



# 132nd MAINE LEGISLATURE

## FIRST SPECIAL SESSION-2025

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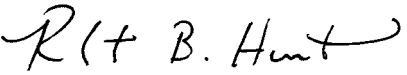
H.P. 1306

House of Representatives, May 7, 2025

### **An Act to Amend the Laws Pertaining to the Maine Public Employees Retirement System**

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Submitted by the Maine Public Employees Retirement System pursuant to Joint Rule 204.  
Reference to the Committee on Labor suggested and ordered printed.

  
ROBERT B. HUNT  
Clerk

Presented by Representative ROEDER of Bangor.

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

2       **Sec. 1. 3 MRSA §805-A, sub-§1, ¶B,** as enacted by PL 2007, c. 137, §3, is  
3 amended to read:

4       B. Payment must be made after termination of service and not ~~less than 22 days nor~~  
5 more than 60 days after receipt of the application and receipt of the last payroll upon  
6 which the name of the member appears;

7       **Sec. 2. 4 MRSA §1201, sub-§8-A** is enacted to read:

8       **8-A. Duly acknowledged.** "Duly acknowledged" means acknowledged pursuant to  
9 chapter 39 or through an electronic identification process designated in a rule established  
10 by the board of trustees.

11       **Sec. 3. 4 MRSA §1201, sub-§19-A** is enacted to read:

12       **19-A. Survive or surviving.** "Survive" or "surviving" means to live, by clear and  
13 convincing evidence, for at least 120 hours after the death of the qualifying member or  
14 family member, as applicable.

15       **Sec. 4. 4 MRSA §1201, sub-§20,** as enacted by PL 1989, c. 133, §20, is amended  
16 to read:

17       **20. Surviving spouse.** "Surviving spouse" means the spouse alive at the time of who  
18 survives the death of the member or former member.

19       **Sec. 5. 4 MRSA §1305-A, sub-§1, ¶B,** as enacted by PL 2007, c. 137, §7, is  
20 amended to read:

21       B. Payment must be made after termination of service and not ~~less than 22 days nor~~  
22 more than 60 days after receipt of the application and receipt of the last payroll upon  
23 which the name of the member appears;

24       **Sec. 6. 4 MRSA §1353, sub-§1-A, ¶A,** as amended by PL 2007, c. 491, §49, is  
25 further amended to read:

26       A. A member with less than 5 years of ~~continuous~~ creditable service ~~immediately~~  
27 ~~preceding an application for a disability allowance~~ that member's last date of service is  
28 not eligible for that a disability retirement allowance if that disability is the result of a  
29 physical or mental condition which that existed prior to the person's latest membership  
30 in a retirement program of the Maine Public Employees Retirement System, unless the  
31 disability is a result of, or has been substantially aggravated by, an injury or accident  
32 received in the line of duty.

33       **Sec. 7. 4 MRSA §1353, sub-§5,** as amended by PL 2007, c. 491, §51, is further  
34 amended to read:

35       **5. Earnings.** The ~~chief executive director~~ officer may require each disability  
36 beneficiary to submit an annual statement of earnings received from any gainful occupation  
37 during that year. For any year during which the total of those earnings and the disability  
38 allowance exceeds the current salary of the position that the disabled beneficiary last held,  
39 the excess must be deducted from any disability retirement allowance payments made to  
40 the beneficiary ~~during the next calendar year. These deductions are prorated on a monthly~~  
41 ~~basis, in an equitable manner prescribed by the board of trustees, over the year or part of~~

1 ~~the year for which benefits are received~~ in accordance with Title 5, section 17054,  
2 subsection 3. The beneficiary is responsible for reimbursing the Maine Public Employees  
3 Retirement System for any excess earnings not so deducted.

4 If a beneficiary does not submit an earnings statement within 30 days of receiving a request  
5 from the chief executive director officer, the disability retirement allowance is discontinued  
6 until the statement is submitted. If the statement is not submitted within one year of  
7 receiving a request, all the beneficiary's rights to any further benefits cease.

8 **Sec. 8. 4 MRSA §1357, sub-§2**, as corrected by RR 2021, c. 2, Pt. A, §2, is amended  
9 to read:

10 **2. Optional methods of payment.** In lieu of payment under subsection 1, a qualifying  
11 member may elect to receive a regular retirement allowance under one of the options set  
12 out in this subsection. The optional allowance is a reduced allowance computed actuarially  
13 on the basis of the option selected.

