

2000 Legislative Update

Legislation Enacted in the Second Regular Session of the 119th Legislature

An Act to Amend Maine State Retirement System Rules to Allow Monthly Partial Direct Service Payments to Purchase Service Credit

**PL 1999, Chapter 537 [L.D. 1091]
Amending: 5 MRSA, §§17001, 18301
Effective Date: March 1, 2001
Members Affected: All members**

This bill permits MSRS members to purchase service credit through payroll deduction on an ongoing basis. This is in addition to the current choices available to eligible members to purchase service credit through either a lump sum payment or an annual payment made in the month of May.

An Act to Amend the Laws Governing the Designation of a Beneficiary of Maine State Retirement System Benefits

**PL 1999, Chapter 744 [L.D. 1790]
Amending: 4 MRSA §§1357, 1360, 1361
5 MRSA §§17804, 17805, 17805-A, 18404,
18405, 18405-A
Effective Date: See Explanations
Members Affected: All members**

Effective May 3, 2000: This portion of the bill allows a service retiree to make a one-time change in his/her named beneficiary, provided that the named beneficiary is not the spouse or ex-spouse of the member, and that the original named beneficiary is alive at the time of the change.

Effective August 11, 2000: The bill also clarifies some existing language concerning retirement options; adds four new retirement options to the five existing options; and requires notification to a spouse when a retiring member has elected an option or designated a beneficiary that will result in no benefit being paid to the spouse upon the retiree's death. Three of the new options allow for a "pop up" to the full benefit amount for the retiree if the named beneficiary predeceases a retiree. Under all pop-up options, the benefit will be changed to a larger amount if the beneficiary predeceases the retiree. Because this bill is effective August 11, 2000, the new options are available to members whose effective retirement date is after that date.

An Act to Amend Requirements for Maine Technical College System Employees Participating in a Defined Contribution Plan

**PL 1999, Chapter 614 [L.D. 2410]
Amending: 20-A MRSA §12722
Effective Date: August 11, 2000
Members Affected: Certain Maine Technical College Employees**

This bill changes the current requirement that MTCS employees with less than ten (10) years of creditable service, and who opt out of MSRS and join the MTCS defined contribution plan, must take a refund of MSRS contributions. The requirement will now apply to those members that have less than 5 years (i.e. not "vested") of creditable service.

An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2000 and June 30, 2001

**PL 1999, Chapter 731 [L.D. 2510]
Part CC
Amending: 5 MRSA §§17001, 17159, 17851,
17851-A, 17852, 17857
Effective Date: August 11, 2000
Members Affected: Certain State Police Officers and Certain Special Agent Investigators Employed by the Bureau of State Police**

This section of the bill removes state police officers hired after September 15, 1984 from the 1998 Special Plan and places them in a newly established special plan that provides for retirement after 25 years of service, regardless of age. Also included are special agent investigators who are employees of the Bureau of State Police who were hired before June 21, 1982. State Police officers that had previously elected to participate in the "25 Years/No-Age Choice" plan are entitled to a refund of the additional contributions paid for that participation as well as interest on those contributions.

Part CCC**Amending: 5 MRSA §17851****Effective Date: August 11, 2000****Members Affected: Certain Employees of the Bangor Pre-Release Center**

This section of the bill allows employees of the Bangor Pre-Release Center who are covered by the 20-year retirement plan to remain in that plan upon the closing of the Center, provided that they are employed by the Center on June 30, 2000, and remain in a position that either previously would have been covered by the 20-year plan or is covered by the 1998 Special Plan. The member may also remain in the 20-year plan if retirement qualifications are met at the time that the Center closes.

An Act to Establish Consistent Requirements in Maine State Retirement System Plans for Minimum Creditable Service for Eligibility to Receive Retirement Benefits

PL 1999, Chapter 756 [L.D. 2614]**Amending: 3 MRSA §851; 4MRSA §1351;****5 MRSA §§17851, 18451****Effective Date: Retroactive to October 1, 1999****Members Affected: Judicial, Legislative and PLD Members**

This bill changes “vesting” (the amount of creditable service required by members to be eligible for an MSRS retirement benefit) for members of the Legislative Retirement System, Judicial Retirement System and PLD members from ten (10) years to five (5) years if an active member on or after October 1, 1999. It also allows for service in the Maine Legislative Retirement System to be combined with service in the Maine State Retirement System regardless of the order in which the service is earned. The bill is retroactively effective to the date that five-year vesting was effective for state employees and teacher members.

An Act to Repeal Certain Inactive Boards and Commissions and to Amend Certain Laws Governing Boards and Commissions

PL 1999, Chapter 668 [L.D. 2676]**Amending: 5 MRSA §17159****Effective Date: August 11, 2000**

This bill eliminates the Early Retirement Incentives Panel. MSRS staff will continue the Panel’s charge of determining whether a payment or award made by an employer to an employee in connection with retirement is an incentive for early retirement.

OTHER ENACTED LEGISLATION OF INTEREST TO MSRS RETIREES

An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2000 and June 30, 2001

PL 1999, Chapter 731 [L.D. 2510]**Part S****Amending: 36 MRSA §5122****Effective Date: January 1, 2000**

This section of the bill exempts up to \$6,000 of eligible retirement plan payments, depending on the make up of a retiree’s total income. Questions should be directed to the Maine Department of Revenue Services or an accountant/financial adviser.

To receive a copy of any enacted laws contact the Engrossing Division of the Office of the Revisor of Statutes at (207) 287-1324