## MAINE STATE LEGISLATURE

The following document is provided by the

LAW AND LEGISLATIVE DIGITAL LIBRARY

at the Maine State Law and Legislative Reference Library

http://legislature.maine.gov/lawlib



Reproduced from scanned originals with text recognition applied (searchable text may contain some errors and/or omissions)

### STATE OF MAINE 114TH LEGISLATURE FIRST REGULAR SESSION



# BILL SUMMARY JOINT STANDING COMMITTEE ON AGING, RETIREMENT AND VETERANS

### **JULY 1989**

### **MEMBERS**

Sen. Bonnie L. Titcomb \* Sen. Nancy Randall Clark Sen. Pamela Lee Cahill

Rep. Daniel B. Hickey \*
Rep. John McSweeney

Rep. Alexander Richard

Rep. John Jalbert

Rep. Lucien A. Dutremble

Rep. Arnold Brewer, Jr.

Rep. Jean T. Dellert

Rep. Madeline D. Stevenson

Rep. Wendy L. Ault

Rep. Kathryn D. Merrill

\* Denotes Chair

Staff: John B. Knox, Legislative Analyst

Office of Policy & Legal Analysis
Room 101, State House Sta. 13
Augusta, ME 04333
(207) 289-1670

1ARTHA E. FREEMAN, DIRECTOR
VILLIAM T. GLIDDEN, PRINCIPAL ANALYST
ULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
TILBERT W. BREWER
ODD R. BURROWES
TRO FLATEBO
DEBORAH C. FRIEDMAN
OHN B. KNOX



### STATE OF MAINE OFFICE OF POLICY AND LEGAL ANALYSIS

ROOM 101/107/135 STATE HOUSE STATION 13 AUGUSTA, MAINE 04333 TEL: (207) 289-1670 ANNIKA E. LANE
EDWARD POTTER
MARGARET J. REINSCH
LARS H. RYDELL
JOHN R. SELSER
HAVEN WHITESIDE
CAROLYN J. CHICK, RES. ASST
ROBERT W. DUNN, RES. ASST
HARTLEY PALLESCHI, JR., RES. ASST

### ONE HUNDRED AND FOURTEENTH LEGISLATURE FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number for each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are abbreviated as follows:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

LD 549

An Act to Require That Any State Service of Retired Local District Employees Be Included as Part of the Local District Service for the Purpose of Computing Retirement Benefits LV/WD

SPONSOR(S)

COMMITTEE REPORT

AMENDMENTS ADOPTED

MICHAUD PRAY LV/WD

#### SUMMARY

Currently, state employees, which includes teachers, and local district employees, may transfer their service for retirement purposes from one type of employment to another, state to local. However, unless the new employer elects differently, the rate of retirement compensation paid for the earlier employment period will be based on the highest salary during that employment, not during the entire period of the person's employment.

This bill requires that persons who transfer from state employment to local district employment shall have their state service retirement credit computed at the highest salary paid during their total employment with any group participating in the Maine State Retirement System.

LD 585 An Act to Change the Dates for Burial Eligibility at the Maine Veterans' Memorial Cemetery

PUBLIC 96 EMERGENCY

SPONSOR(S)

COMMITTEE REPORT

AMENDMENTS ADOPTED

OTP-AM

H-48

JOSEPH HICKEY HANDY

TITCOMB

### SUMMARY

This bill allows veterans who served in Vietnam between December 22, 1961 and August 5, 1964, to be buried in the Maine Veterans' Memorial Cemetery.

Committee Amendment "A" eliminates the restriction that the veteran had to have served in Vietnam.

LD 676

An Act to Provide that Certain Interest and Income Earned May Be Credited to the Maine State Retirement System for Administration **PUBLIC 77** 

SPONSOR(S)

COMMITTEE REPORT

AMENDMENTS ADOPTED

DELLERT JALBERT MERRILL OTP-AM

H-55

**SUMMARY** 

In 1950, the United States Social Security Act was amended to permit states to cover employees of states and political subdivisions who were not covered by a retirement plan. The Legislature enacted the required legislation in 1951 to provide coverage for employees of political subdivisions.

The bill enacted by the Legislature in 1951 provided that the Maine State Retirement System would be the state agency responsible for the administration of social security for political subdivisions in Maine. "State agency" is the unit of State Government which works with the Social Security Administration in administering the federal social security program for employees of the state and political

Office of Policy and Legal Analysis......Page 6
Aging, Retirement and Veterans

subdivisions. One of the principal duties of the state agency, until the amendment of the United States Social Security Act as of January 1, 1987, was to collect the social security taxes from the political subdivisions and remit them to the Social Security Administration. During the time between receipt of the funds by the state agency and remittance to the Social Security Administration, the funds were invested as part of the Treasurer of State's cash pool. The interest earned on the Contribution Fund was used to administer the program rather than charging the political subdivisions as permitted by the law; however, due to the efficient manner in which the program was administered, the income to the fund was in excess of that needed to administer the program.

This bill permits the Maine State Retirement System to use the investment earnings to defray part of the expense of administering the retirement system.

Committee Amendment "A" specifies that interest generated on social security taxes collected from political subdivisions are to be used to prepare and, if approved by the Legislature, implement a portable and integrated retirement system for the participating local districts and to defray administrative costs for those districts that participated in the social security system through the State Retirement System.

LD 696 An Act Concerning Out-of-state Service for Members of the Maine State Retirement System

**CARRY OVER** 

SPONSOR(S) TITCOMB

COMMITTEE REPORT

**AMENDMENTS ADOPTED** 

HICKEY

#### SUMMARY

The purpose of this bill is to reduce the amount of state service necessary for members of the Maine State Retirement System to obtain credit for out-of-state service.

LD 698 An Act to Clarify Certain Provisions in the Maine State Retirement System Laws

OTP

PUBLIC 78

SPONSOR(S) TITCOMB HICKEY

COMMITTEE REPORT

AMENDMENTS ADOPTED

H-63 HICKEY

### SUMMARY

This bill removes several ambiguities that exist in the present wording of the retirement laws.

House Amendment "A" restores to participating local district members of the Maine State Retirement System a benefit which was inadvertently removed when the Maine state retirement laws were recodified in 1986. This benefit is the right to purchase retirement credit for service in a private or parochial school.