14 The qualifying member may elect one of the options by written request to and approval of  
15 the executive director prior to the commencement of payment of a regular retirement  
16 allowance. The election may be revoked by written notice to the executive director at any  
17 time before the regular retirement allowance commences.

18 For the purposes of this subsection, "qualifying member" means a member or a former  
19 member who has been receiving a disability retirement benefit and changes to service  
20 retirement under section 1353, subsection 7.

21 A. Under Option 1, the qualifying member may elect to have a reduced retirement  
22 benefit paid to the qualifying member while alive and at the qualifying member's death  
23 to have the excess, if any, of the qualifying member's accumulated contributions at the  
24 time of retirement over the portion of the total retirement benefit payments actually  
25 made to the qualifying member while alive, which is the actuarial equivalent of the  
26 accumulated contributions, paid in a lump sum to the beneficiary that the qualifying  
27 member has nominated by written designation duly ~~notarized~~ acknowledged and filed  
28 with the chief executive director officer on a form provided or specified by the Maine  
29 Public Employees Retirement System or, if no one has been nominated as beneficiary,  
30 to the qualifying member's estate.

31 B. Under Option 2, the qualifying member may elect to have a reduced retirement  
32 benefit payable to the qualifying member while alive and at the qualifying member's  
33 death to have the benefit continued in the same amount for the life of the beneficiary  
34 that the qualifying member has nominated by written designation duly ~~notarized~~  
35 acknowledged and filed with the chief executive director officer at the time of  
36 retirement on a form provided or specified by the Maine Public Employees Retirement  
37 System, if the beneficiary survives the qualifying member.

38 C. Under Option 3, the qualifying member may elect to have a reduced retirement  
39 benefit payable to the qualifying member while alive and at the qualifying member's  
40 death to have the benefit continued at 1/2 the amount for the life of the beneficiary that  
41 the qualifying member has nominated by written designation duly acknowledged and  
42 filed with the chief executive director officer at the time of retirement on a form  
43 provided or specified by the Maine Public Employees Retirement System, if the  
44 beneficiary survives the qualifying member.

1 D. Under Option 4, the qualifying member may elect to have a reduced retirement  
2 benefit payable to the qualifying member while alive and at the qualifying member's  
3 death to have some benefit other than that available under paragraph B or C payable to  
4 the beneficiary that the qualifying member has designated, if the beneficiary survives  
5 the qualifying member. The total value of the benefit paid to the qualifying member  
6 during the qualifying member's life plus the benefit paid after the qualifying member's  
7 death is the actuarial equivalent of the benefit that the qualifying member would have  
8 received without optional modification. The method used to determine the benefit  
9 must be approved by the board of trustees, and the beneficiary must be designated by  
10 written designation, duly ~~notarized~~ acknowledged and filed with the chief executive  
11 ~~director~~ officer on a form provided or specified by the Maine Public Employees  
12 Retirement System.

13 E. Under Option 5, the qualifying member may elect to have a reduced retirement  
14 benefit payable in part to the qualifying member and in part to the beneficiary, who  
15 must be the sole beneficiary, while both are alive and, at the death of either, to have the  
16 higher benefit paid to the survivor for the survivor's life. The total value of the benefit  
17 paid to the qualifying member and beneficiary, during the qualifying member's life,  
18 plus the benefit to be paid after the death of either is the actuarial equivalent of the  
19 benefit that the qualifying member would have received without optional modification.  
20 The method used to determine the benefit must be approved by the board of trustees,  
21 and the beneficiary must be designated by written designation, duly ~~notarized~~  
22 acknowledged and filed with the chief executive ~~director~~ officer on a form provided or  
23 specified by the Maine Public Employees Retirement System.

24 F. Under Option 6, the qualifying member may elect to have a reduced retirement  
25 benefit payable to the qualifying member while alive and, at the qualifying member's  
26 death, to have the benefit continued in the same amount for the life of the beneficiary,  
27 who must be the sole beneficiary, that the qualifying member has designated by written  
28 designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~  
29 officer on a form provided or specified by the Maine Public Employees Retirement  
30 System, if the beneficiary survives the qualifying member. If the qualifying member's  
31 beneficiary predeceases the qualifying member, the qualifying member's benefit must  
32 be changed, effective the first day of the month following the date of the beneficiary's  
33 death, to be the actuarial equivalent of the benefit that the qualifying member would  
34 have received without optional modification. The reduced retirement benefit must be  
35 actuarially calculated to reflect the fact that the benefit may be changed to the larger  
36 amount should the beneficiary predecease the member.

