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RESOLUTION, Proposing an Amendment to the Constitution of Maine To Prohibit Incurring Any New Unfunded Liabilities for Retiree Health Benefits and To Require a 20-year Amortization of Public Retiree Benefits

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.~~Beginning with the fiscal year starting July 1, 1997, the~~The normal cost of all retirement, health and ancillary benefits provided to retirees from public service and to participants under the Maine State Retirement System must be funded annually on an actuarially sound basis. Unfunded liabilities for retiree benefits of any kind 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.

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

Section 18-B. Payment of unfunded liabilities for public retiree benefits. Each fiscal year ~~beginning with the fiscal year starting July 1, 1997, the~~ Legislature shall appropriate funds that ~~will on an actuarially sound schedule sufficient to retire in 31 years or less, on or before July 1, 2028, the~~ unfunded liabilities of the Maine State Retirement System that are attributable to all retirement benefits, including health and ancillary benefits, owed by the State on behalf of state employees and, teachers and others whose retirement benefits are funded from state revenues. The unfunded liabilities referred to in this section are those determined by the Maine State Retirement System's actuaries and certified by the Board of Trustees of the Maine State Retirement System as of June 30, 1996 and those actuarially determined and certified in the State's audited financial accounts for the fiscal year ending June 30, 2007.

; 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 prohibit the State from incurring any new unfunded liabilities for retiree health benefits and to require the retirement in 20 years of the unfunded liability of all retirement benefits, including health and ancillary benefits, owed by the State?”

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 prohibit the State from incurring any new unfunded liabilities for retiree health benefits and to require the retirement within 20 years of the unfunded liability of all retirement benefits, including health benefits, owed by the State.