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Date: (Filing No. H-)

LABOR AND HOUSING

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 858, L.D. 1184, Bill, “An Act Regarding Penalties for Early Retirement for Certain Members of the Maine Public Employees Retirement System”

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

Sec. 1. Reduction in early retirement penalty for certain state employees and teachers. Notwithstanding the Maine Revised Statutes, Title 5, section 17852, subsection 3-A or any other provision of law to the contrary, beginning October 1, 2019 the reduction in the retirement benefit for a qualified member is 2.25% for each year that the qualified member's age precedes 62 years of age at retirement.

As used in this section, "qualified member" means a member of the Maine Public Employees Retirement System who:

1. Retired from service as a state employee between July 1, 2011 and January 1, 2012 or as a teacher between July 1, 2011 and July 1, 2012;
2. Had completed 25 or more years of creditable service upon retirement;
3. Had neither 10 years of creditable service nor had reached 60 years of age with one year of creditable service immediately before July 1, 1993; and
4. Had not attained 62 years of age as of retirement from service as a state employee or teacher.

As used in this section, the terms "creditable service," "employee," "member," "retirement," "retirement benefit," "state employee" and "teacher" have the same meaning as in Title 5, section 17001.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

**RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES
Retirement System - Retirement Allowance Fund 0085**

COMMITTEE AMENDMENT

1 Initiative: Provides one-time funds for the cost of the unfunded actuarial liability created
2 as a result of permitting certain retired state employees and teachers who retired between
3 July 1, 2011 and July 1, 2012 to have their retirement benefit recalculated based upon a
4 2.25% per year early retirement reduction instead of the 6% reduction in current law
5 prospectively beginning October 1, 2019.

6	GENERAL FUND	2019-20	2020-21
7	All Other	\$5,800,000	\$0
8			
9	GENERAL FUND TOTAL	\$5,800,000	\$0

10
11 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
12 section number to read consecutively.

13 **SUMMARY**

14 This amendment is the minority report of the committee.

15 This amendment makes clear that the change in the rate of the early retirement
16 penalty for qualified members applies prospectively beginning October 1, 2019.

17 The amendment also adds an appropriations and allocations section to fund the one-
18 time cost of the unfunded actuarial liability created as a result of the change in the rate of
19 penalty for qualified members.

20 **FISCAL NOTE REQUIRED**

21 **(See attached)**