37 G. Under Option 7, the qualifying member may elect to have a reduced retirement  
38 benefit payable to the qualifying member while alive and, at the qualifying member's  
39 death, to have the benefit continued at 1/2 that amount for the life of the beneficiary,  
40 who must be the sole beneficiary, that the qualifying member has designated by written  
41 designation, duly ~~notarized~~ acknowledged and filed with the chief executive ~~director~~  
42 officer on a form provided or specified by the Maine Public Employees Retirement  
43 System, if the beneficiary survives the qualifying member. If the qualifying member's  
44 beneficiary predeceases the qualifying member, the qualifying member's benefit must  
45 be changed, effective the first day of the month following the date of the beneficiary's  
46 death, to the actuarial equivalent of the benefit that the qualifying member would have

1 received without optional modification. The reduced retirement benefit must be  
2 actuarially calculated to reflect the fact that the benefit may be changed to the larger  
3 amount should the beneficiary predecease the member.

4 H. Under Option 8, the qualifying member may elect to have a reduced retirement  
5 benefit payable to the qualifying member while alive and, at the qualifying member's  
6 death, to have some benefit other than that available under paragraph B or C payable  
7 to the beneficiary, who must be the sole beneficiary, that the member has designated  
8 by written designation, duly acknowledged and filed with the chief executive officer  
9 on a form provided or specified by the Maine Public Employees Retirement System, if  
10 the beneficiary survives the qualifying member. The total value of the benefit paid to  
11 the qualifying member plus the benefit paid after the qualifying member's death is the  
12 actuarial equivalent of the benefit that the qualifying member would have received  
13 without optional modification. If the qualifying member's beneficiary predeceases the  
14 qualifying member, the qualifying member's benefit must be changed, effective the  
15 first day of the month following the date of the beneficiary's death, to be the actuarial  
16 equivalent of the benefit that the qualifying member would have received without  
17 optional modification. The reduced retirement benefit must be actuarially calculated  
18 to reflect the fact that the benefit may be changed to the larger amount should the  
19 beneficiary predecease the member.

20 **Sec. 9. 5 MRSA §17001, sub-§12-B** is enacted to read:

21 **12-B. Duly acknowledged.** "Duly acknowledged" means acknowledged pursuant to  
22 Title 4, chapter 39 or through an electronic identification process designated in a rule  
23 established by the board.

24 **Sec. 10. 5 MRSA §17001, sub-§13, ¶B**, as amended by PL 2017, c. 392, §1, is  
25 further amended to read:

26 B. For members other than members of the Participating Local District Retirement  
27 Program under chapters 425 and 427, "earnable compensation" does not include:

28 (1) For any member who has 10 years of creditable service by July 1, 1993 or who  
29 has reached 60 years of age and has been in service for a minimum of one year  
30 immediately before that date, payment for more than 30 days of unused  
31 accumulated or accrued sick leave, payment for more than 30 days of unused  
32 vacation leave or payment for more than 30 days of a combination of both and,  
33 effective October 1, 1999, whether or not the member is in service on October 1,  
34 1999, the 30-day limitation may not be decreased and the exclusion set out in  
35 subparagraph (2) may not be made applicable to such a member; or

36 (2) For any member who is not covered by subparagraph (1), payment for any  
37 unused accumulated or accrued sick leave or payment for any unused vacation  
38 leave; ~~or~~

39 ~~(3) Any other payment that is not compensation for actual services rendered or~~  
40 ~~that is not paid at the time the actual services are rendered.~~

41 A payment for unused sick leave or unused vacation leave may not be included as part  
42 of earnable compensation unless it is paid upon the member's last termination before  
43 the member applies for retirement benefits.

1       **Sec. 11. 5 MRSA §17001, sub-§13, ¶B-1**, as enacted by PL 2017, c. 392, §2, is  
2 repealed and the following enacted in its place:

3       B-1. "Earnable compensation" also does not include:

4           (1) Any exclusion in the plan provisions adopted by rule pursuant to section 18801;  
5           or

6           (2) Any other payment that is not compensation for actual services rendered or that  
7           is not paid at the time the actual services are rendered.

