



128th MAINE LEGISLATURE

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Legislative Document

No. 917

H.P. 645

House of Representatives, March 7, 2017

Resolve, To Require a Review of the State Employee and Teacher Retirement Plan

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative WINSOR of Norway.
Cosponsored by Senator HAMPER of Oxford.

1 **Sec. 1. Evaluation and design of retirement benefit plan for state**
2 **employees and teachers; working group established. Resolved:** That the Maine
3 Public Employees Retirement System and the Department of Administrative and
4 Financial Services, within their existing resources, shall jointly convene and provide
5 necessary staffing assistance to a working group to evaluate and design retirement plan
6 options for all state employees and teachers in accordance with this section.

7 **1. Definitions.** As used in this resolve, unless the context otherwise indicates, the
8 following terms have the following meanings.

9 A. "State employee" has the same meaning as in the Maine Revised Statutes, Title 5,
10 section 17001, subsection 40.

11 B. "Teacher" has the same meaning as in Title 5, section 17001, subsection 42.

12 **2. Membership.** The working group consists of:

13 A. The Executive Director of the Maine Public Employees Retirement System, who
14 serves as the chair of the working group;

15 B. The Commissioner of Administrative and Financial Services or the
16 commissioner's designee;

17 C. One member appointed by the Commissioner of Administrative and Financial
18 Services;

19 D. Two members appointed by the chair of the working group from nominations
20 submitted by the Maine Education Association;

21 E. Two members appointed by the chair of the working group from nominations
22 submitted by the Maine School Management Association; and

23 F. Two members appointed by the chair of the working group from nominations
24 submitted by the Maine State Employees Association.

25 **3. Retirement plan options.** The working group shall evaluate various retirement
26 plan options, including but not limited to the:

27 A. Creation of a new tier of the current retirement plan for new hires;

28 B. Establishment of a separate and new retirement plan for new hires;

29 C. Modification of the current retirement plan for existing members and new hires;

30 D. Coverage of new hires under the United States Social Security Act;

31 E. Establishment of supplemental voluntary retirement plans.

32 **4. Evaluation criteria.** In evaluating retirement plan options, the working group
33 shall assess the likelihood of each option to:

34 A. Attract and retain new state employees and teachers;

35 B. Provide for portability that benefits employers and employees;

- 1 C. Meet the needs of state employees and teachers for retirement security, including
- 2 providing a secure income stream in retirement;
- 3 D. Manage risk with predictable and realistic long-term costs and benefits;
- 4 E. Be administratively efficient; and
- 5 F. Provide financial information to employees in planning for retirement.

6 **5. Duties.** In evaluating and designing retirement plan options for state employees
7 and teachers, the working group shall consult, as needed, with experts in the retirement
8 and investment field and shall identify the plan or plans that it recommends for
9 consideration by the Legislature. In identifying a plan or plans, the working group shall
10 determine the financial impact of each plan on the employee or teacher and on the State
11 and shall develop implementation timelines and criteria for the plan or plans the working
12 group recommends for consideration by the Legislature; and be it further

13 **Sec. 2. Report. Resolved:** That no later than January 1, 2018, the Maine Public
14 Employees Retirement System shall submit to the Legislature the report of the working
15 group established in section 1 on the retirement plan option or options that the working
16 group recommends for consideration by the Legislature, including any necessary
17 implementing legislation that, notwithstanding Joint Rule 353, is authorized for
18 introduction to the Second Regular Session of the 128th Legislature.

19 **SUMMARY**

20 This resolve directs the Maine Public Employees Retirement System and the
21 Department of Administrative and Financial Services, within their existing resources, to
22 jointly convene and provide necessary staffing assistance to a working group to evaluate
23 and design retirement plan options for all state employees and teachers. The Maine
24 Public Employees Retirement System is directed to submit its recommendations,
25 including any necessary implementing legislation, to the Legislature no later than January
26 1, 2018.