

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

Amend the amendment by striking out the first 5 indented paragraphs after the substitute title (page 1, lines 14 to 34 in amendment) and inserting the following:

Amend the bill by striking out sections 1 to 11 and inserting the following:

Sec. 1. 3 MRSA §851, sub-§2-A, as amended by PL 2007, c. 491, §26, is further amended to read:

2-A. Early retirement; employed under program on June 30, 1993, but less than 10 years creditable service on July 1, 1993. Any member, whether or not in service at retirement, who on June 30, 1993 was employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program but who on July 1, 1993 had less than 10 years of creditable service and who has completed at least 25 years of creditable service may retire any time before the member's 62nd birthday. Creditable service as a member of any other retirement program of the Maine Public Employees Retirement System may be combined with creditable service as a member of the Legislative Retirement Program for the purpose of determining the completion of 25 years of creditable service. The retirement allowance is determined in accordance with section 852, except that it is reduced by ~~6%~~3% for each year that the member's age precedes age 62.

Sec. 2. 3 MRSA §851, sub-§2-C is enacted to read:

2-C. Early retirement; not employed under program on June 30, 1993. Any member, whether or not in service at retirement, who on June 30, 1993 was not employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program and who has completed at least 25 years of creditable service may retire any time before the member's 62nd birthday. Creditable service as a member of the Maine Public Employees Retirement System may be combined with creditable service as a member of the Maine Legislative Retirement System for the purpose of determining the completion of 25 years of creditable service. The retirement allowance is determined in accordance with section 852, except that it is reduced by 6% for each year that the member's age precedes age 62.

Sec. 3. 4 MRSA §1351, sub-§3-A, as amended by PL 1999, c. 756, §9, is further amended to read:

3-A. Early retirement; employed under program on June 30, 1993, but less than 10 years creditable service on July 1, 1993. Any member, whether or not in service at retirement, who on June 30, 1993 was employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program but who on July 1, 1993 had less than 10 years of creditable service and who has completed at least

25 years of creditable service may retire any time before the member's 62nd birthday. The retirement allowance is determined in accordance with section 1352, except that the benefit is reduced by ~~6%~~3% for each year that the member's age precedes age 62.

Sec. 4. 4 MRSA §1351, sub-§3-B is enacted to read:

3-B. Early retirement; not employed under program on June 30, 1993. Any member, whether or not in service at retirement, who on June 30, 1993 was not employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program and who has completed at least 25 years of creditable service may retire any time before the member's 62nd birthday. The retirement allowance is determined in accordance with section 1352, except that the benefit is reduced by 6% for each year that the member's age precedes age 62.

Sec. 5. 5 MRSA §17852, sub-§3-A, as amended by PL 1999, c. 489, §17, is further amended to read:

3-A. Member with creditable service of 25 years or more whether or not in service at retirement; employed under program on June 30, 1993, but fewer than 10 years of creditable service on July 1, 1993. The amount of the service retirement benefit for members qualified under section 17851, subsection 3; is computed in accordance with subsection 1, except that:

C. The benefit is reduced by ~~6%~~3% for each year that the member's age precedes 62 years of age; and

D. Effective October 1, 1999, the reduction to be applied to the service retirement benefit of a member to whom this subsection applies may not be greater than that in effect on October 1, 1999 under paragraph C for a member who, on October 1, 1999 or thereafter, meets the creditable service requirement for eligibility to receive a service retirement benefit under section 17851, subsection 1-C, paragraph A; section 17851, subsection 1-C, paragraph B; section 17851, subsection 2-C, paragraph A; section 17851, subsection 2-C, paragraph B; or section 17851-A, subsection 2, paragraph A. For a member to whom section 17851-A applies, this paragraph must be applied in accordance with the requirements of section 17851-A, subsection 4.

This subsection applies to members who on June 30, 1993 were employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program but who, on July 1, 1993, do not have 10 years of creditable service.

Sec. 6. 5 MRSA §17852, sub-§3-B is enacted to read:

3-B. Member with creditable service of 25 years or more whether or not in service at retirement; not employed under program on June 30, 1993. The amount of the service retirement benefit for members qualified under section 17851, subsection 3 is computed in accordance with subsection 1, except that:

A. The benefit is reduced by 6% for each year that the member's age precedes 62 years of age.

This subsection applies to members who on June 30, 1993 were not employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program.

Amend the amendment in section 13 in the last line (page 2, line 19 in amendment) by striking out the following: "sections 17851-A and 17852" and inserting the following: 'section 17852'

Amend the amendment by striking out all of section 15 (page 3, lines 25 to 35 in amendment) and inserting the following:

‘Sec. 15. Contingent effective date. Since the Constitution of Maine, Article IX, Section 18-A requires the Maine Public Employees Retirement System to be funded annually on an actuarially sound basis and prohibits the creation of unfunded liabilities except those resulting from experience losses, sections 1 to 8 take effect only if the Board of Trustees of the Maine Public Employees Retirement System, pursuant to section 9, takes an action to reduce the required unfunded liability payment for fiscal year 2007-08. Within 10 days of the effective date of this Act, the Board of Trustees of the Maine Public Employees Retirement System shall notify the Secretary of the Senate, the Clerk of the House of Representatives and the Revisor of Statutes whether, pursuant to section 9, it took an action on or before the effective date of this Act to reduce the required unfunded liability payment for fiscal year 2007-08.’

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

The bill, as amended by Committee Amendment "A," reduces the penalty for early retirement from 6% to 3% for members of the state employee and teacher retirement plan, the legislative retirement plan and the judicial retirement plan. This amendment limits the reduction in penalty to only those employees who were already employed in a position that is covered under the State Employee and Teacher Retirement Program, the Legislative Retirement Program or the Judicial Retirement Program prior to the time the penalty was increased from 2.25% to 6% per year and only those employees who do not have the option to retire at 55 years of age without a penalty.

FISCAL NOTE REQUIRED

(See attached)