8       **Sec. 12. 5 MRSA §17001, sub-§13, ¶E**, as enacted by PL 1991, c. 619, §2 and  
9 affected by §18, is amended to read:

10       E. "Earnable compensation" of a part-time, seasonal or temporary employee is the sum  
11 of amounts computed under paragraphs A, B, C and D adjusted to reflect the wages or  
12 salary that the member would have been paid if the member had been employed, at the  
13 member's rate of pay, for the number of days or hours that a permanent full-time  
14 employee of the same employer would have been employed unless the board has  
15 established by rule a benefit computation method that otherwise prevents overlapping  
16 reduction of benefits for part-time, seasonal or temporary employees due to working  
17 less than full-time and earning less than full-time equivalent compensation.

18       **Sec. 13. 5 MRSA §17001, sub-§40-A** is enacted to read:

19       **40-A. Survive or surviving.** "Survive" or "surviving" means to live, by clear and  
20 convincing evidence, for at least 120 hours after the death of the qualifying member or  
21 family member, as applicable.

22       **Sec. 14. 5 MRSA §17001, sub-§41**, as enacted by PL 1985, c. 801, §§5 and 7, is  
23 amended to read:

24       **41. Surviving spouse.** "Surviving spouse" means the spouse ~~alive at the time of who~~  
25 survives the death of the member or former member.

26       **Sec. 15. 5 MRSA §17001, sub-§42, ¶B**, as amended by PL 2021, c. 548, §7, is  
27 further amended to read:

28       B. Any employee of a public school or an education service center established pursuant  
29 to Title 20-A, chapter 123 who fills any position not included in paragraph A, the  
30 principal function of which is to introduce new learning to students, except that a coach  
31 who is employed by a public school and who is not otherwise ~~covered by the definition~~  
32 ~~of teacher in this subsection~~ a member of the State Employee and Teacher Retirement  
33 Program of the retirement system or an employee who is employed in adult education  
34 as defined in Title 20-A, section 8601-A, subsection 1 and who is not otherwise  
35 ~~covered by the definition of teacher in this subsection~~ a member of the State Employee  
36 and Teacher Retirement Program of the retirement system may not be considered a  
37 teacher for purposes of this Part;

38       **Sec. 16. 5 MRSA §17054, sub-§3**, as amended by PL 2011, c. 606, §9 and PL  
39 2021, c. 548, §45, is further amended to read:

40       **3. Recovery of overpayments by the retirement system.** Any amounts due the  
41 retirement system as the result of overpayment or erroneous payment of benefits, an excess  
42 refund of contributions or overpayment or erroneous payment of life insurance benefits

1 may be recovered from an individual's contributions, any benefits or life insurance benefits  
2 payable under this Part to the individual or the beneficiary of the individual or any  
3 combination of contributions and benefits. If the overpayment or excess refund of  
4 contributions resulted from a mistake of or incorrect information provided by an employee  
5 of the retirement system, or a mistake of the retiree or the recipient of the benefit or life  
6 insurance benefit, a penalty or interest may not be assessed by the retirement system. In  
7 all cases of recovery of overpayments through the reduction of a retirement benefit, whether  
8 with or without the assessment of interest by the retirement system, the recovery practices  
9 must be reasonable and consider the personal economic stability of the retiree in the  
10 establishment of the recovery schedule. The chief executive officer may also take action  
11 to recover those amounts due from any amounts payable to the individual by any other state  
12 agency or by an action in a court of competent jurisdiction. Whenever the chief executive  
13 officer makes a decision to recover any amounts under this subsection, other than by an  
14 action in a court of competent jurisdiction, that decision is subject to appeal under section  
15 17451.

16 Employers are responsible for enrolling employees in the correct retirement plan. The  
17 retirement system shall provide training, education and information to assist employers in  
18 the correct enrollment of employees. If an employee is enrolled in the incorrect retirement  
19 plan by the employer through no fault of the employee, the employee may not lose any  
20 retirement benefits. The State is not responsible for the employer contribution when the  
21 employer is a school district, municipality or county and those contributions and assessed  
22 interest, if applicable, must be paid to the retirement system by the school district,  
23 municipality or county;

24 **Sec. 17. 5 MRSA §17107, sub-§2, ¶F**, as amended by PL 2007, c. 491, §82 and  
25 amended by PL 2023, c. 412, Pt. D, §3, is repealed.

