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June 14, 2019

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129th MAINE LEGISLATURE

FIRST REGULAR SESSION-2019

Legislative Document

No. 1842

S.P. 627

In Senate, June 14, 2019

An Act Relating to the Computation of Benefits for Correctional Officers in the 1998 Special Retirement Plan

Reported by the Majority from the Committee for the Joint Standing Committee on Labor and Housing pursuant to Joint Order 2019, S.P. 584.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

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

2 **Sec. 1. Computation of service retirement benefits for certain employees**
3 **of the Department of Corrections.** Notwithstanding the Maine Revised Statutes,
4 Title 5, section 17851-A, subsection 4 or any other provision of law to the contrary, the
5 service retirement benefit of a qualified member must be computed on the basis of all of
6 the qualified member's creditable service in the capacity specified in Title 5, section
7 17851-A, subsection 1, paragraph I, regardless of when that creditable service was
8 earned, except that for a member qualifying for a retirement benefit under Title 5, section
9 17851-A, subsection 2, paragraph B:

10 1. If the member had 10 years of service on July 1, 1993, the benefit must be reduced
11 as provided in Title 5, section 17852, subsection 3, paragraphs A and B for each year the
12 member's age precedes 55 years of age; or

13 2. If the member had fewer than 10 years of creditable service on July 1, 1993, the
14 benefit must be reduced by 6% for each year that the member's age precedes 55 years of
15 age.

16 **Sec. 2. Qualified member; definition.** As used in this Act, "qualified member"
17 means a member on the effective date of this Act to whom the Maine Revised Statutes,
18 Title 5, section 17851-A, subsection 1, paragraph I applies and who:

19 1. Was employed by the Department of Corrections prior to January 1, 2000;

20 2. Is employed in a correctional facility as defined in Title 34-A, section 1001,
21 subsection 6; and

22 3. Receives a direct care stipend pursuant to a collective bargaining agreement in
23 effect on the effective date of this Act.

24 As used in this Act, the terms "creditable service," "member" and "retirement benefit"
25 have the same meanings as in Title 5, section 17001.

26 **Sec. 3. Appropriations and allocations.** The following appropriations and
27 allocations are made.

28 **RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES**

29 **Retirement System - Retirement Allowance Fund 0085**

30 Initiative: Provides one-time funds for the cost of the unfunded actuarial liability created
31 by allowing service retirement benefits of certain workers in the Department of
32 Corrections who receive a direct care stipend and who are currently under the 1998
33 Special Plan but had previously earned retirement benefits under the regular state
34 employee and teacher plan to have all their benefits calculated under the 1998 Special
35 Plan.

36

1	GENERAL FUND	2019-20	2020-21
2	All Other	\$543,000	\$0
3			
4	GENERAL FUND TOTAL	<u>\$543,000</u>	<u>\$0</u>

5 **SUMMARY**

6 This bill is being reported out by the Joint Standing Committee on Labor and
7 Housing pursuant to Joint Order 2019, S.P. 584, and is the majority report of the
8 committee. The bill requires that service retirement benefits for employees of the
9 Department of Corrections included in the 1998 Special Plan as of the effective date of
10 the bill who receive a direct care stipend pursuant to a collective bargaining agreement
11 and who were employed prior to January 1, 2000 be computed on the same basis as
12 benefits for other members under the plan are computed; creditable service is included
13 regardless of when that service was earned.

14 The bill includes an appropriations and allocations section to provide funding.

15 **FISCAL NOTE REQUIRED**

(See attached)



129th MAINE LEGISLATURE

LD 1842

LR 2549(01)

An Act To Amend the Laws Relating to the Computation of Benefits for Correctional Officers in the 1998 Special Retirement Plan

Fiscal Note for Original Bill
Committee: Labor and Housing
Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$543,000	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$543,000	\$0	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation of \$543,000 in fiscal year 2019-20 to the Retirement System - Retirement Allowance Fund for the cost of the unfunded actuarial liability created by allowing service retirement benefits of certain workers in the Department of Corrections who received a direct care stipend and who are currently under the 1998 Special Plan but had previously earned retirement benefits under the regular state employee and teacher plan to have all their benefits calculated under the 1998 Special Plan.