

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:

Sen. Charles M. Begley, Chair

Sen. S. Peter Mills

Sen. Anne M. Rand

Rep. Pamela H. Hatch, Chair

Rep. John L. Tuttle

Rep. Gail M. Chase

Rep. Patricia Lemaire

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Rep. Vaughn A. Stedman

Rep. Tom J. Winsor

Staff:

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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.

LD 1850 **An Act to Clarify the Retirement Status of Certain
Employees of the Child Development Services System**

P & S 78
EMERGENCY

Sponsor(s)
TREAT

Committee Report
OTP-AM

Amendments Adopted
H-875

LD 1850 proposed to permit employees of the Child Development Services System to elect not to receive the distribution of retirement funds from the Maine State Retirement System as required under law upon the dissolution of a participating local district and to retain accrued creditable service under the Retirement System.

Committee Amendment "A" (H-875) replaced the bill. The amendment proposed a more comprehensive method to accomplish the intent of the bill. The amendment clarified the options of CDS employees and former employees upon dissolution of CDS as a participating local district, established a time frame in which the options must be exercised, directed the retirement system to provide assistance to those exercising an option, provided for equitable distribution of funds if there are insufficient assets to make full payment or transfer and provided for distribution of any remaining assets after full payment and transfer have been made. The amendment also proposed to add an emergency preamble and clause and a fiscal note to the bill.

Enacted law summary

Private and Special Law 1995, chapter 78 provides options to employees and former employees of the Child Development Services System, "CDS," with regard to distribution of retirement funds and the transfer of creditable service following dissolution of CDS as a participating local district under the Maine State Retirement System. The amendment clarifies the options, establishes a time frame in which the options must be exercised, directs the retirement system to provide assistance to those exercising an option, provides for equitable distribution of funds if there are insufficient assets to make full payment or transfer and provides for distribution of any remaining assets after full payment and transfer have been made.

Chapter 78 was enacted as an emergency measure effective April 10, 1996.

LD 1855 **An Act to Limit the Liability of Employers for the Costs of
Early Retirement Incentives**

DIED BETWEEN
HOUSES

Sponsor(s)

Committee Report
OTP

Amendments Adopted

LD 1855 was reported by the minority of the Joint Standing Committee on Labor pursuant to Resolve 1995, chapter 39. Like the majority report, LD 1856, this bill proposed to clarify implementation of current law regarding payment of the actuarial and administrative costs of early retirement incentives offered by school administrative units to teachers. This bill differs from LD 1856 in that it proposed to:

1. Make operation of the current law requiring employers to pay the additional actuarial and administrative costs of early retirement incentives prospective from March 15, 1996;
2. Absolve school administrative units of any obligation for the costs of early retirement occurring before March 15, 1996; and

3. Delegate authority to establish the method of calculation and payment of the costs of early retirement to the Early Retirement Incentives Review Panel, established in the bill, through adoption of major substantive rules.

LD 1856 An Act to Clarify the Early Retirement Incentives Law

PUBLIC 541
EMERGENCY

Sponsor(s)

Committee Report
OTP MAJ

Amendments Adopted

LD 1856 was reported by the majority of the Joint Standing Committee on Labor pursuant to Resolve 1995, chapter 39. The bill proposed to clarify implementation of current law regarding payment of the actuarial and administrative costs of early retirement incentives offered by school administrative units to teachers since July 1, 1993. For prospective application to payments after the effective date of the legislation, the bill proposed to:

1. Establish the criteria for determining whether a payment in connection with retirement is an early retirement incentive;
2. Make the school unit responsible for demonstrating whether the criteria are met;
3. Create the Early Retirement Incentives Review Panel to rule whether a payment constitutes an early retirement incentive; and
4. Establish the procedure for calculation of actuarial and administrative costs and payment of those costs.

With respect to payments made in connection with retirement between July, 1, 1993 and June 28, 1995, the bill established the responsibility of 8 school units to pay the actuarial and administrative costs for early retirement incentives that they paid to their employees.

The bill was introduced as an emergency in order to take effect before the end of the moratorium relieving employers of the obligation to pay the costs of early retirement incentives enacted last year. The moratorium expired March 15, 1996. If this bill or a similar bill had not been enacted before that date, according to the Attorney General's office, all school units that made payments in connection with early retirement could have been liable for the actuarial and administrative costs resulting from those retirements. This bill limited the obligation to pay actuarial and administrative costs to 8 school units that offered early retirement incentives.

Enacted law summary

Public Law 1995, chapter 541 clarifies implementation of current law regarding payment of the actuarial and administrative costs of early retirement incentives offered by school administrative units to teachers since July 1, 1993. For prospective application to payments after the effective date of the legislation, the bill:

1. Establishes the criteria for determining whether a payment in connection with retirement is an early retirement incentive;
2. Makes the school unit responsible for demonstrating whether the criteria are met;