26 **Sec. 18. 5 MRSA §17705-A, sub-§1, ¶B**, as enacted by PL 2007, c. 137, §11, is  
27 amended to read:

28 B. Payment must be made after termination of service and not ~~less than 22 days nor~~  
29 more than 60 days after receipt of the application and receipt of the last payroll upon  
30 which the name of the member appears;

31 **Sec. 19. 5 MRSA §17804, sub-§2**, as corrected by RR 2023, c. 2, Pt. B, §109, is  
32 amended to read:

33 **2. Option 1.** The qualifying member may elect to have a reduced retirement benefit  
34 paid to the qualifying member while alive and at the qualifying member's death to have the  
35 excess, if any, of the qualifying member's accumulated contributions at the time of  
36 retirement over the portion of the total retirement benefit payments actually made to the  
37 qualifying member while alive, which is the actuarial equivalent of the accumulated  
38 contributions, paid in a lump sum to the beneficiary the qualifying member has nominated  
39 by written designation duly acknowledged and filed with the chief executive officer on a  
40 form provided or specified by the retirement system or, if no one has been nominated as  
41 beneficiary, to the qualifying member's estate.

42 **Sec. 20. 5 MRSA §17804, sub-§3**, as corrected by RR 2023, c. 2, Pt. B, §110, is  
43 amended to read:

1           **3. Option 2.** The qualifying member may elect to have a reduced retirement benefit  
2 payable to the qualifying member while alive and at the qualifying member's death to have  
3 the benefit continued in the same amount for the life of the beneficiary the qualifying  
4 member has nominated by written designation duly acknowledged and filed with the chief  
5 executive officer at the time of retirement on a form provided or specified by the retirement  
6 system, if the beneficiary survives the qualifying member.

7           **Sec. 21. 5 MRSA §17804, sub-§4**, as corrected by RR 2023, c. 2, Pt. B, §111, is  
8 amended to read:

9           **4. Option 3.** The qualifying member may elect to have a reduced retirement benefit  
10 payable to the qualifying member while alive and at the qualifying member's death to have  
11 the benefit continued at 1/2 the amount for the life of the beneficiary the qualifying member  
12 has nominated by written designation duly acknowledged and filed with the chief executive  
13 officer at the time of retirement on a form provided or specified by the retirement system,  
14 if the beneficiary survives the qualifying member.

15           **Sec. 22. 5 MRSA §17804, sub-§5-E**, as amended by PL 2001, c. 118, §4, is further  
16 amended to read:

17           **5-E. Option 8.** The qualifying member may elect to have a reduced retirement benefit  
18 payable to the qualifying member while alive and at the qualifying member's death to have  
19 some benefit other than that available under subsection 3 or 4 payable to the beneficiary,  
20 who must be the sole beneficiary, that the member has designated by written designation,  
21 duly acknowledged and filed with the chief executive officer on a form provided or  
22 specified by the retirement system, if the beneficiary survives the qualifying member. The  
23 total value of the benefit paid to the qualifying member plus the benefit paid after the  
24 qualifying member's death is the actuarial equivalent of the benefit that the qualifying  
25 member would have received without optional modification. If the qualifying member's  
26 beneficiary predeceases the qualifying member, the qualifying member's benefit must be  
27 changed, effective the first day of the month following the date of the beneficiary's death,  
28 to be the actuarial equivalent of the benefit that the qualifying member would have received  
29 without optional modification. The reduced retirement benefit must be actuarially  
30 calculated to reflect the fact that the benefit may be changed to the larger amount should  
31 the beneficiary predecease the member.

32           **Sec. 23. 5 MRSA §17851, sub-§16**, as enacted by PL 2021, c. 548, §28, is amended  
33 to read:

34           **16. Member whose position is moved from one special plan to another special**  
35 **plan.** A member whose position is subject to subsection 4, 5-B, 6-B or 7; or section  
36 17851-A or section, 17851-B or 17851-C and, due to a change in law, becomes subject to  
37 different benefit qualification requirements may retire under the former benefit  
38 qualification requirements and the associated benefit computation provisions if the member  
39 remains in the position until the former requirements would have been met had the change  
40 in law not occurred.

41           **Sec. 24. 5 MRSA §17859, sub-§1**, as amended by PL 2019, c. 436, §1, is further  
42 amended to read:

43           **1. Restoration to service.** Any state employee or teacher who has reached normal  
44 retirement age may be restored to service. The decision to hire a retired state employee or



1 retired teacher under this section is at the discretion of the appointing authority. The retired  
2 state employee or retired teacher ~~must have had a bona fide termination of~~ shall terminate  
3 employment in accordance with state and federal laws and rules, may not return to  
4 employment after retirement with the same employer for at least 30 calendar days after the  
5 termination of employment and may not return to employment before the effective date of  
6 the person's retirement.

