

# MAINE STATE LEGISLATURE

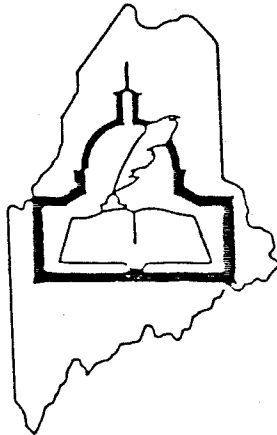
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STATE OF MAINE  
ONE HUNDRED AND TWELFTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON  
AGING, RETIREMENT AND VETERANS  
BILL SUMMARY



JULY, 1985

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ONE HUNDRED AND TWELFTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
JULY 1985

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the First Regular Session of the 112th Legislature. The summaries are arranged by LD number and indexed separately by committee.

LD: 636 AN ACT RELATING TO PAYMENT OF BACK CONTRIBUTIONS AND WITHDRAWN CONTRIBUTIONS BY MEMBERS OF THE MAINE STATE RETIREMENT SYSTEM GAUVREAU MCSWEENEY FARNUM

OTP-AM HOUSE Enacted PUBLIC  
 SENATE Enacted CH # 365  
 GOV SIGNED

S-122 CA  
 S-195 SA GAUVREAU H S

SUMMARY:

The original bill clarified the provisions for payment of back contributions on restoration to service. In addition it would have required the employee to wait 3 years before buying back previous service and allowed the Board of Trustees to set by rule the interest rate. The interest rate is currently "2% greater than the regular rate of interest."

The Committee Amendment (CA-S-122) allowed the Board of Trustees to set an interest rate not to "exceed 5% of the regular rate of interest." It also reduced the waiting period from 3 to 2 years. The Senate Amendment (SA-S-195) eliminated the requirement for the board to set the rate by rule.

LD: 637 AN ACT TO CLARIFY THE MAINE STATE RETIREMENT SYSTEM'S BOARD OF TRUSTEES' RELATIONSHIP WITH THE SYSTEM'S INVESTMENT MANAGERS GAUVREAU MCSWEENEY RICHARD

OTP-AM HOUSE Enacted PUBLIC  
 SENATE Enacted CH # 250  
 GOV SIGNED

S-92 CA H S

SUMMARY:

The bill removes the geographical limitation to New England or New York on where managers of the investment funds of the Maine Retirement System can reside. It also clarifies language concerning the boards relationship with the system's managers. The Committee Amendment replaced the phrase "prudent man rule" with a specific cross reference to where the criteria for acting in a manner similar to "prudent person" are defined. The Committee Amendment (CA-S-92) also clarified language in the bill.