

MAINE STATE LEGISLATURE

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STATE OF MAINE
114TH LEGISLATURE
SECOND REGULAR SESSION



BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
AGING, RETIREMENT AND VETERANS

JUNE 1990

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**One Hundred and Fourteenth Legislature
Second Regular Session**

**Joint Standing Committee
Bill Summaries**

June 1990

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. 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 or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond, 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)BERUBE
GAUVREAU**COMMITTEE REPORT**

OTP-AM

AMENDMENTS ADOPTED

S-520

SUMMARY

Under current law, if a retired employee of a participating local district is receiving retirement benefits and accepts employment with the same district from which the employee had retired, the amount that the employee may earn is limited. If the employee earns more than the authorized amount and excess retirement benefits are paid to the employee, the law requires that the retirement system be reimbursed for the excess payments.

This bill exempts 3 retirees currently reemployed by the City of Lewiston from paying interest on excess retirement benefits that they owe to the retirement system for certain years of their employment, unless they willingly agree to a payment plan which includes payment of interest.

Committee Amendment "A" empowers the Board of Trustees of the Maine State Retirement System to waive part or all of the amount owed if it is found by the board that the employee owes money because of negligence on the part of the employer, such as not informing or misinforming an employee of rights relating to retirement benefits. The board could waive payment of interest on the amount owed or it could waive the entire amount owed, depending upon the facts of each case.

Committee Amendment "A" additionally gives a retiree contemplating a return to employment where he would be covered by Social Security a simple choice: to continue to receive a retirement benefit and accrue no additional creditable service or to give up the retirement benefit and accrue additional creditable service, which could result in a larger retirement benefit when the person retires again.

**LD 2311 An Act to Clarify the Definition of Earnable Compensation in
the Maine State Retirement System Laws**

PUBLIC 800**SPONSOR(S)**CLARK N
DELLERT
CAHILL P
CAHILL M**COMMITTEE REPORT**

OTP-AM

AMENDMENTS ADOPTED

S-581

SUMMARY

This bill clarifies the definition of "earnable compensation," that is the compensation on which retirement benefits are calculated. This bill codifies the interpretation given to the use of tax sheltered annuity contracts and deferred compensation plans by the Board of Trustees of the Maine State Retirement System. The bill places a cap on the amount of salary and wage increases included in earnable compensation during the years used to compute a member's average final compensation. The bill prohibits the use of salary increases of over 10% in the determination of an employee's average final compensation for retirement purposes.

Committee Amendment "A" raises the allowed increase to over 15% and creates a number of types of increases that are not to be used in calculating the percentage of increase.