



129th MAINE LEGISLATURE

LD 1208

LR 685(01)

An Act To Expand the 1998 Special Retirement Plan To Include Detectives in the Office of the Attorney General

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Nadeau of Winslow

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$0	\$6,687	\$6,921	\$7,163
Appropriations/Allocations				
General Fund	\$0	\$6,687	\$6,921	\$7,163
Federal Expenditures Fund	\$0	\$13,494	\$13,966	\$14,455
Other Special Revenue Funds	\$0	\$3,598	\$3,724	\$3,854

Fiscal Detail and Notes

Allowing detectives employed in the Office of the Attorney General on or after July 1, 2020 to participate in the 1998 Special Plan of the Maine Public Employees Retirement System will increase both the normal cost and unfunded actuarial liability components of the employer retirement rate, resulting in increased employer contributions to the Maine Public Employees Retirement System for detectives beginning in fiscal year 2020-21.

This legislation includes a transition provision for those detectives hired by the Office of the Attorney General prior to July 1, 2020 which allows these employees to elect to participate in the 1998 Special Plan within 180 days of the effective date of this Act, assumed to be on or around October 1, 2019. Based on an analysis performed by the Maine Public Employees Retirement System, this preliminary fiscal impact statement assumes that 7 of the 12 eligible detectives (including one new detective position proposed to be added in the 2020-2021 biennial budget) will elect to participate in the 1998 Special Plan as soon as the option becomes available and the remaining detectives will opt to stay in the State Regular Plan. The Office of the Attorney General will require a General Fund appropriation of \$6,687 in fiscal year 2020-21, a Federal Expenditures Fund allocation of \$13,494 in fiscal year 2020-21 and an Other Special Revenue Funds allocation of \$3,598 in fiscal year 2020-21 for the cost associated with moving the positions to the 1998 Special Plan.

If any of the detectives hired by the Office of the Attorney General prior to July 1, 2020 who choose to remain in the State Regular Plan eventually retire or otherwise vacate their positions, any newly hired detectives will be placed in the 1998 Special Plan. The additional cost to the Office of the Attorney General to fill these positions at the higher employer contribution rate is estimated to be between \$2,000 and \$3,000 per position annually. When this additional cost will be incurred and which fund will be impacted can not be determined at this time.