7 **Sec. 25. 5 MRSA §17859, sub-§1-A**, as amended by PL 2019, c. 436, §1, is further  
8 amended by amending the first blocked paragraph to read:

9 The retired classroom-based employee ~~must have had a bona fide termination of~~ shall  
10 terminate employment in accordance with state and federal laws and rules, may not return  
11 to employment after retirement with the same employer for at least 30 calendar days after  
12 the termination of employment and may not return to employment before the effective date  
13 of the person's retirement.

14 **Sec. 26. 5 MRSA §17924, sub-§2**, as amended by PL 2009, c. 322, §8, is further  
15 amended to read:

16 **2. Exception.** A member with fewer than 5 years of ~~continuous~~ creditable service  
17 preceding that member's last date in service is not eligible for a disability retirement benefit  
18 if the disability is the result of a physical or mental condition that existed before the  
19 member's membership in a retirement program of the Maine Public Employees Retirement  
20 System, unless the disability is a result of, or has been substantially aggravated by, an injury  
21 or accident received in the line of duty but from events or circumstances not usually  
22 encountered within the scope of the member's employment.

23 **Sec. 27. 5 MRSA §17930, sub-§2, ¶A**, as amended by PL 2001, c. 443, §2 and  
24 affected by §7, is further amended to read:

25 A. The excess must be deducted from the disability or service retirement benefits  
26 ~~during the next calendar year; the deductions to be prorated on a monthly basis in an~~  
27 ~~equitable manner prescribed by the board over the year or part of the year for which~~  
28 ~~the benefits are received~~ in accordance with section 17054, subsection 3;

29 **Sec. 28. 5 MRSA §17930, sub-§3, ¶A**, as enacted by PL 1989, c. 409, §§8 and 12,  
30 is amended to read:

31 A. The disability or service retirement benefits ~~will~~ must be reduced ~~during the next~~  
32 ~~calendar year~~ by the amount that the total compensation exceeds the adjusted final  
33 compensation in accordance with section 17054, subsection 3;

34 **Sec. 29. 5 MRSA §18057, sub-§1**, as amended by PL 1991, c. 480, §5, is further  
35 amended to read:

36 **1. Designated beneficiary.** First, to the surviving beneficiary or beneficiaries whom  
37 the employee designated in writing, if the written designation was received in the retirement  
38 system office or postmarked before the employee's death.

39 **Sec. 30. 5 MRSA §18057, sub-§3**, as amended by PL 2009, c. 515, §1 and affected  
40 by §3, is further amended to read:

41 **3. Children.** Fourth, if no one qualifies under subsection 1, 2 or 2-A, to the surviving  
42 child or children of the employee and descendants of deceased children by representation.

1       **Sec. 31. 5 MRSA §18057, sub-§6**, as amended by PL 2009, c. 515, §1 and affected  
2 by §3, is further amended to read:

3       **6. Next of kin.** Sixth, if no one qualifies under subsection 1, 2, 2-A, 3 or 4, to other  
4 surviving next of kin of the employee entitled under the laws of domicile of that employee  
5 at the time of the employee's death.

6       **Sec. 32. 5 MRSA §18201, sub-§5** is enacted to read:

7       **5. Clarification of certified actions.** The chief administrative officer of the  
8 participating local district may clarify in writing any ambiguity in the certified action, and  
9 the retirement system may rely on that clarification.

10       **Sec. 33. 5 MRSA §18202, sub-§4** is enacted to read:

11       **4. Clarification of certified actions.** The chief administrative officer of the  
12 participating local district may clarify in writing any ambiguity in the certified action, and  
13 the retirement system may rely on that clarification.

14       **Sec. 34. 5 MRSA §18203, sub-§4** is enacted to read:

15       **4. Clarification of certified actions.** The chief administrative officer of the  
16 participating local district may clarify in writing any ambiguity in the certified action, and  
17 the retirement system may rely on that clarification.

18       **Sec. 35. 5 MRSA §18306-A, sub-§1, ¶B**, as enacted by PL 2007, c. 137, §21, is  
19 amended to read:

20       B. Payment must be made after termination of service and not ~~less than 22 days nor~~  
21 more than 60 days after receipt of the application and receipt of the last payroll upon  
22 which the name of the member appears;

23       **Sec. 36. 5 MRSA §18363, sub-§2, ¶B**, as enacted by PL 2019, c. 459, §3, is  
24 amended to read:

25       B. Payment may be made to the retirement system by a single direct payment or by  
26 annual direct payments in accordance with section ~~17704~~ 18301, subsection 4.

