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An Act To Clarify Health Insurance Benefits for Disabled Participants in the Maine Public Employees Retirement System

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

Whereas, changes made during the First Regular Session of the 125th Legislature to cost-sharing provisions for the health insurance plan covering retired state employees require individuals who retire after January 1, 2012 and before normal retirement age to pay 100% of the group health plan premium; and

Whereas, these changes have created unanticipated consequences affecting individuals receiving disability retirement benefits who are automatically transferred to regular retirement benefits when those regular retirement benefits equal or exceed the disability retirement benefits; and

Whereas, individuals who are transferred from disability status to regular retirement status prior to normal retirement age may be required to pay the full cost of the health insurance plan; and

Whereas, such costs would be a significant burden for disabled retirees; and

Whereas, this situation must be remedied immediately; 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 enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §285, sub-§7, ¶J, as enacted by PL 2011, c. 380, Pt. V, §1 and affected by §7, is amended to read:

J. Those state employees that retire after January 1, 2012, or those state employees employed as teachers in the unorganized territory or the Maine Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf that retire after July 1, 2012, under the provisions of section 17851, subsections 1-B, 1-C, 2-B, 2-C and 3 shall contribute 100% of the individual premium until such time as the retiree reaches normal retirement age. This paragraph does not apply to an individual whose disability retirement benefit is converted to a service retirement benefit pursuant to section 17929, subsection 2 prior to the individual's reaching normal retirement age.

Sec. 2. Retroactivity. This Act is retroactive to January 1, 2012.

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

SUMMARY

This bill corrects unanticipated consequences of changes made during the First Regular Session of the 125th Legislature regarding payment for state retiree health insurance. This bill clarifies that disabled retirees who are automatically converted to a regular retirement benefit before normal retirement age are not required to pay 100% of the individual premium for health insurance coverage.