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APPROPRIATIONS AND FINANCIAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 690, L.D. 995, Bill, “An Act To Amend the Laws Governing Participating Local Districts in the Maine Public Employees Retirement System”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 5 MRSA §17103, sub-§6, as amended by PL 2009, c. 322, §2, is further amended to read:

6. Rights, credits and privileges; decisions. The board shall in all cases make the final and determining administrative decision in all matters affecting the rights, credits and privileges of all members of all programs of the retirement system whether in participating local districts or in the state service. The board has no jurisdiction to hear a matter or make an administrative decision regarding a claim of an employee of a local plan for which membership is optional pursuant to section 18252, if that claim applies to a time when the employee was not a member of the retirement system.

Whenever the board finds that, because of an error or omission on the part of the employer of a member or retired member, a member or retired member is required to make a payment or payments to the retirement system, the board may waive payment of all or part of the amount due from the member or retired member. In these instances of recovery of overpayments from members of the retirement system, the retirement system is governed by section 17054, subsection 3.

Sec. 2. 5 MRSA §18251, sub-§§6 and 7 are enacted to read:

6. Limitations on claims for participation. If an employee claims that the employee was not offered participation in the program at the commencement of or during the course of employment with the participating local district, that claim must be commenced within 6 years of the date upon which the employee was first eligible for participation in the program.

7. Participation in other retirement plans. If an employee requests and is allowed retroactive participation in the program, and during the time for which these retroactive

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1 retirement benefits are sought the participating local district offered and the employee
2 participated in another retirement plan, all contributions made to the alternative plan by
3 the employer and all earnings made on employer and employee contributions must be
4 paid to the retirement system, up to the amount that the employer is required by the
5 retirement system to pay to fund retroactive benefits under the program. In the event the
6 funds available in the employee's alternative retirement plan account are not sufficient to
7 fund the employer's required contributions to the retirement system, the employer shall
8 pay any remaining employer contributions required by the retirement system to fund
9 retroactive benefits under the program.

10 **Sec. 3. 5 MRSA §18804, sub-§§5 and 6** are enacted to read:

11 **5. Limitations on claims for participation.** If an employee claims that the
12 employee was not offered membership at the commencement of or during the course of
13 employment with the local district, that claim must be commenced within 6 years of the
14 date upon which the employee was first eligible for membership.

15 **6. Participation in other retirement plans.** If an employee requests and is allowed
16 retroactive membership, and during the time for which these retroactive retirement
17 benefits are sought the local district offered and the employee participated in another
18 retirement plan, all contributions made to the alternative plan by the employer and all
19 earnings made on employer and employee contributions must be paid to the retirement
20 system, up to the amount that the employer is required by the retirement system to pay to
21 fund retroactive benefits under the plan. In the event the funds available in the
22 employee's alternative retirement plan account are not sufficient to fund the employer's
23 required contributions to the retirement system, the employer shall pay any remaining
24 employer contributions required by the retirement system to fund retroactive benefits
25 under the plan.'

26 SUMMARY

27 This amendment replaces the bill. Like the bill, the amendment clarifies that the
28 Board of Trustees of the Maine Public Employees Retirement System has no jurisdiction
29 to make administrative decisions regarding claims of an employee of a local participating
30 district if the employee's membership in the plan is optional and the claim applies to a
31 time when the employee was not a member of the retirement system. Unlike the bill, the
32 amendment amends the laws governing the Maine Public Employees Retirement System
33 in the following ways.

34 1. It requires that if an employee claims that the employee was not offered
35 membership in a participating local district plan at the time of or during the course of
36 employment with a local district, that claim must be made within 6 years of the date upon
37 which the employee was first eligible for membership.

38 2. It makes clear that if an employee requests retroactive membership in the plan and
39 is allowed to do so, to offset the employer's required contributions to the plan, all
40 employer contributions to the alternative plan, in addition to any earnings, must be paid to
41 the retirement system up to the amount the employer is required to fund the retroactive
42 benefits under the participating local district program. If the employer contributions and
43 earnings are not sufficient to fund the employer's contribution to the retirement system

1 plan, the employer must pay any remaining employer contributions required by the
2 retirement system.