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No. 1509

H.P. 1033

House of Representatives, April 25, 2017

An Act To Prohibit Retired State Employees and Teachers from Returning to Work While Collecting Retirement Benefits

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

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 SAMPSON of Alfred.
Cosponsored by Senator MASON of Androscoggin and
Representatives: BRADSTREET of Vassalboro, GERRISH of Lebanon, KINNEY of
Limington, O'CONNOR of Berwick, SIROCKI of Scarborough, STETKIS of Canaan,
TIMBERLAKE of Turner, WADSWORTH of Hiram.

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

2 **Sec. 1. 5 MRSA §17859, sub-§1**, as amended by PL 2011, c. 420, Pt. L, §1, is
3 further amended to read:

4 **1. Restoration to service.** Any state employee or teacher who has reached normal
5 retirement age and who retires after September 1, 2011 may not be restored to service ~~for~~
6 ~~up to 5 years. The decision to hire a retired state employee or retired teacher under this~~
7 ~~section is at the discretion of the appointing authority. The retired state employee or~~
8 ~~retired teacher must have had a bona fide termination of employment in accordance with~~
9 ~~state and federal laws and rules, may not return to employment after retirement with the~~
10 ~~same employer for at least 30 calendar days after the termination of employment and may~~
11 ~~not return to employment before the effective date of the person's retirement~~ after
12 retirement until the state employee or teacher ceases to receive a retirement benefit from
13 the retirement system.

14 **Sec. 2. 5 MRSA §17859, sub-§1-A**, as amended by PL 2015, c. 321, §1, is
15 repealed.

16 **Sec. 3. 5 MRSA §17859, sub-§2**, as amended by PL 2013, c. 486, Pt. A, §2, is
17 repealed.

18 **Sec. 4. 5 MRSA §17859, sub-§3**, as enacted by PL 2011, c. 380, Pt. MMM, §1, is
19 repealed.

20 **Sec. 5. 5 MRSA §17859, sub-§4**, as enacted by PL 2011, c. 380, Pt. MMM, §1, is
21 amended to read:

22 **4. Notification requirements.** Employers under this section are required to identify
23 and report to the retirement system, in the manner specified by the retirement system,
24 each individual who is a retiree who becomes an employee of the employer ~~under the~~
25 ~~option provided in this section~~ and confirm that the employee is no longer receiving a
26 retirement benefit from the retirement system. Departments shall also report each retiree
27 who becomes an employee to the Bureau of the Budget in a manner specified by the
28 bureau. The employer shall report each such employee whenever and so long as the
29 employee is the employer's employee.

30 **Sec. 6. 5 MRSA §17859, sub-§5**, as enacted by PL 2011, c. 380, Pt. MMM, §1, is
31 amended to read:

32 **5. Exclusion.** A retired state employee or retired teacher who is hired as an
33 independent contractor pursuant to a service contract lasting less than one year or as a
34 substitute teacher is not subject to the restoration to service 5-year limitation in
35 subsection 1 or the compensation limitation in subsection 2, paragraph A.

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SUMMARY

This bill prohibits retired state employees or retired teachers from returning to employment after retirement, either as a state employee or as a teacher, while collecting retirement benefits from the Maine Public Employees Retirement System. This prohibition does not apply to retired state employees or retired teachers who are hired as independent contractors pursuant to a service contract lasting less than one year or as a substitute teacher.