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Date:

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LABOR AND HOUSING

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STATE OF MAINE

SENATE

130TH LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT “ ” to S.P. 276, L.D. 711, “An Act To Allow Certain Police Officers To Return to Participation in the Maine Public Employees Retirement System”

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

'An Act To Allow Certain Employees To Return to Participation in the Maine Public Employees Retirement System'

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

'Sec. 1. 5 MRSA §18252-A, sub-§1, ¶A, as amended by PL 2011, c. 449, §15, is further amended to read:

A. A person hired by a participating local district, or rehired following a break in service, after the date on which the employer provides a plan under section 18252-B must elect at the time of initial hiring or rehiring whether to be a member under the Participating Local District Retirement Program or to be covered under a plan provided by the employer under section 18252-B. Once an election is made under this paragraph, except as provided in paragraph E, the election is irrevocable with respect to all subsequent employment with the same employer when membership in the program is not mandatory.

Sec. 2. 5 MRSA §18252-A, sub-§1, ¶B, as amended by PL 2009, c. 474, §33, is further amended to read:

B. An employee of the participating local district who is a member under the Participating Local District Retirement Program on the date on which the employer provides a plan under section 18252-B may elect to remain a member under that program or to become covered under a plan provided by the employer under section 18252-B. A person must make an election within 90 days of the date on which the employer provides a plan under section 18252-B. Once an election is made under this paragraph, except as provided in paragraph E, the election is irrevocable with respect

COMMITTEE AMENDMENT

1 to all subsequent employment with the same employer when membership in the
2 program is not mandatory.

3 (1) If that person elects not to remain a member, the election is effective as of the
4 first day of the month in which no contributions or pick-up contributions are made
5 to the Participating Local District Retirement Program by that person. A person
6 who elects not to remain a member may, at that person's discretion, withdraw
7 accumulated contributions in accordance with section 18306-A.

8 **Sec. 3. 5 MRSA §18252-A, sub-§1, ¶E** is enacted to read:

9 E. An election under paragraph A or B to not be a member or not remain a member is
10 not irrevocable if:

11 (1) The employee contribution rate for the plan provided by the employer under
12 section 18252-B is not lower than the employee contribution rate for the applicable
13 plan under the Participating Local District Retirement Program; and

14 (2) Employee contributions after joining or rejoining the Participating Local
15 District Retirement Program qualify for treatment as pick-up contributions for
16 federal tax purposes and the person's membership otherwise complies with the
17 United States Internal Revenue Code as applicable to governmental qualified
18 defined benefit plans.

19 **Sec. 4. 5 MRSA §18254, sub-§1**, as amended by PL 2009, c. 474, §35, is further
20 amended to read:

21 **1. Employee eligible to withdraw accumulated contributions.** An employee of the
22 district whose membership in the Participating Local District Retirement Program was
23 compulsory under section 18251 must make an election to remain a member under that
24 program or to withdraw accumulated contributions within 90 days of the effective date of
25 the employer withdrawal from the program under section 18203, subsection 2. An
26 employee who elects to withdraw accumulated contributions under this subsection may not
27 be a member of the program as an employee of that district. Once an election is made
28 under this subsection, the election is irrevocable with respect to all subsequent employment
29 with the same employer when membership in the program is not mandatory if the employer
30 later resumes participation in the program pursuant to section 18254-A: unless the
31 employee is electing to rejoin the Participating Local District Retirement Program and:

32 A. The employee is covered by a plan provided by the employer under section 18252-B
33 with an employee contribution rate that is not lower than the employee contribution
34 rate for the applicable plan under the Participating Local District Retirement Program;
35 and

36 B. Employee contributions after rejoining the Participating Local District Retirement
37 Program qualify for treatment as pick-up contributions for federal tax purposes and the
38 person's membership otherwise complies with the United States Internal Revenue Code
39 as applicable to governmental qualified defined benefit plans.'

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

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SUMMARY

This amendment replaces the bill. Current law provides that a member of the Participating Local District Retirement Program on the date on which an employer offers an alternative retirement program may make a one-time irrevocable election to remain under that program or to join the alternative retirement plan offered by the employer. This amendment provides that such an election is not irrevocable and an employee of a participating local district may elect to rejoin the Participating Local District Retirement Program if the employee is covered by a plan provided by the employer with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under the Participating Local District Retirement Program and the employee's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.

FISCAL NOTE REQUIRED

(See attached)