

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND FOURTEEN

—
H.P. 1297 - L.D. 1806

**An Act To Implement the Recommendations Contained in the State
Government Evaluation Act Review of the Maine Public Employees
Retirement System**

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

PART A

Sec. A-1. 5 MRSA §17152, first ¶, as amended by PL 1995, c. 368, Pt. G, §6, is further amended to read:

The board may combine the assets of the State Employee and Teacher Retirement Program with the assets of other programs of the retirement system for investment purposes. The assets of the State Employee and Teacher Retirement Program may not be combined with the assets of another program for benefit purposes or for administrative expenses. All of the assets of the retirement system must be credited according to the purpose for which they are held among the several funds created by this section, namely:

PART B

Sec. B-1. 5 MRSA §18312 is enacted to read:

§18312. Emergency medical services persons

1. Contribution rate. Except as provided in subsections 2 and 3, an emergency medical services person as defined in Title 32, section 83, subsection 12, including but not limited to a first responder, emergency medical technician, advanced emergency medical technician and paramedic, employed by a participating local district that provides a special retirement benefit under section 18453, subsection 4 or 5 shall contribute to the Participating Local District Retirement Program or must have pick-up contributions made by the employer at a rate of 8% of earnable compensation as long as the person is employed as an emergency medical services person.

2. Exception. A participating local district may elect to reduce the rate of contribution set out in subsection 1 to 6.5% of earnable compensation for all emergency

medical services persons who continue employment after attaining eligibility for retirement during the remainder of their employment as emergency medical services persons.

3. Member contributions to Participating Local District Consolidated Retirement Plan. The board may establish by rule the rate at which emergency medical services persons who participate in the consolidated plan described in chapter 427 contribute to that plan. Rules adopted pursuant to this subsection are routine technical rules pursuant to chapter 375, subchapter 2-A.

Sec. B-2. 5 MRSA §18453, sub-§2, as amended by PL 2001, c. 368, §1, is further amended to read:

2. Employee Special Plan #2. A retirement benefit to police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees, emergency medical services persons as defined in Title 32, section 83, subsection 12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, or any other participating local district employees who have completed 20 to 25 years of creditable service, the number of years to be selected by the participating local district. For the purposes of this subsection, "county corrections employees" means employees of the county who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees. The benefits must be computed as follows:

A. Except as provided in paragraph B, 1/2 of the member's average final compensation; or

B. If the member's benefit would be greater, the part of the service retirement benefit based upon membership service before July 1, 1977, is determined, on a pro rata basis, on the member's current annual salary on the date of retirement or current final compensation, whichever is greater, and the part of the service retirement benefit based upon membership service after June 30, 1977, is determined in accordance with paragraph A.

Sec. B-3. 5 MRSA §18453, sub-§3, as enacted by PL 1985, c. 801, §§5 and 7, is amended to read:

3. Firefighter and Emergency Medical Services Person Special Plan #1. A retirement benefit equal to 1/2 of ~~his~~ the member's average final compensation to a firefighter, including the chief of a fire department, and an emergency medical services person as defined in Title 32, section 83, subsection 12, including but not limited to a first responder, emergency medical technician, advanced emergency medical technician and paramedic, who has completed at least 25 years of creditable service in that capacity and who retires upon or after reaching age 55.

Sec. B-4. 5 MRSA §18453, sub-§4, as amended by PL 1993, c. 387, Pt. A, §22, is further amended to read:

4. Firefighter and Emergency Medical Services Person Special Plan #2. A retirement benefit to a firefighter, including the chief of a fire department, and an

emergency medical services person as defined in Title 32, section 83, subsection 12, including but not limited to a first responder, emergency medical technician, advanced emergency medical technician and paramedic, who has completed at least 25 years of creditable service in that capacity and who retires upon or after reaching age 55. The benefits shall be computed as follows:

A. Except as provided in paragraph B, $\frac{2}{3}$ of ~~his~~ the member's average final compensation; or

B. If the member's benefit would be greater, the part of the service retirement benefit based upon membership service before July 1, 1977, is determined, on a pro rata basis, on the member's current final compensation and the part of the service retirement benefit based upon membership service after June 30, 1977, is determined in accordance with paragraph A.

Sec. B-5. 5 MRSA §18453, sub-§5, as amended by PL 1993, c. 387, Pt. A, §23, is further amended to read:

5. Firefighter and Emergency Medical Services Person Special Plan #3. A retirement benefit to a firefighter, including the chief of a fire department, and an emergency medical services person as defined in Title 32, section 83, subsection 12, including but not limited to a first responder, emergency medical technician, advanced emergency medical technician and paramedic, who has completed 20 to 25 years of creditable service in that capacity, the number of years to be selected by the participating local district and who retires at any age. The benefits shall be computed as follows:

A. Except as provided under paragraph B, $\frac{2}{3}$ of ~~his~~ the member's average final compensation; or

B. If the member's benefit would be greater, the part of the service retirement benefit based upon membership service before July 1, 1977, is determined, on a pro rata basis, on the member's current final compensation and the part of the service retirement benefit based upon membership service after June 30, 1977, is determined in accordance with paragraph A.

PART C

Sec. C-1. Establishment of a task force. By September 1, 2014 the Executive Director of the Maine Public Employees Retirement System shall establish a task force, referred to in this section as "the task force," to further the system's work on corporate governance by completing an environmental, social and governance policy that includes, without limitation, securities and manager selections; monitoring and proxy voting; company engagement; and environmental, social and governance policies within investment policy for recommendation to, and consideration for approval by, the Board of Trustees of the Maine Public Employees Retirement System. The task force shall submit the recommended policy to the Board of Trustees of the Maine Public Employees Retirement System by December 1, 2014.

1. Task force membership. The task force must be composed of experts in the field of environmental, social and governance policy who do not have an actual, potential or

apparent self-interest in the policy outcome. Members of the task force must collectively possess experience with creating investment policies that support the investment goals of public pension funds; an understanding of environmental, social and governance policy issues as they affect different components of the investment process, including, but not limited to, securities and manager selections, monitoring and proxy voting and company engagement; practical knowledge or experience implementing environmental, social and governance policies within investment policy; and an understanding of the fiduciary duties of public pension trustees. The task force must be composed of 7 members, with a majority of members residing in the State, and must include:

- A. The Executive Director of the Maine Public Employees Retirement System, who serves as chair of the task force;
- B. The chief investment officer of the Maine Public Employees Retirement System;
- C. A member from the academic community with expertise in environmental, social and governance policies;
- D. A member with a background in public pension, foundation or endowment administration and experience in implementing environmental, social and governance policies;
- E. A member from a national organization representing institutional investors and pension funds; and
- F. Two members chosen by the members of the task force named under paragraphs A to E.

2. Stakeholder involvement. The task force shall actively solicit stakeholder advisors to provide information relevant to environmental, social and governance policy issues and stakeholder interests and other technical information as required.

3. Staff assistance. The Maine Public Employees Retirement System within existing resources shall provide necessary staffing services to the task force.

4. Report. By January 15, 2015, the Executive Director of the Maine Public Employees Retirement System shall submit to the joint standing committee of the Legislature having jurisdiction over public employee retirement matters a report on the task force's recommendations to, and any resulting actions taken by, the Board of Trustees of the Maine Public Employees Retirement System.