

MAINE STATE LEGISLATURE

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**STATE OF MAINE
117TH LEGISLATURE**

SECOND REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
LABOR**

JUNE 1996

MEMBERS:

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Sen. S. Peter Mills

Sen. Anne M. Rand

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**ONE HUNDRED SEVENTEENTH LEGISLATURE
SECOND REGULAR SESSION**

***Summary Of Legislation Before The Joint Standing Committees
June 1996***

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 4, 1996.

Committee Amendment "A" (S-424), the majority report, would have clarified that the interest charged would be simple, not compound, and that it would only be charged for each complete calendar month that the payment had been due. The amendment would have also added a fiscal note to the bill.

LD 1637 **An Act to Establish the Administrative Operating Budget for the Maine State Retirement System for the Fiscal Year Ending June 30, 1997** P & S 58
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP	S-440

The Maine State Retirement System is required by law to present its annual operating budget to the Legislature for approval. LD 1637 is the system's 3rd annual budget. The budget is for the fiscal year 1996-97.

The bill identifies the system's Personal Services costs and its costs for All Other operating expenses. The bill attributes the expenses of the system proportionally among the General Fund; Non-General Fund; and Participating Local Districts.

Senate Amendment "A" (S-440) expresses legislative approval of the collective bargaining agreements between the Maine State Retirement System and its employees as required by law.

Enacted law summary

Private and Special Law 1995, chapter 58 is the Maine State Retirement System's annual operating budget for the fiscal year 1996-97. Legislative approval is required by law. Private and Special Law 1995, chapter 58 also expresses legislative approval of the collective bargaining agreements between the Maine State Retirement System and its employees as required by law.

Chapter 58 was enacted as an emergency measure effective July 1, 1996.

LD 1698 **An Act to Make Changes to the Disability Plans Administered by the Maine State Retirement System and to Establish a Process for Further Improvements** PUBLIC 643
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH	OTP-AM	H-899
RAND		H-911

LD 1698 proposed to expedite the decision-making process for disability retirement under the Maine State Retirement System. This bill would have:

1. Permitted the Board of Trustees of the Maine State Retirement System to designate additional medical boards to review applications for disability retirement;
2. Required that the executive director of the system submit to the medical board within 30 days of receipt applications for disability retirement; and

3. Eliminated language that limits, except in certain circumstances, the payment of disability retirement benefits to not more than 6 months before the date of receipt by the executive director of the written application.

Committee Amendment "A" (H-899) proposed to replace the bill and resulted from the February 20, 1996 report of the Maine State Retirement System to the Labor Committee pursuant to Private and Special Law 1995, chapter 38. The amendment dealt with the same issues as the bill in a more comprehensive way. It also would have addressed other disability issues identified in the retirement system report. The amendment also adds an emergency preamble and clause.

The amendment proposed:

1. Changes in the Maine Revised Statutes, Title 5, chapter 423, subchapter V, articles 3 and 3-A and chapter 425, subchapter V, articles 3 and 3-A to improve the present administration of the disability plans;
2. To establish the level of benefit payments under the disability plans amended to comply with the federal Older Workers Benefit Protection Act; and
3. To establish a study committee to study the merger of the 3 disability plans administered by the Maine State Retirement System into one pooled plan modeled after the Maine Revised Statutes, Title 5, chapter 423, subchapter V, article 3-A and chapter 425, subchapter V, article 3-A to study other changes to the disability plan or plans.

The amendment proposed to permit the Board of Trustees of the Maine State Retirement System to establish more than one medical board, clarify the medical board's role in rehabilitation reviews and give the board flexibility through rulemaking to determine how it would obtain medical consultation on each applicant for disability retirement benefits.

It proposed to establish the level of disability retirement allowance at 59% of the member's average final compensation for judges, state employees and teachers who are covered by a "no-age" disability plan in compliance with the federal Older Workers Benefit Protection Act.

It proposed to repeal provisions requiring Maine State Retirement System members to file statements of health.

It proposed to modify current preexisting condition language to allow an applicant to meet the 5-year continuous creditable service requirement notwithstanding a break in service as long as 5 continuous years of service are earned after the preexisting condition arises.

It proposed to establish criteria for determining whether a recipient of disability retirement benefits is eligible for rehabilitation services.

It proposed to repeal the provisions of current law providing members the option to elect coverage under a disability plan that is amended to meet the requirements of the federal Older Workers Benefit Protection Act because the election has taken place.

It proposed to establish provisions applying to participating local districts that are parallel to those that apply to state employees.

This amendment also added a fiscal note to the bill.

House Amendment "B" to Committee Amendment "A" (H-911) proposed to delete language from the committee amendment that modified current preexisting condition language to allow an

applicant to meet the 5-year continuous creditable service requirement notwithstanding a break in service as long as 5 continuous years of service are earned after the preexisting condition arises. The reason for deleting the language was to eliminate a possible increase in the Retirement System's unfunded liability. This amendment directed the Committee to Study Disability Retirement to study this issue.

House Amendment "A" to Committee Amendment "A" (H-903) proposed to place the financial burden of erroneous disability benefit overpayments due solely to a mistake of the Maine State Retirement System on the Maine State Retirement System, rather than on the recipient of the benefit who has come to rely on the mistake, if the overpayments have continued for at least 10 years. The amendment would have applied to disability retirement benefits paid on or after January 1, 1995. The amendment also proposed to add an appropriation section to the bill. (Not adopted)

Enacted law summary

Public Law 1995, chapter 643 does the following:

Establishes a study committee to study the merger of the three disability plans administered by the Maine State Retirement System into one pooled plan.

Permits the Board of Trustees of the Maine State Retirement System to establish more than one medical board, clarifies the medical board's role in rehabilitation reviews and gives the board flexibility through rulemaking to determine how it will obtain medical consultation on each applicant for disability retirement benefits.

Establishes the level of disability retirement allowance at 59% of the member's average final compensation for judges, state employees and teachers who are covered by a "no-age" disability plan in compliance with the federal Older Workers Benefit Protection Act.

Repeals provisions requiring Maine State Retirement System members to file statements of health.

Establishes criteria for determining whether a recipient of disability retirement benefits is eligible for rehabilitation services.

Repeals the provisions of current law providing members the option to elect coverage under a disability plan that is amended to meet the requirements of the federal Older Workers Benefit Protection Act because the election has taken place.

Enacts provisions applying to participating local districts that are parallel to those that apply to state employees.

Chapter 643 was enacted as an emergency measure effective April 10, 1996.