



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1032

H.P. 715

House of Representatives, March 24, 2015

An Act To Implement the Combination Defined Benefit and Defined Contribution Retirement Plan Described in a Report Submitted to the Joint Standing Committee on Appropriations and Financial Affairs in March 2012

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

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

ROBERT B. HUNT
Clerk

Presented by Representative WINSOR of Norway.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §17651**, as amended by PL 2007, c. 491, §94, is further amended
3 to read:

4 **§17651. Mandatory membership**

5 All state employees and teachers hired prior to July 1, 2017 become members of the
6 State Employee and Teacher Retirement Program as a condition of their employment.

7 **Sec. 2. 5 MRSA c. 429** is enacted to read:

8 **CHAPTER 429**

9 **ADJUSTABLE PENSION PLAN PROGRAM**

10 **SUBCHAPTER 1**

11 **GENERAL PROVISIONS**

12 **§18821. Information from departments**

13 **1. State employees.** The head of each department shall submit to the board, on
14 behalf of the employee:

15 A. A statement showing the name, title, compensation, sex, date of birth and length
16 of service of each member of the Adjustable Pension Plan Program in that department
17 and any other information required to administer this Part in the format specified by
18 the executive director; and

19 B. A statement giving whatever information regarding other employees in that
20 department the board may require.

21 **2. Teachers.** Each superintendent or chief administrator of a public school shall
22 submit the information set out in subsection 1 to the board for all teachers.

23 **§18822. Establishment**

24 The Adjustable Pension Plan Program is established as a governmental qualified
25 retirement plan pursuant to Sections 401(a) and 414(d) of the Internal Revenue Code and
26 such other provisions of the Internal Revenue Code and United States Treasury
27 regulations and other guidance as are applicable for state employees and teachers, to be
28 administered by the Maine Public Employees Retirement System.

29 **SUBCHAPTER 2**

30 **MEMBERSHIP**

31 **§18851. Mandatory membership**

32 All state employees and teachers hired on or after July 1, 2017 are covered by the
33 United States Social Security Act, participate in the federal social security system and

1 become members of the Adjustable Pension Plan Program as a condition of their
2 employment.

3 **Sec. 3. Review; implementing legislation.** The Maine Public Employees
4 Retirement System, referred to in this section as "the system," shall review the laws
5 governing the State Employee and Teacher Retirement Program, established in the Maine
6 Revised Statutes, Title 5, chapter 423. The system shall develop proposed legislation
7 necessary to implement the Adjustable Pension Plan Program, established in Title 5,
8 chapter 429, in accordance with the plan document developed by the system and
9 submitted in March 2012 to the Joint Standing Committee on Appropriations and
10 Financial Affairs pursuant to Public Law 2011, chapter 380, Part U, section 2.
11 Specifically, the system shall propose corrective amendments to the laws governing
12 retirement that are in existence on the effective date of this Act and shall propose detailed
13 statutory language necessary to inform affected persons of the legal rights,
14 responsibilities and duties resulting from the enactment of the Adjustable Pension Plan
15 Program. The system may request assistance from the Legislative Council in drafting the
16 legislation.

17 No later than December 2, 2015, the system shall submit the proposed legislation to
18 the joint standing committee of the Legislature having jurisdiction over state employee
19 and teacher retirement matters. After receipt and review of the suggested legislation, the
20 joint standing committee of the Legislature having jurisdiction over state employee and
21 teacher retirement matters may submit a bill to the Second Regular Session of the 127th
22 Legislature to implement the Adjustable Pension Plan Program.

23 **SUMMARY**

24 This bill establishes the Adjustable Pension Plan Program, a combined defined
25 benefit and defined contribution retirement plan, to replace the State Employee and
26 Teacher Retirement Program for state employees and teachers hired on or after July 1,
27 2017. Under the bill, all state employees and teachers hired on or after July 1, 2017 are
28 covered by the United States Social Security Act, participate in the federal social security
29 system and become members of the Adjustable Pension Plan Program as a condition of
30 their employment. This bill also directs the Maine Public Employees Retirement System
31 to review the laws governing the existing retirement program and develop proposed
32 legislation necessary to implement the Adjustable Pension Plan Program in accordance
33 with the plan document developed by the Maine Public Employees Retirement System
34 and submitted in March 2012 to the Joint Standing Committee on Appropriations and
35 Financial Affairs pursuant to Public Law 2011, chapter 380, Part U, section 2.