



128th MAINE LEGISLATURE

LD 521

LR 306(01)

An Act To Align the Criteria Used by the Maine Public Employees Retirement System in Determining Veterans' Disability Claims with the Criteria Used by the United States Department of Veterans Affairs

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Berry of Bowdoinham

Committee: Appropriations and Financial Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - All Funds

Future biennium cost increase - All Funds

Fiscal Detail and Notes

Providing that a veteran who is a member of the Maine Public Employees Retirement System (MainePERS) who has been awarded a disability pension under 38 Code of Federal Regulations, Section 3.3 (2003) for a service-connected disability be automatically qualified for a disability retirement benefit under the MainePERS disability program may increase both the normal cost component and the unfunded actuarial liability of the Maine Public Employees Retirement System.

Pursuant to the Constitution of Maine, Article IX, Section 18-A, increases to the unfunded liability of the System may not be created except those that result from experience losses. MainePERS will require one-time General Fund appropriations, and Highway Fund and other funds allocations, in fiscal year 2017-18, representing the full actuarial value of the increase to the unfunded liability resulting from this provision. This bill will also increase the normal cost component of the employer retirement rate and will result in additional ongoing retirement costs to State departments and agencies.

MainePERS is currently working to estimate the number of potential additional disability retirement benefit recipients to be used by the actuary to estimate the costs associated with this legislation. These costs will be reflected in the fiscal note when they become available.