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An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators

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

Sec. 1. 5 MRSA §17859, as amended by PL 2015, c. 321, §1, is further amended to read:

§ 17859. Retiring and returning to work

1. Restoration to service. ~~Any~~ Except for a state employee or teacher under subsection 1-A, any state employee or teacher who has reached normal retirement age and who retires after September 1, 2011 may be restored to service for up to 5 years. The decision to hire a retired state employee or retired teacher under this section is at the discretion of the appointing authority. The retired state employee or retired teacher must have had a bona fide termination of employment in accordance with state and federal laws and rules, may not return to employment after retirement with the same employer for at least 30 calendar days after the termination of employment and may not return to employment before the effective date of the person's retirement.

1-A. Restoration to work as classroom-based employees or administrators. Effective August 1, 2014, a ~~classroom-based~~ state employee or teacher who has reached normal retirement age and who retires after September 1, 2011 may be restored to service as a classroom-based employee or school administrator in a school in the unorganized territory or with a school administrative unit as defined in Title 20-A, section 1, subsection 26:

A. ~~In one-year contracts, which may be nonconsecutive. The maximum time that a classroom-based employee may be restored to service with an individual school administrative unit pursuant to this paragraph is 5 years;~~

B. ~~Subject to the 5-year restriction specified in subsection 1 and the 75% compensation limitation for retired state employees and retired teachers specified in subsection 2, paragraph A; or~~

C. ~~In any combination of paragraphs A and B, as long as the total time the classroom-based employee is restored to service does not exceed 10 years with an individual school administrative unit.~~

D. With the same compensation and health insurance, dental insurance and life insurance benefits established for the position to be filled; and

E. At the same contribution rate of the employer and employee as described in sections 17253 and 17701, respectively, as is required for the position if the position were filled by an employee who is not a retired state employee or retired teacher.

The retired classroom-based state employee or retired teacher who returns to service under this subsection must have had a bona fide termination of employment in accordance with state and federal laws and rules, may not return to employment after retirement with the same employer for at least 30 calendar days after the termination of employment and may not return to employment before the effective date of the person's retirement. The retired state employee or retired teacher who returns to service under this subsection is not a member and therefore may not accrue additional creditable service or change the retired state employee's or retired teacher's earnable compensation for benefit calculation purposes. The provisions for health insurance benefits under section 285, subsection 1-A for retired state employees or Title 20-A, section 13451 for retired teachers and life insurance benefits under the provisions of section 18055 are suspended for the reemployment period for a retired state employee or retired teacher who returns to service under this subsection.

For purposes of this section, "classroom-based employee" means a teacher whose principal function is to introduce new learning to students in the classroom or to provide support in the classroom during the introduction of new learning to students.

2. Compensation and benefits. The compensation and benefits of the retired state employee or retired teacher who returns to service after retirement as set out in subsection 1 is governed by this subsection.

A. The compensation of the retired state employee or retired teacher who returns to service must be set at 75% of the compensation established for the position to be filled, at a step determined by the appointing authority. ~~The compensation of the retired classroom-based employee who returns to service as a classroom-based employee pursuant to subsection 1-A, paragraph A must be set at 100% of the compensation established for the position to be filled, at a step determined by the school administrative unit, for up to the maximum 5-year period that a classroom-based employee may contract with an individual school administrative unit.~~

B. The retired state employee or retired teacher who returns to service under this section is not a member and therefore may not accrue additional creditable service or change the retired state employee's or retired teacher's earnable compensation for benefit calculation purposes.

C. During the period of reemployment, the retired state employee or retired teacher is not entitled to health insurance, dental insurance or life insurance benefits. The retired state employee or retired teacher is entitled to all other benefits for the reemployment position under collective bargaining agreements or civil service laws and rules. Health insurance benefits must be provided under the provisions of section 285, subsection 1-A for retired state employees or Title 20-A, section 13451 for retired teachers and life insurance benefits must be provided under the provisions of section 18055.

3. Contributions to the Maine Public Employees Retirement System and state group health plan. TheFor a retired state employee or retired teacher under subsection 1-A, the portion of the employer and employee contribution that goes to pay the retirement system for the unfunded liability and the state group health plan for health care must be continued and based on the retired state employee's or retired teacher's compensation as provided under subsection 1-A during the reemployment

period. For a retired state employee or retired teacher under subsection 2, the portion of the employer contribution that goes to pay the retirement system for the unfunded liability and the state group health plan for retiree health care must be continued and based on the retired state employee's or retired teacher's compensation as provided under subsection 2 during the reemployment period.

4. Notification requirements. Employers under this section are required to identify and report to the retirement system, in the manner specified by the retirement system, each individual who is a retiree who becomes an employee of the employer under the rean option provided in this section. Departments shall also report each retiree who becomes an employee to the Bureau of the Budget in a manner specified by the bureau. The employer shall report each such employee whenever and so long as the employee is the employer's employee.

5. Exclusion. A retired state employee or retired teacher who is hired as a substitute teacher is not subject to the restoration to service 5-year limitation in subsection 1 or the compensation limitation in subsection 2, paragraph A.

SUMMARY

This bill amends the provisions of the Maine Public Employees Retirement System regarding compensation and service retirement benefits for retired state employees and retired teachers who return to service as classroom-based employees or school administrators in the following ways.

1. It allows a retired state employee or retired teacher to be restored to service as a classroom-based employee or school administrator beyond the current 5-year limit.

2. It removes the cap of 75% of compensation established for the position that the retired state employee or retired teacher is filling.

3. It allows a retired state employee or retired teacher who returns to service as a classroom-based employee or school administrator to receive full retirement, health, dental and life insurance benefits as offered for the position to be filled and suspends the provisions of retiree health, dental and life insurance benefits for retired state employees or retired teachers during the period of reemployment.

4. It retains the current provisions that a retired state employee or retired teacher who returns to service is not a member and therefore may not accrue additional creditable service or change the retired state employee's or retired teacher's earnable compensation for benefit calculation purposes.

5. It requires full employee and employer contributions to the retirement system for the unfunded liability and the state group health plan for retiree health care based upon the retired state employee's or retired teacher's compensation.