

125th MAINE LEGISLATURE

SECOND REGULAR SESSION-2012

Legislative Document

No. 1651

S.P. 550

In Senate, December 21, 2011

An Act To Clarify Health Insurance Benefits for Disabled Participants in the Maine Public Employees Retirement System

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 19, 2011. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 218.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR. Secretary of the Senate

Presented by Senator KATZ of Kennebec. Cosponsored by Senators: HASTINGS of Oxford, HILL of York.

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- 1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not 2 become effective until 90 days after adjournment unless enacted as emergencies; and
- 3 **Whereas,** changes made during the First Regular Session of the 125th Legislature to 4 cost-sharing provisions for the health insurance plan covering retired state employees 5 require individuals who retire after January 1, 2012 and before normal retirement age to 6 pay 100% of the group health plan premium; and
- 7 **Whereas,** these changes have created unanticipated consequences affecting 8 individuals receiving disability retirement benefits who are automatically transferred to 9 regular retirement benefits when those regular retirement benefits equal or exceed the 10 disability retirement benefits; and
- 11 **Whereas,** individuals who are transferred from disability status to regular retirement 12 status prior to normal retirement age may be required to pay the full cost of the health 13 insurance plan; and
- 14 Whereas, such costs would be a significant burden for disabled retirees; and
- 15 Whereas, this situation must be remedied immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

- 20 Be it enacted by the People of the State of Maine as follows:
- Sec. 1. 5 MRSA §285, sub-§7, ¶J, as enacted by PL 2011, c. 380, Pt. V, §1 and
 affected by §7, is amended to read:
- 23 J. Those state employees that retire after January 1, 2012, or those state employees 24 employed as teachers in the unorganized territory or the Maine Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf that retire after 25 July 1, 2012, under the provisions of section 17851, subsections 1-B, 1-C, 2-B, 2-C 26 27 and 3 shall contribute 100% of the individual premium until such time as the retiree 28 reaches normal retirement age. This paragraph does not apply to an individual whose 29 disability retirement benefit is converted to a service retirement benefit pursuant to section 17929, subsection 2 prior to the individual's reaching normal retirement age. 30
- 31 Sec. 2. Retroactivity. This Act is retroactive to January 1, 2012.
- 32 **Emergency clause.** In view of the emergency cited in the preamble, this 33 legislation takes effect when approved.
- 34 SUMMARY
- This bill corrects unanticipated consequences of changes made during the First Regular Session of the 125th Legislature regarding payment for state retiree health

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- insurance. This bill clarifies that disabled retirees who are automatically converted to a regular retirement benefit before normal retirement age are not required to pay 100% of the individual premium for health insurance coverage. 2
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