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Legislative Document

No. 509

H.P. 372

House of Representatives, February 19, 2021

**An Act To Protect Teachers from a Decrease in Retirement Benefits
Arising from the COVID-19 Pandemic**

Received by the Clerk of the House on February 17, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative DODGE of Belfast.
Cosponsored by Senator CURRY of Waldo and
Representatives: CROCKETT of Portland, CUDDY of Winterport, HEPLER of Woolwich,
McCREA of Fort Fairfield, PEBWORTH of Blue Hill, SALISBURY of Westbrook, Senator:
RAFFERTY of York.

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

2 **Sec. 1. 5 MRSA §17768** is enacted to read:

3 **§17768. Service credit for teachers**

4 A member who is a teacher and who experiences a reduction in income from an
5 extracurricular or cocurricular position due to circumstances related to coronavirus disease
6 2019, referred to in this section as "COVID-19," may purchase service credit for the period
7 during which the extracurricular or cocurricular position was eliminated or otherwise
8 unavailable under the following conditions.

9 **1. Eligibility requirements.** A teacher may purchase service credit under this section
10 only if:

11 A. During the 12 months preceding the start of the period of the service credit, the
12 teacher received income from employment in an extracurricular or cocurricular
13 position that was eliminated or otherwise unavailable during the period between
14 January 1, 2020 to July 1, 2022 due to circumstances related to COVID-19; and

15 B. The teacher is in the final 3 years of service during the period between January 1,
16 2020 to July 1, 2022.

17 **2. Limit on service credit.** The additional service credit under this section may be
18 purchased only for the period between January 1, 2020 to July 1, 2022.

19 **3. Payment.** A member purchasing service credit under this section must, before any
20 retirement benefit becomes effective, pay into the Members' Contribution Fund by a single
21 payment or annual direct payments to the State Employee and Teacher Retirement Program
22 an amount that, together with regular interest on that amount, is the actuarial equivalent, at
23 the effective date of the retirement benefit, of the portion of the retirement benefit based on
24 the additional service credit purchased under this section. Payments must be made as
25 provided in section 17701, subsection 4.

26 If any retirement benefit becomes effective before the completion of the payment under
27 this subsection, the member is entitled to the additional creditable service that the total
28 amount of payments actually made, plus regular interest on those payments to the date the
29 retirement benefit becomes effective, bears to the actuarial equivalent of the total portion
30 of the retirement benefit based on the additional creditable service.

31 **4. Limitation on use of purchased service credit.** Notwithstanding any provision of
32 law to the contrary, service credit purchased under this section may be used only for the
33 purpose of increasing the amount of a member's service retirement benefit by inclusion of
34 the purchased service credit and may not be used to establish a member's qualification for
35 a service retirement benefit.

36 **SUMMARY**

37 This bill allows a teacher nearing retirement who experiences a reduction in income
38 from the elimination of an extracurricular or cocurricular position due to circumstances
39 related to COVID-19 to purchase service credit in the state retirement system for the period
40 of income loss from the extracurricular or cocurricular position. The opportunity to
41 purchase service credit is limited to teachers who are in their last 3 years of service and
42 who previously earned income from an extracurricular or cocurricular position that is

1 eliminated or otherwise unavailable during the period between January 1, 2020 to July 1,
2 2022.