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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. 880, L.D. 1220, Bill, “An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators”

Amend the bill by striking out the title and substituting the following:

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

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

'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 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 employee who has reached normal retirement age and who retires after September 1, 2011~~ Any retired state employee, retired teacher or retired school administrator 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:

COMMITTEE AMENDMENT

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

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

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

10 The retired classroom-based employee must have had a bona fide termination of
11 employment in accordance with state and federal laws and rules, may not return to
12 employment after retirement with the same employer for at least 30 calendar days after
13 the termination of employment and may not return to employment before the effective
14 date of the person's retirement.

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

18 **~~2. Compensation and benefits.~~** ~~The compensation and benefits of the retired state~~
19 ~~employee or retired teacher who returns to service after retirement as set out in subsection~~
20 ~~1 is governed by this subsection.~~

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

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

33 C. ~~During the period of reemployment, the retired state employee or retired teacher~~
34 ~~is not entitled to health insurance, dental insurance or life insurance benefits. The~~
35 ~~retired state employee or retired teacher is entitled to all other benefits for the~~
36 ~~reemployment position under collective bargaining agreements or civil service laws~~
37 ~~and rules. Health insurance benefits must be provided under the provisions of section~~
38 ~~285, subsection 1-A for retired state employees or Title 20-A, section 13451 for~~
39 ~~retired teachers and life insurance benefits must be provided under the provisions of~~
40 ~~section 18055.~~

41 **2-A. Compensation.** The compensation rate of the retired state employee, retired
42 teacher or retired school administrator returning to service under subsection 1 or 1-A is
43 the same as is required for the position as if the position were filled by an employee who

1 is not a retired state employee, retired teacher or retired school administrator. The
2 compensation rate is determined on the basis of the position under any applicable
3 collective bargaining agreement or determined through normal salary negotiations when
4 the position is not part of a collective bargaining unit.

5 **2-B. Benefits.** The benefits of the retired state employee, retired teacher or retired
6 school administrator who returns to service after retirement as set out in subsection 1 or
7 1-A are governed by this subsection.

8 A. During the period of reemployment, a retired teacher or retired school
9 administrator continues to receive any retirement benefits that the teacher or
10 administrator is entitled to under Title 20-A, section 13451.

11 B. During the period of reemployment, a retired state employee continues to receive
12 any retirement benefits that the employee is entitled to under sections 285 and 18055.

13 C. During the period of reemployment, a retired state employee, retired teacher or
14 retired school administrator who is not receiving any retirement benefits as described
15 in paragraphs A and B is eligible for such benefits as per the local collective
16 bargaining agreement or established through normal negotiations if the position is not
17 part of a collective bargaining unit.

18 D. During the period of reemployment, a retiree as described in paragraphs A and B
19 may receive additional compensation toward such benefits in an amount not to
20 exceed that of the local collective bargaining agreement if applicable.

21 ~~**3. Contributions to the Maine Public Employees Retirement System and state**~~
22 ~~**group health plan.**~~ ~~The portion of the employer contribution that goes to pay the~~
23 ~~retirement system for the unfunded liability and the state group health plan for retiree~~
24 ~~health care must be continued and based on the retired state employee's or retired~~
25 ~~teacher's compensation as provided under subsection 2 during the reemployment period.~~

26 **3-A. Contributions to the Maine Public Employees Retirement System.** For a
27 reemployed retired state employee, retired teacher or retired school administrator, the
28 portion of the employer contribution that goes to pay the retirement system for the
29 unfunded liability must be continued at the same contribution rate of the employer as
30 described in section 17253 as is required for the position as if the position were filled by
31 an employee who is not a retired state employee, retired teacher or retired school
32 administrator. A retired state employee, retired teacher or retired school administrator
33 who returns to service under this section is not a member and therefore may not accrue
34 additional creditable service during the reemployment period or change the retired state
35 employee's, retired teacher's or retired school administrator's earnable compensation for
36 benefit calculation purposes.

37 **3-B. Contributions to the state group health plan.** For a reemployed retired state
38 employee, retired teacher or retired school administrator, the portion of the employer and
39 employee contribution that goes to pay the state group health plan for health care must be
40 continued at the same contribution rate of the employer and employee as is required for
41 the position as if the position were filled by an employee who is not a retired state
42 employee, retired teacher or retired school administrator.

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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~~ an 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.'~~

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

SUMMARY

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

1. It removes the 5-year limit on a retired state employee or retired teacher to be restored to service.
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, retired teacher or retired school administrator who returns to service to receive retirement, health, dental and life insurance benefits as negotiated by the retired state employee, retired teacher or retired school administrator or as required under collective bargaining agreements.
4. It requires that the portions of the employer and employee contributions that go to pay the retirement system for the unfunded liability and the state group health plan for health care must be continued at the same contribution rate of the employer and employee as is required for the position as if the position were filled by an employee who is not a retired state employee, retired teacher or retired school administrator. A retired state employee, retired teacher or retired school administrator who returns to service is not a member and therefore may not accrue additional creditable service during the reemployment period or change the retired state employee's, retired teacher's or retired school administrator's earnable compensation for benefit calculation purposes.

FISCAL NOTE REQUIRED

(See attached)