27       **Sec. 37. 5 MRSA §18404, sub-§2**, as corrected by RR 2023, c. 2, Pt. B, §137, is  
28 amended to read:

29       **2. Option 1.** The qualifying member may elect to have a reduced retirement benefit  
30 payable to the qualifying member while alive and at the qualifying member's death to have  
31 the excess, if any, of the qualifying member's accumulated contributions at the time of  
32 retirement over the portion of the total retirement benefit payments actually made to the  
33 qualifying member while alive, which is the actuarial equivalent amount to the accumulated  
34 contributions, paid in a lump sum to the beneficiary the qualifying member has nominated  
35 by written designation duly acknowledged and filed with the chief executive officer on a  
36 form provided or specified by the retirement system or, if no one has been nominated as  
37 beneficiary, to the qualifying member's estate. Contributions deducted from the  
38 compensation of a teacher before July 1, 1947 or required of a teacher for service credit  
39 before July 1, 1947 may not be included in the accumulated contributions.

40       **Sec. 38. 5 MRSA §18404, sub-§3**, as corrected by RR 2023, c. 2, Pt. B, §138, is  
41 amended to read:

1           **3. Option 2.** The qualifying member may elect to have a reduced retirement benefit  
2 payable to the qualifying member while alive and at the qualifying member's death to have  
3 the benefit continued in the same amount for the life of the beneficiary the qualifying  
4 member has nominated by written designation duly acknowledged and filed with the chief  
5 executive officer at the time of retirement on a form provided or specified by the retirement  
6 system, if the beneficiary survives the qualifying member.

7           **Sec. 39. 5 MRSA §18404, sub-§4**, as corrected by RR 2023, c. 2, Pt. B, §139, is  
8 amended to read:

9           **4. Option 3.** The qualifying member may elect to have a reduced retirement benefit  
10 payable to the qualifying member while alive and at the qualifying member's death to have  
11 the benefit continued at 1/2 the amount for the life of the beneficiary the qualifying member  
12 has nominated by written designation duly acknowledged and filed with the chief executive  
13 officer at the time of retirement on a form provided or specified by the retirement system,  
14 if the beneficiary survives the qualifying member.

15           **Sec. 40. 5 MRSA §18404, sub-§5-E**, as amended by PL 2001, c. 118, §8, is further  
16 amended to read:

17           **5-E. Option 8.** The qualifying member may elect to have a reduced retirement benefit  
18 payable to the qualifying member while alive and at the qualifying member's death to have  
19 some benefit other than that available under subsection 3 or 4 payable to the beneficiary,  
20 who must be the sole beneficiary, that the member has designated by written designation,  
21 duly acknowledged and filed with the chief executive officer on a form provided or  
22 specified by the retirement system, if the beneficiary survives the qualifying member. The  
23 total value of the benefit paid to the qualifying member plus the benefit paid after the  
24 qualifying member's death is the actuarial equivalent of the benefit that the qualifying  
25 member would have received without optional modification. If the qualifying member's  
26 beneficiary predeceases the qualifying member, the qualifying member's benefit must be  
27 changed, effective the first day of the month following the date of the beneficiary's death,  
28 to be the actuarial equivalent of the benefit that the qualifying member would have received  
29 without optional modification. The reduced retirement benefit must be actuarially  
30 calculated to reflect the fact that the benefit may be changed to the larger amount should  
31 the beneficiary predecease the member.

32           **Sec. 41. 5 MRSA §18504, sub-§2**, as amended by PL 2009, c. 322, §9, is further  
33 amended to read:

34           **2. Exception.** A member with fewer than 5 years of ~~continuous~~ creditable service  
35 preceding that member's last date of service is not eligible for a disability retirement benefit  
36 if the disability is the result of a physical or mental condition that existed before the  
37 member's membership in a retirement program of the Maine Public Employees Retirement  
38 System, unless the disability is a result of, or has been substantially aggravated by, an injury  
39 or accident received in the line of duty but from events or circumstances not usually  
40 encountered within the scope of the member's employment.

