one-time election to continue coverage from the date of termination until retirement and who pays the cost of the coverage plus the cost incurred by the association or organization offering the plan in administering coverage under the plan is eligible to

participate in the teacher group plan. If a terminated teacher who elects coverage under this subsection fails to pay the cost of coverage and any administrative costs in the amount and manner determined by the division, the coverage may be cancelled in accordance with the requirements of Title 24 and Title 24-A. Regardless of election of coverage or cancellation of coverage under this paragraph, a teacher terminating employment as provided in this subsection may elect coverage upon retirement under subsection 2-C.

- 2-C. Eligibility; teachers who retire following break in employment. A teacher who retires but who is not in service immediately prior to retirement and who has at least 25 years of creditable service under Title 5, chapter 423, subchapter IV may make a one-time election at retirement to rejoin the teacher group plan. Coverage of preexisting conditions upon rejoining the plan under this subsection is governed by Title 24-A, chapter 36. The payment provisions of subsection 3 apply to retirees exercising the option under this subsection.
- **3. Payment by State.** The State shall pay 25% of the retired teacher members' share of this insurance.
- 3-A. School units that change plans. If a school unit changes its group health insurance plan or provider, the school unit at the time that it transfers active teachers to the new plan or provider shall also transfer all retired teachers, and terminated teachers who do not retire and who elect coverage under the teacher group plan under subsection 2-B, from that school unit to the new plan or provider and shall inform each retired and terminated teacher in writing that, unless the school receives written notice from an individual retired or terminated teacher to the contrary, each retired or terminated teacher will be transferred automatically to the new plan or provider. The school unit shall also provide each retired or terminated teacher a description of the benefits and costs of the new plan or provider. A retired or terminated teacher may decline to participate with the new plan or provider upon written notice to the school unit. If any retired or terminated teacher so elects, there shall be is no obligation or responsibility on the part of the replaced group plan or provider beyond conversion or continuity options provided for in Title 24, chapter 19 or Title 24-A, chapters 35 and 36. If any retired or terminated teacher declines to participate with the new plan or provider, there is no obligation or responsibility on the part of the replaced group plan or provider.
- **4. Master policy certificates.** The insurance company or companies or nonprofit organizations, or both, shall furnish the usual master policy and certificates. The original master policy and certificate must be held by the organization offering the insurance plan and the Commissioner of Administrative

and Financial Services shall hold a certified copy. Each insured retired <u>or terminated</u> teacher-member must receive a certificate setting forth the benefits to which entitled, to whom payable, to whom claims must be submitted and summarizing the provisions of the policy principally affecting the retired <u>or terminated</u> teacher-member.

Sec. 4. Effective date. This Act takes effect January 1, 1999.

Effective January 1, 1999.

CHAPTER 653

S.P. 753 - L.D. 2031

An Act to Amend the Motor Vehicle Laws

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

Sec. 1. 25 MRSA §2103-A, first ¶, as amended by PL 1989, c. 754, Pt. C, §1, is further amended to read:

The Commissioner of Public Safety shall adopt state rules to adopt by reference the federal regulations as found in 49 Code of Federal Regulations, Parts 107, 171, 172, 173, 174, 177, 178, 179, 180, 387 and 397, as amended, and subsequently shall adopt state rules to adopt by reference every subsequent amendment to those federal regulations. Except as provided in this section, the Maine Administrative Procedure Act, Title 5, chapter 375, does not apply to those adoptions.

- Sec. 2. 29-A MRSA $\S101$, sub- $\S3$, $\P\PC$ and D, as enacted by PL 1993, c. 683, Pt. A, $\S2$ and affected by Pt. B, $\S5$, are amended to read:
 - C. <u>Maintained Substantially maintained in original or restored condition</u> primarily for use in exhibitions, club activities, parades or other functions of public interest; and
 - D. Not used as its owner's primary mode of transportation of passengers or goods-: and
- Sec. 3. 29-A MRSA \$101, sub-\$3, ¶E is enacted to read:
 - E. Not a reconstructed vehicle.
- Sec. 4. 29-A MRSA §101, sub-§41-A is enacted to read:
- 41-A. Motorized wheelchair. "Motorized wheelchair" means a battery-powered device used exclusively for the transportation of an individual with a physical disability.