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Date: (Filing No. H-)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 180, L.D. 247, Bill, “An Act To Amend the Retirement Laws Pertaining to Participating Local Districts”

Amend the bill by striking out everything after the title and inserting the following:

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Participating Local District Advisory Committee has recommended changes to the participating local district retirement plan in order to improve future funding levels, reduce rate volatility and protect member benefits; and

Whereas, this legislation requires the Board of Trustees of the Maine Public Employees Retirement System to adopt rules in order for the changes to take effect; and

Whereas, the changes to the participating local district retirement plan must be in effect prior to July 1, 2018 in order for the actuarial calculations used to establish plan costs for the next fiscal year to be based on the amended plan; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §17001, sub-§13, ¶B, as amended by PL 2009, c. 274, §1, is further amended to read:

B. "Earnable For members other than members of the Participating Local District Retirement Program under chapters 425 and 427, "earnable compensation" does not include:

- (1) For any member who has 10 years of creditable service by July 1, 1993 or who has reached 60 years of age and has been in service for a minimum of one year immediately before that date, payment for more than 30 days of unused

1 accumulated or accrued sick leave, payment for more than 30 days of unused
2 vacation leave or payment for more than 30 days of a combination of both and,
3 effective October 1, 1999, whether or not the member is in service on October 1,
4 1999, the 30-day limitation may not be decreased and the exclusion set out in
5 subparagraph (2) may not be made applicable to such a member;

6 (2) For any member who is not covered by subparagraph (1), payment for any
7 unused accumulated or accrued sick leave or payment for any unused vacation
8 leave; or

9 (3) Any other payment that is not compensation for actual services rendered or
10 that is not paid at the time the actual services are rendered.

11 A payment for unused sick leave or unused vacation leave may not be included as
12 part of earnable compensation unless it is paid upon the member's last termination
13 before the member applies for retirement benefits.

14 **Sec. 2. 5 MRSA §17001, sub-§13, ¶B-1** is enacted to read:

15 B-1. "Earnable compensation" does not include any exclusion in the plan provisions
16 adopted by rule pursuant to section 18801.

17 **Sec. 3. 5 MRSA §18252, sub-§6**, as repealed and replaced by PL 2009, c. 415,
18 Pt. A, §5, is amended to read:

19 **6. Restoration to service.** If Except as provided in section 18457-A, if any person
20 who is the recipient of a service retirement benefit is covered by the United States Social
21 Security Act upon being restored to service, continuation of that person's benefit is
22 governed by the following.

23 A. The person may elect to have the service retirement benefit continued during the
24 period of time the person is restored to service and the person may not accumulate
25 any additional service credits.

26 B. The person may elect to have the service retirement benefit terminated, again
27 become a member of the Participating Local District Retirement Program and begin
28 contributing at the current rate.

29 (1) The person is entitled to accumulate additional service credits during the
30 period of time the person is restored to service.

31 (2) When the person again retires, the person is entitled to receive benefits
32 computed on the person's entire creditable service and in accordance with the law
33 in effect at the time.

34 C. Upon being restored to service, the person must elect to have benefits either
35 continued or terminated. If written notification of the person's election is not
36 received by the executive director within 60 days of restoration to service, the person
37 is deemed to have elected the provisions of paragraph A. The election, regardless of
38 how it is made, is irrevocable during the period of restoration to service.

39 **Sec. 4. 5 MRSA §18302, sub-§3** is enacted to read:

1 **3. Employer contributions to the Participating Local District Consolidated**
2 **Retirement Plan.** The board may establish by rule the rate at which employers who
3 participate in the Participating Local District Consolidated Retirement Plan in accordance
4 with chapter 427 contribute to that plan. Rules established pursuant to this subsection are
5 routine technical rules pursuant to chapter 375, subchapter 2-A.

6 **Sec. 5. 5 MRSA §18356, sub-§4** is enacted to read:

7 **4. Treatment of members of the Participating Local District Consolidated**
8 **Retirement Plan covered by chapter 427.** Notwithstanding the provisions of this
9 section, for members of the Participating Local District Consolidated Retirement Plan,
10 the plan provisions adopted by rule pursuant to section 18801 govern any service credit
11 for unused accrued or accumulated sick leave or unused vacation leave.

12 **Sec. 6. 5 MRSA §18407, sub-§7,** as amended by PL 2013, c. 588, Pt. E, §3, is
13 repealed and the following enacted in its place:

14 **7. Determination of adjustment for participating local districts covered by**
15 **chapter 427.** The plan provisions adopted by rule pursuant to section 18801 govern any
16 cost-of-living adjustment.

17 **Sec. 7. 5 MRSA §18407, sub-§8,** as enacted by PL 2013, c. 391, §8, is repealed.

18 **Sec. 8. 5 MRSA §18452, sub-§3,** as amended by PL 2013, c. 391, §11, is further
19 amended to read:

20 **3. Member with creditable service of 25 years or more.** The amount of the
21 service retirement benefit for members qualified under section 18451, subsection 3 is
22 computed in accordance with subsection 1, except that:

23 A. The amount arrived at under subsection 1 is reduced by applying to that amount
24 the percentage that a life annuity due at 60 years of age bears to the life annuity due
25 at the age of retirement.

26 B. For the purpose of making the computation under paragraph A, the board-
27 approved tables of annuities in effect at the date of the member's retirement is used.

28 The amount of the service retirement benefit for members qualified under section
29 18451-A, ~~subsection 2, paragraph C~~ is computed in accordance with subsection 1, except
30 that ~~the benefit is reduced by 6% for each year that the member's age precedes 65 years of~~
31 age any benefit reduction for retiring prior to 60 years of age for members qualified under
32 section 18451-A, subsection 1 or prior to 65 years of age for members qualified under
33 section 18451-A, subsection 2 must be contained in the plan provisions adopted by rule
34 pursuant to section 18801 that provide for the payment of the full actuarial cost of retiring
35 prior to 60 years of age or 65 years of age as applicable.

36 **Sec. 9. 5 MRSA §18457-A** is enacted to read:

37 **§18457-A. Restoration to service**

38 The plan provisions adopted by rule pursuant to section 18801 govern the return of a
39 retiree to employment by an employer participating in the Participating Local District
40 Consolidated Retirement Plan.

