

MAINE STATE LEGISLATURE

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STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION



BILL SUMMARY
JOINT STANDING COMMITTEE
ON
AGING, RETIREMENT AND VETERANS

JULY 1989

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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.

SPONSOR(S)
GAUVREAU
CLARK N
JALBERT
DELLERT

COMMITTEE REPORT
LV/WD

AMENDMENTS ADOPTED

SUMMARY

This bill gives a Retirement System retiree contemplating returning to the retiree's former employment a simpler choice than current legislation; namely, continue to receive a retirement benefit and accrue no additional creditable service or give up the retirement benefit and accrue additional creditable service, which could result in a larger retirement benefit when the person retires again.

LD 898 An Act to Clarify the Law Concerning Retired Teachers' Health Insurance and to Compensate Retired Teachers Who Are Ineligible for That Insurance

SPONSOR(S)
EMERSON
RICHARDS
JALBERT
HICKEY

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-480 HICKEY
S-221

SUMMARY

This bill clarifies confusion in the law that was created by the passage in 1987 of 2 overlapping bills dealing with group health insurance for retired teachers. The bills had the same chapter heading and similar chapter, section and headnote wording.

The 2 differences between the 2 bills are that the Maine Revised Statutes, Title 20-A, section 13451 requires that to be eligible for group insurance retired teachers must meet the eligibility requirements of the health plan in effect at the time of their retirement and limits the State's contribution to the retired teachers' pension to be 15%. (It is 100% for retired state employees.) Title 20-A, section 13461 has neither of these provisions.

This bill amends Title 20-A, section 13451 to eliminate the requirement that the retired teacher be eligible under the provisions of the plan in effect when the teacher retired and continues the 15% contribution provision. It repeals Title 20-A, section 13461.

Committee Amendment "A" keeps both sections and tries to indicate the differences between them. It repeals 20-A MRSA, section 13461, refines the headnote and opening paragraph and reenacts it under the Maine Revised Statutes, Title 20-A, section 13452 under the chapter containing 20-A MRSA section 13451.

Under Title 20-A, section 13451, subsection 4, the amendment also provides \$7 a month to all retired teachers who are not eligible for group health insurance, if they worked as public school teachers for one year immediately prior to reaching normal retirement age or had 25 years of creditable service.

House Amendment "A" to Committee Amendment "A" clarifies that retirees are to be charged a rate no greater than that charged active teachers, while giving each plan the ability to set a lower rate in appropriate situations.

The amendment further provides that the local system shall notify the Maine State Retirement System of any plan changes and that the Maine State Retirement System shall notify the individuals affected, as it maintains an up-to-date list of addresses.

LD 977 **An Act to Establish Disability Retirement Benefits for
Members of the Maine State Retirement System**

PUBLIC 409

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
HICKEY CLARK N JALBERT BUSTIN	OTP-AM	H-400

SUMMARY

This bill establishes a new disability retirement plan for members of the Maine State Retirement System. This new plan will be applicable to state employees, teachers and employees of participating local districts that have adopted as part of their retirement plan the disability retirement plan set forth in the Maine Revised Statutes, Title 5, chapter 425, subchapter V, article 3. Subsequent to its enactment, other participating local districts may adopt this new plan.

The principal difference between the existing disability retirement plan and the plan contained in this bill is that under this plan the Maine State Retirement System may provide rehabilitation services to recipients of disability retirement benefits upon recommendation of the Maine State Retirement System's medical board. Any person who returns to employment with that person's previous employer or any other employer whose employees are covered by this plan would have no reduction in disability retirement benefits until combined earnings on the new job and disability retirement benefit exceed the amount that would have been earned had that person continued to be employed on the previous job. A person who becomes employed by an employer whose employees are not covered by this plan would have that person's earnings limited to the difference between the average final compensation, plus cost-of-living adjustments and the disability retirement benefit.

Committee Amendment "A":

1. Eliminates the emergency status of the Act and makes it effective October 1, 1989;
2. States that in determining the disability contributions the actuary is to take into consideration other factors that influence cost;
3. States that a submission of a false health statement may result in the loss of the right to apply for disability benefits;
4. Gives the executive director authority to submit the results of a required yearly examination of disability retirees to the medical board for a recommendation regarding rehabilitation;
5. States that persons receiving disability compensation, before adjustments are required to their retirement benefit, may earn the greater of \$10,000 or the difference between the retirement benefit and the person's earnings at the time of retirement. The original bill contained only the second of these provisions; and
6. This amendment clarifies the section on rehabilitation to make explicit the reemployment rights of a person who has successfully completed a rehabilitation program. It also ensures that a