41           **Sec. 42. 5 MRSA §18506, sub-§1, ¶A**, as amended by PL 2001, c. 443, §3 and  
42 affected by §7, is further amended to read:

43           A. The excess must be deducted from the disability or service retirement benefits  
44 ~~during the next calendar year, the deductions to be prorated on a monthly basis in an~~

1 equitable manner prescribed by the board over the year or part of the year for which  
2 the benefits are received in accordance with section 17054, subsection 3; and

3 **Sec. 43. 5 MRSA §18524, sub-§2**, as amended by PL 2009, c. 322, §11, is further  
4 amended to read:

5 **2. Exception.** A member with fewer than 5 years of ~~continuous~~ creditable service  
6 preceding that member's last date of service is not eligible for a disability retirement benefit  
7 if the disability is the result of a physical or mental condition that existed before the  
8 member's membership in a retirement program of the Maine Public Employees Retirement  
9 System, unless the disability is a result of, or has been substantially aggravated by, an injury  
10 or accident received in the line of duty but from events or circumstances not usually  
11 encountered within the scope of the member's employment.

12 **Sec. 44. 5 MRSA §18530, sub-§2, ¶A**, as amended by PL 2001, c. 443, §4 and  
13 affected by §7, is further amended to read:

14 A. The excess must be deducted from the disability or service retirement benefits  
15 ~~during the next calendar year; the deductions to be prorated on a monthly basis in an~~  
16 ~~equitable manner prescribed by the board over the year or part of the year for which~~  
17 ~~the benefits are received in accordance with section 17054, subsection 3;~~

18 **Sec. 45. 5 MRSA §18530, sub-§3, ¶A**, as enacted by PL 1989, c. 409, §§11 and  
19 12, is amended to read:

20 A. The disability or service retirement benefits ~~will~~ must be reduced ~~during the next~~  
21 ~~calendar year~~ by the amount that the total compensation exceeds the adjusted final  
22 compensation in accordance with section 17054, subsection 3;

23 **Sec. 46. 5 MRSA §18657, sub-§1**, as amended by PL 1991, c. 480, §10, is further  
24 amended to read:

25 **1. Designated beneficiary.** First, to the surviving beneficiary or beneficiaries whom  
26 the employee designated in writing, if the written designation was received in the retirement  
27 system office or postmarked before the employee's death.

28 **Sec. 47. 5 MRSA §18657, sub-§3**, as amended by PL 2009, c. 515, §2 and affected  
29 by §3, is further amended to read:

30 **3. Children.** Fourth, if no one qualifies under subsection 1, 2 or 2-A, to the surviving  
31 child or children of the employee and descendants of deceased children by representation.

32 **Sec. 48. 5 MRSA §18657, sub-§6**, as amended by PL 2009, c. 515, §2 and affected  
33 by §3, is further amended to read:

34 **6. Next of kin.** Sixth, if no one qualifies under subsection 1, 2, 2-A, 3 or 4, to other  
35 surviving next of kin of the employee entitled under the laws of domicile of that employee  
36 at the time of the employee's death.

37 **Sec. 49. 5 MRSA §18662, sub-§1**, as enacted by PL 1985, c. 801, §§5 and 7, is  
38 repealed.

39 **Sec. 50. 5 MRSA §18802-A, sub-§5, ¶A**, as amended by PL 2003, c. 387, §13, is  
40 further amended to read:

A. Seven Six voting members, including at least 2 labor organization representatives and 2 participating local district representatives, constitute a quorum for the transaction of any business.

## SUMMARY

This bill makes the following changes to the laws governing the Maine Public Employees Retirement System.

1. It establishes a definition of "duly acknowledged."
2. It establishes a definition of "survive" or "surviving."
3. It removes the minimum waiting period for a member to receive a refund of contributions.
4. It removes the requirement for continuous service before a member can be eligible for disability retirement benefits without meeting preexisting condition criteria.
5. It provides more flexibility in how overpayments of disability benefits are recovered.
6. It clarifies the definition of "earnable compensation."
7. It clarifies membership eligibility for coaches and adult education employees.
8. It clarifies procedural requirements before initiating court action to recover overpaid benefits.
9. It corrects a cross-reference and adds a cross-reference that was omitted from a previously enacted law.
10. It clarifies termination of employment requirements for retirees to be restored to service.
11. It clarifies the payment of group life insurance benefits.
12. It permits the chief administrative officer of a participating local district to clarify ambiguities in actions taken by the governing body regarding plan participation.
13. It changes what constitutes a quorum for the Participating Local District Advisory Committee.
14. It repeals the requirement for a minimum percentage of members of a local district in order to participate in the group life insurance program.
15. It removes or updates obsolete, unclear or inconsistent language.