

§12722. Defined contribution retirement plan

1. Eligibility; plan contents. Subject to applicable bargaining agreements, the board of trustees may authorize persons employed in the faculty and instructors and the administrative staff bargaining units to participate in a defined contribution retirement plan offered by the board of trustees instead of any plan offered by the Maine Public Employees Retirement System. The defined contribution retirement plan must include the requirement that any disbursement of the accumulated assets in a person's defined contribution plan account or accounts must include pay out of at least 40% of the assets as a life annuity. The defined contributions retirement plan must also offer an option providing a life annuity pay out to a surviving spouse.

[PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF); PL 2007, c. 58, §3 (REV).]

2. Election periods. An eligible person is considered to be a participant in the defined contribution plan offered by the board of trustees unless that person makes a one-time irrevocable election to participate in the Maine Public Employees Retirement System. The election must be made in writing no later than 30 days after the date of hire in an eligible position, and notice of the election must be filed with the administrative officer of the employing institution. The employing institution shall notify the Maine Public Employees Retirement System of the election in accordance with procedures established by the Chief Executive Officer of the Maine Public Employees Retirement System. Participation in the Maine Public Employees Retirement System pursuant to an election under this subsection is effective as of the date of hire, and the system shall remit all required contributions to the Maine Public Employees Retirement System retroactively to the date of hire.

A. [PL 2009, c. 474, §45 (RP).]

B. [PL 2009, c. 474, §45 (RP).]

[PL 2009, c. 474, §45 (RPR); PL 2021, c. 548, §45 (REV).]

3. Maine Public Employees Retirement System members.
[PL 2009, c. 474, §46 (RP).]

4. No service credit for defined contribution plan participation. At no time may an employee who participates in the defined contribution plan offered by the board of trustees pay contributions or pick-up contributions to the Maine Public Employees Retirement System or receive Maine Public Employees Retirement System service credit for any time during which the employee participated in the defined contribution plan.

[PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF); PL 2007, c. 58, §3 (REV).]

5. Retiree health benefits. For purposes of Title 5, section 285, subsection 7, participants in the defined contribution plan offered by the board of trustees must be treated as persons who were previously eligible pursuant to Title 5, section 285, subsection 1, paragraph A if those persons have terminated employment with the system, its colleges and subsidiaries, if that employment represents the last place of employment in which those persons are eligible for health insurance coverage under Title 5, section 285 and if those persons are at least 60 years of age, except for termination due to disability when those persons are receiving disability benefits under a disability benefit program provided by the board of trustees under subsection 6. The board of trustees is responsible for payment of the State's share of health plan premiums under Title 5, section 285, subsection 7 for defined contribution plan participants if the requirements of this subsection are met.

[PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF).]

6. Disability benefits. For employees covered under the defined contribution plan, the board of trustees shall provide a disability benefit program, the cost of which must be paid by the board of trustees. At a minimum, that program must establish eligibility criteria, provide coverage for physical and mental disabilities and provide a level of benefits at least equal to 60% of the employee's annual compensation.

[PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF).]

7. Administration. The board of trustees and the Maine Public Employees Retirement System shall administer this section as follows.

A. The board of trustees is responsible for providing an employee with information as to membership under the Maine Public Employees Retirement System and as to coverage under the defined contribution plan offered by the board of trustees to assist the employee in making an election decision. The Maine Public Employees Retirement System shall provide the board of trustees with information as to membership in the Maine Public Employees Retirement System. [PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF); PL 2007, c. 58, §3 (REV).]

B. The board of trustees is responsible for determining eligibility and providing procedures for making an election under this section, for maintaining all records relevant to the election process and an individual employee's election, for informing the Maine Public Employees Retirement System as to employee elections in accordance with procedures established by the Chief Executive Officer of the Maine Public Employees Retirement System and for making all administrative decisions, including the final administrative decision, in any dispute related to an employee's election or to any issue as to the plan offered by the board of trustees. Neither the Maine Public Employees Retirement System nor the Board of Trustees of the Maine Public Employees Retirement System has responsibility or jurisdiction to make the final administrative decision with respect to any of these matters. The Maine Public Employees Retirement System is responsible only to ensure that its records accurately reflect the information provided by the board of trustees, the board of trustees' decision as to any of these matters and the legally recognized outcome of any dispute related to any of these matters. [PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF); PL 2007, c. 58, §3 (REV); PL 2021, c. 548, §45 (REV).]

C. With respect to matters related to participation and membership in the Maine Public Employees Retirement System other than those specified in paragraph B, the Maine Public Employees Retirement System and the Board of Trustees of the Maine Public Employees Retirement System retain responsibility and authority according to applicable retirement system law and rules as to the system and its employees to whom this section applies, including the authority to make final administrative decisions. [PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF); PL 2007, c. 58, §3 (REV).]

[PL 1997, c. 763, §4 (NEW); PL 1997, c. 763, §7 (AFF); PL 2007, c. 58, §3 (REV); PL 2021, c. 548, §45 (REV).]

8. Participation in Maine Public Employees Retirement System.

[PL 2009, c. 474, §47 (RP).]

9. Hardship distributions. The board of trustees may make hardship distributions from any of the accumulated assets in a defined contribution retirement plan account or accounts in accordance with federal regulations.

[PL 2017, c. 179, §16 (NEW).]

SECTION HISTORY

PL 1997, c. 763, §4 (NEW). PL 1997, c. 763, §7 (AFF). PL 1999, c. 614, §1 (AMD). PL 2001, c. 442, §4 (AMD). PL 2001, c. 545, §1 (AMD). PL 2001, c. 710, §7 (AMD). PL 2001, c. 710, §8 (AFF). PL 2003, c. 20, §002 (AMD). PL 2003, c. 20, §004 (AFF). PL 2007, c. 58, §3 (REV). PL 2007, c. 137, §25 (AMD). PL 2009, c. 236, §3 (AMD). PL 2009, c. 474, §§45-47 (AMD). PL 2017, c. 179, §16 (AMD). PL 2021, c. 548, §45 (REV).

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