MAINE STATE LEGISLATURE

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LAWS

OF THE

STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTIETH LEGISLATURE

FIRST REGULAR SESSION December 6, 2000 to June 22, 2001

THE GENERAL EFFECTIVE DATE FOR FIRST REGULAR SESSION NON-EMERGENCY LAWS IS SEPTEMBER 21, 2001

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 2001

CHAPTER 442

H.P. 941 - L.D. 1255

An Act to Expand Retirement Benefits for State Employees and Teachers Returning to Service

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

Sec. 1. 5 MRSA §17855, as amended by PL 1997, c. 769, §18, is repealed.

Sec. 2. 5 MRSA §17857, sub-§2, ¶B, as amended by PL 1997, c. 769, §19, is repealed.

Sec. 3. 5 MRSA §17858-A, as corrected by RR 1997, c. 2, §21, is repealed.

Sec. 4. 20-A MRSA §12722, sub-§3, as amended by PL 1999, c. 614, §1, is further amended to read:

3. Maine State Retirement System members. An eligible person who becomes a participant in the defined contribution plan offered by the board of trustees and who is a member of the Maine State Retirement System at the time participation in the defined contribution plan begins may apply for a refund of accumulated contributions from the Maine State Retirement System pursuant to Title 5, section 17705, except that any such person who has less than the number of years of creditable service required to be eligible for a Maine State Retirement System benefit as of the date specified in the notification in subsection 2, paragraph A or the date of hire pursuant to subsection 2, paragraph B shall apply for a refund of accumulated contributions. Participation in the defined contribution plan offered by the board of trustees pursuant to this section is considered a termination of service for purposes of Title 5, section 17705 as of the date specified in the notification in subsection 2, paragraph A or the date of hire pursuant to subsection 2, paragraph B, except that, if an application is made for refund of accumulated contributions under an election pursuant to subsection 2, paragraph A, payment must be made no later than 90 days after receipt of the application by the Maine State Retirement System. Service rendered while a participant in the defined contribution plan offered by the board of trustees does not constitute service for a Maine State Retirement System member who does not withdraw contributions from the Maine State Retirement System nor is the member considered to be in service for purposes of Title 5, chapter 423, subchapter V, articles 3-A, 4 and 5 or, if the recipient of a service retirement benefit, restored to service for purposes of Title 5, section 17855.

Sec. 5. Status of employees who have retired and returned to covered employment under the Maine State Retirement System. Notwithstanding the Maine Revised Statutes, Title 5, section 17651, and, except as provided in Title 5, section 17857, subsection 2, recipients of a service retirement benefit from the Maine State Retirement System who have returned to covered employment under the retirement system in a position that would otherwise be covered by the retirement plan for state employees and teachers may not contribute to the retirement system, do not earn creditable service for their employment after retirement and do not earn any additional retirement benefits as a result of that employment. They may participate in other retirement options available to similar employees, including the state program of tax-deferred arrangements under Title 5, chapter 67, at the discretion of their employer. For purposes of participation in the state employee health insurance program pursuant to the Maine Revised Statutes, Title 5, section 285 or in dental health insurance coverage offered by the State, recipients of a service retirement benefit under the Maine State Retirement System who are retired state employees and who are reemployed as state employees must be treated as retirees under section 285, subsection 1-A for purposes of eligibility for coverage under the group plan.

See title page for effective date.

CHAPTER 443

H.P. 94 - L.D. 98

An Act to Increase the Limit on Earnings for Beneficiaries of Disability Retirement Benefits

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the earnings limit for disability benefit recipients under the Maine State Retirement System that triggers a recovery of over earnings from disability recipients has not been adjusted for inflation since it was established in 1981; and

Whereas, the imposition of that limit imposes a hardship on many recipients of disability benefits under the retirement system; and

Whereas, the review for capacity to engage in substantially gainful occupation based on actual earnings under the so-called "section 1122 disability plan" imposes a hardship on many disability benefit recipients under that plan; and