An Act to Standardize Service Credit Qualifications for State Retirees

Reference to the Committee on Labor and Housing suggested and ordered printed.

Presented by Representative PARRY of Arundel.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §17857, sub-§2, as amended by PL 2001, c. 442, §2 and PL 2021, c. 548, §45, is further amended to read:

2. Additional creditable service. Additional creditable service is earned by a former participant in a special plan as follows.

A. A member who has completed the service requirements for retirement under a special plan, including a member who completes the requirements of section 17851-A, subsection 2, paragraph A, may transfer to a position not under a special plan and earn service credit for additional service retirement benefits.

1. The part of the member's service retirement benefit based upon membership service before being transferred must be computed according to the formula for computing benefits under the special plan that the member was under previously.

2. The part of the member's benefit based upon membership service after being transferred must be computed in accordance with section 17852, subsection 1, except that, if the member has completed 80% of the member's service under the special plan, the member's benefit must be computed according to the formula for computing benefits under the special plan that the member was under previously.

C. A member who has not completed the service requirements for retirement under a special plan may transfer to a position not under a special plan and receive service retirement benefits as follows. This paragraph does not apply to section 17851-A, subsection 2, paragraph A.

1. If the benefit is greater, the part of the member's service retirement benefit based upon membership service before being transferred must be computed according to the formula for computing benefits under the special plan that the member was under previously.

2. The part of the member's benefit based upon membership service after being transferred must be computed in accordance with section 17852, subsection 1, except that, if the member has completed 80% of the member's service under the special plan, the member's benefit must be computed according to the formula for computing benefits under the special plan that the member was under previously.

D. A member who has not completed the service requirements for retirement under a special plan, including a member who completes the requirements of section 17851-A, subsection 2, paragraph A, on becoming disabled as defined in section 17901, or, after September 30, 1989, section 17921, and on becoming reemployed in a position not under a special plan on retirement receives retirement benefits as follows.

1. The part of the member's service retirement based on membership service before becoming disabled must be computed according to the formula for computing benefits under the member's previous special plan.

2. The part of the member's service retirement based on membership service after becoming reemployed in a position not under a special plan must be computed according to the formula for computing benefits under the member's previous special plan, except that, if the member has completed 80% of the member's service under the special plan, the member's benefit must be computed according to the formula for computing benefits under the special plan that the member was under previously.
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under previously.

(3) If the member is found to be no longer disabled, as defined in section 17901,
or, after September 30, 1989, section 17921, the member may:

   (a) Return to a position under the member's previous special plan; or
   (b) Remain in the position that is not under a special plan and have the part of
       the member's service retirement benefit based on post-disability service
       computed in accordance with section 17852, subsection 1, except that, if the
       member has completed 80% of the member's service under the special plan,
       the member's benefit must be computed according to the formula for
       computing benefits under the special plan that the member was under
       previously.

(4) The chief executive officer may require that a member subject to this paragraph
undergo medical examinations or tests once each year to determine the member's
disability in accordance with section 17903 or, after September 30, 1989, section
17926.

   (a) If the member refuses to submit to the examination or tests under this
       subparagraph, the member's retirement benefit must be based on section
       17852, subsection 1, until the member withdraws the refusal.
   (b) If the member's refusal under division (a) continues for one year, all the
       member's rights to any further benefits under this paragraph shall cease.

**SUMMARY**

This bill specifies that when a member of the Maine Public Employees Retirement
System in a position covered by a special plan transfers to a position that is not covered by
a special plan and has completed 80% of the member's service under the special plan, that
additional time in the position not covered by the special plan is calculated as though the
member had remained in the special plan.