

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

**RESOLUTION, Proposing an Amendment to the
Constitution of Maine To More Equitably Fund the Liabilities
of the Maine Public Employees Retirement System**

Constitutional amendment. Resolved: Two thirds of each branch of the Legislature concurring, that the following amendment to the Constitution of Maine be proposed:

Constitution, Art. IX, §18-A is amended to read:

Section 18-A. Funding of retirement benefits under the Maine Public Employees Retirement System. Beginning with the fiscal year starting July 1, 1997, the normal cost of all retirement and ancillary benefits provided to participants under the Maine State Public Employees Retirement System must be funded annually on an actuarially sound basis. Unfunded liabilities may not be created except those resulting from experience losses. Unfunded liability resulting from experience losses must be retired over a period not exceeding 10 years in accordance with the time periods set forth in section 18-B.

Constitution, Art. IX, §18-B is amended to read:

Section 18-B. Payment of unfunded liabilities of the Maine Public Employees Retirement System. Each fiscal year beginning with the fiscal year starting July 1, ~~1997~~2012, the Legislature shall appropriate funds that will retire ~~in 31 years or less~~over an open or rolling period of no more than 25 years the unfunded liabilities of the Maine State Public Employees Retirement System that are attributable to state employees and teachers. The unfunded liabilities referred to in this section are those determined by the Maine State Public Employees Retirement System's actuaries and certified by the Board of Trustees of the Maine State Public Employees Retirement System as of ~~June 30, 1996~~the end of each fiscal year of the Maine Public Employees Retirement System.

; and be it further

Constitutional referendum procedure; form of question; effective date.

Resolved: That the municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, at a statewide election held in the month of November following the passage of this resolution, to vote upon the ratification of the amendment proposed in this resolution by voting upon the following question:

"Do you favor amending the Constitution of Maine to spread out over a longer period of time the costs associated with Maine Public Employees Retirement System benefits, and thereby reduce the funds necessary to provide such retirement benefits during the period from 2012 to 2028?"

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within the corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns. If it appears that a majority of the legal votes are cast in favor of the amendment, the Governor shall proclaim that fact without delay and the amendment becomes part of the Constitution of Maine on the date of the proclamation; and be it further

Secretary of State shall prepare ballots. Resolved: That the Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this resolution necessary to carry out the purposes of this referendum.

SUMMARY

This resolution proposes to amend the Constitution of Maine to remove the requirement that experience losses incurred by the Maine Public Employees Retirement System be retired in only 10 years and to change the required amortization schedule of unfunded liabilities from a fixed 31-year schedule to a so-called open or rolling 25-year schedule.