

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND SEVENTEEN

—
H.P. 645 - L.D. 917

Resolve, To Require a Review of the State Employee and Teacher Retirement Plan

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this resolve establishes a working group to evaluate and design retirement plan options for all state employees and teachers; and

Whereas, the working group must be convened before the 90-day period expires in order that the evaluation may be completed and a report submitted in time for submission to the next legislative session; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Evaluation and design of retirement benefit plan for state employees and teachers; working group established. Resolved: That the Maine Public Employees Retirement System and the Department of Administrative and Financial Services, within their existing resources, shall jointly convene and provide necessary staffing assistance to a working group to evaluate and design retirement plan options for all state employees and teachers in accordance with this section.

1. Definitions. As used in this resolve, unless the context otherwise indicates, the following terms have the following meanings.

- A. "State employee" has the same meaning as in the Maine Revised Statutes, Title 5, section 17001, subsection 40.
- B. "Teacher" has the same meaning as in Title 5, section 17001, subsection 42.

2. Membership. The working group consists of:

- A. The Executive Director of the Maine Public Employees Retirement System, who serves as the chair of the working group;
- B. The Commissioner of Administrative and Financial Services or the commissioner's designee;
- C. One member appointed by the Commissioner of Administrative and Financial Services;
- D. Two members appointed by the chair of the working group from nominations submitted by the Maine Education Association;
- E. Two members appointed by the chair of the working group from nominations submitted by the Maine School Management Association;
- F. Two members appointed by the chair of the working group from nominations submitted by the Maine State Employees Association; and
- G. One member appointed by the chair of the working group from nominations submitted by the Maine Association of Retirees, who serves as a nonvoting member of the working group.

3. Retirement plan options. The working group shall evaluate various retirement plan options, including but not limited to the:

- A. Creation of a new tier of the current retirement plan for new hires;
- B. Establishment of a separate and new retirement plan for new hires;
- C. Modification of the current retirement plan for existing members and new hires;
- D. Coverage of new hires under the United States Social Security Act;
- E. Establishment of supplemental voluntary retirement plans.

4. Evaluation criteria. In evaluating retirement plan options, the working group shall assess the likelihood of each option to:

- A. Attract and retain new state employees and teachers;
- B. Provide for portability that benefits employers and employees;
- C. Meet the needs of state employees and teachers for retirement security, including providing a secure income stream in retirement;
- D. Manage risk with predictable and realistic long-term costs and benefits;
- E. Be administratively efficient; and
- F. Provide financial information to employees in planning for retirement.

5. Duties. In evaluating and designing retirement plan options for state employees and teachers, the working group shall consult, as needed, with experts in the retirement and investment field and shall identify the plan or plans that it recommends for consideration by the Legislature. In identifying a plan or plans, the working group shall determine the financial impact of each plan on the employee or teacher and on the State

and shall develop implementation timelines and criteria for the plan or plans the working group recommends for consideration by the Legislature; and be it further

Sec. 2. Report. Resolved: That no later than January 1, 2018, the Maine Public Employees Retirement System shall submit to the Legislature the report of the working group established in section 1 on the retirement plan option or options that the working group recommends for consideration by the Legislature, including any necessary implementing legislation that, notwithstanding Joint Rule 353, is authorized for introduction to the Second Regular Session of the 128th Legislature.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.