

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 §17851-A, sub-§4, ¶A, as repealed and replaced by PL 2003, c. 510, Pt. D, §3 and affected by §§6 and 7, is amended to read:

A. If all of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M; if service credit was purchased by repayment of an earlier refund of accumulated contributions for service in any one or a combination of the capacities specified in subsection 1 after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M; or if service credit was purchased by other than the repayment of an earlier refund and eligibility to make the purchase of the service credit, including, but not limited to, service credit for military service, was achieved after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M, the benefit must be computed as provided in section 17852, subsection 1, paragraph A.

(1) If the member had 10 years of creditable service on July 1, 1993, the benefit under subsection 2, paragraph B must be reduced as provided in section 17852, subsection 3, paragraphs A and B.

(2) If the member 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 had fewer than 10 years of creditable service on July 1, 1993, the benefit under subsection 2, paragraph B must be reduced by ~~6%~~3% for each year that the member's age precedes 55 years of age.

(3) If the member 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, the benefit under subsection 2, paragraph B must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 6. 5 MRSA §17851-A, sub-§4, ¶B, as repealed and replaced by PL 2003, c. 510, Pt. D, §4 and affected by §§6 and 7, is amended to read:

B. Except as provided in paragraphs D and E, if some part of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned before July 1, 1998 for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; and before July 1, 2002 for employees identified in subsection 1, paragraph M and some part of the member's creditable service in any one or a combination of the capacities specified in subsection 1 was earned after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M, then the member's service retirement benefit must be computed in segments and the amount of the member's service retirement benefit is the sum of the segments. The segments must be computed as follows:

(1) The segment or, if the member served in more than one of the capacities specified in subsection 1 and the benefits related to the capacities are not interchangeable under section 17856, segments that reflect creditable service earned before July 1, 1998 for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; and before July 1, 2002 for employees identified in subsection 1, paragraph M or purchased by repayment of an earlier refund of accumulated contributions for service before July 1, 1998, for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002 for employees identified in subsection 1, paragraph L; and before July 1, 2002 for employees identified in subsection 1, paragraph M in a capacity or capacities specified in subsection 1 or purchased by other than the repayment of a refund and eligibility to make the purchase of the service credit, including, but not limited to, service credit for military service, was achieved before July 1, 1998 for employees identified in subsection 1, paragraphs A to H; before January 1, 2000 for employees identified in subsection 1, paragraphs I to K; before January 1, 2002

for employees identified in subsection 1, paragraph L; and before July 1, 2002 for employees identified in subsection 1, paragraph M, must be computed under section 17852, subsection 1, paragraph A. If the member is qualified under subsection 2, paragraph B and:

(a) Had 10 years of creditable service on July 1, 1993, the amount of the segment or segments must be reduced as provided in section 17852, subsection 3, paragraphs A and B; or

(b) Had fewer than 10 years of creditable service on July 1, 1993, the amount of the segment or segments must be reduced as provided in section 17852, subsection 3-A; and

(2) The segment that reflects creditable service earned after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M or purchased by repayment of an earlier refund of accumulated contributions for service after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M in any one or a combination of the capacities specified in subsection 1, or purchased by other than the repayment of a refund and eligibility to make the purchase of the service credit, including, but not limited to, service credit for military service, was achieved after June 30, 1998 and before September 1, 2002 for employees identified in subsection 1, paragraphs A and B; after June 30, 1998 for employees identified in subsection 1, paragraphs C to H; after December 31, 1999 for employees identified in subsection 1, paragraphs I to K; after December 31, 2001 for employees identified in subsection 1, paragraph L; and after June 30, 2002 for employees identified in subsection 1, paragraph M must be computed under section 17852, subsection 1, paragraph A. If the member is qualified under subsection 2, paragraph B and:

(a) Had 10 years of creditable service on July 1, 1993, the segment amount must be reduced in the manner provided in section 17852, subsection 3, paragraphs A and B for each year that the member's age precedes 55 years of age; or

(b) ~~Had~~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 had fewer than 10 years of creditable service on July 1, 1993, the segment amount must be reduced by ~~6%~~3% for each year that the member's age precedes 55 years of age; ~~or~~

(c) 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, the segment amount must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 7. 5 MRSA §17851-A, sub-§4, ¶E, as enacted by PL 2001, c. 409, §5, is amended to read:

E. The service retirement benefit of a member to whom subsection 1, paragraph L applies and who qualifies for service retirement benefits under subsection 2 must be computed under section 17852, subsection 1, paragraph A on the basis of all of the member's creditable service in the capacity specified in subsection 1, paragraph L, regardless of when that creditable service was earned, except that for a member qualifying under subsection 2, paragraph B:

(1) If the member had 10 years of service on July 1, 1993, the benefit must be reduced as provided in section 17852, subsection 3, paragraphs A and B for each year the member's age precedes 55 years of age; or

(2) If the member 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 had fewer than 10 years of creditable service on July 1, 1993, the benefit must be reduced by ~~6%~~3% for each year that the member's age precedes 55 years of age.; or

(3) If the member 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, the benefit must be reduced by 6% for each year that the member's age precedes 55 years of age.

Sec. 8. 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. 9. 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.

Sec. 10. 5 MRSA §17852, sub-§5-B, ¶B, as enacted by PL 1995, c. 624, §6, is amended to read:

B. For 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 do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6%~~3%~~ for each year that the person's age precedes 55 years of age.

Sec. 11. 5 MRSA §17852, sub-§5-B, ¶C is enacted to read:

C. For 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, the retirement benefit is determined in accordance with subsection 1 except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

Sec. 12. 5 MRSA §17852, sub-§6-B, ¶B, as reenacted by PL 2001, c. 559, Pt. RR, §11 and affected by §17, is amended to read:

B. For 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 do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6%~~3%~~ for each year that the person's age precedes 55 years of age.

Sec. 13. 5 MRSA §17852, sub-§6-B, ¶C is enacted to read:

C. For 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, the retirement benefit is determined in accordance with subsection 1 except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

Sec. 14. 5 MRSA §17852, sub-§7-B, ¶B, as enacted by PL 1995, c. 624, §10, is amended to read:

B. For 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 do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6%~~3%~~ for each year that the person's age precedes 55 years of age.

Sec. 15. 5 MRSA §17852, sub-§7-B, ¶C is enacted to read:

C. For 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, the retirement benefit is determined in accordance with subsection 1 except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

Sec. 16. 5 MRSA §17852, sub-§10, ¶C-1, as repealed and replaced by PL 1993, c. 410, Pt. L, §41, is amended to read:

C-1. For persons qualifying under section 17851, subsection 11, paragraph B, and who retire before reaching the age of 55, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6%~~3%~~ for each year that the member's age precedes age 55.

This paragraph 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. 17. 5 MRSA §17852, sub-§10, ¶C-2 is enacted to read:

C-2. For persons qualifying under section 17851, subsection 11, paragraph B, and who retire before reaching the age of 55, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by 6% for each year that the member's age precedes age 55.

This paragraph 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.

Sec. 18. 5 MRSA §17852, sub-§12, ¶B, as enacted by PL 1995, c. 624, §12, is amended to read:

B. For 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 do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by ~~6%~~3% for each year that the person's age precedes 55 years of age.

Sec. 19. 5 MRSA §17852, sub-§12, ¶C is enacted to read:

C. For 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, the retirement benefit is determined in accordance with subsection 1 except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

Sec. 20. 5 MRSA §17852, sub-§14, ¶B, as enacted by PL 1997, c. 401, §3, is amended to read:

B. For 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 do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by ~~6%~~3% for each year that the person's age precedes 55 years of age.

Sec. 21. 5 MRSA §17852, sub-§14, ¶C is enacted to read:

C. For 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, the retirement benefit is determined in accordance with subsection 1 except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

Sec. 22. 5 MRSA §17852, sub-§16, ¶B, as enacted by PL 1997, c. 401, §3, is amended to read:

B. For 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 do not have 10 years of creditable service on July 1, 1993, the retirement benefit is determined in accordance with subsection 1, except that the benefit is reduced by ~~6%~~3% for each year that the person's age precedes 55 years of age.

Sec. 23. 5 MRSA §17852, sub-§16, ¶C is enacted to read:

C. For 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, the retirement benefit is determined in accordance with subsection 1 except that the benefit is reduced by 6% for each year that the person's age precedes 55 years of age.

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 25 take effect only if the Board of Trustees of the Maine Public Employees Retirement System, pursuant to section 26, 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 26, 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 application of 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 law was changed to increase from 2.25% to 6% per year the penalty for early retirement.

FISCAL NOTE REQUIRED
(See attached)