

2001 Legislative Update

Legislation Enacted in the First Regular Session of the 120th Legislature

An Act Concerning Eligibility Requirements for State Employees, Teachers and Participating Local District Employees to Purchase Military Service Credit

PL 2001, Chapter 114 [LD 237]

Amending: 5 MRSA §§17760, 18360

Effective Date: September 21, 2001

Members Affected: State, Teacher and PLD

This bill provides a method by which a member may purchase military service credit that the member is otherwise ineligible to purchase. *(See related article on page 5 of the September 2001 issue of Retirement News.)*

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government...for Fiscal Years Ending June 30, 2001, June 30, 2002 and June 30, 2003

PL 2001, Chapter 358 [LD 300]

Effective Date: June 4, 2001

Members Affected: Some State Employees

This bill is the "Part A" state budget. Part F of this bill provides for a Voluntary Employee Incentive Program for State employees who apply to participate prior to July 1, 2003. *(See related article on page 4 of the September 2001 issue of Retirement News.)*

An Act to Amend the Laws of the Maine State Retirement System

PL 2001, Chapter 181 [LD 1754]

**Amending: 3 MRSA, §731, 5 MRSA, §§17001,
17102, 17107, 17655, 17851, 18254, 18258**

Effective Date: May 16, 2001

Members Affected: State, Teacher and PLD

This bill makes a number of changes to various provisions of current MSRS statutes. The changes of particular interest include: 1) the establishment of the Consumer Price Index for All Urban Consumers (CPI-U) as the basis for cost-of-living adjustments rather than the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) previously used; 2) the removal of the requirement that a member must serve in the armed forces during a federally recognized period of conflict in order to continue to earn MSRS creditable service when the military service occurs during the period of an individual's MSRS membership; and 3) the establishment of conditions under which all its liabilities have been satisfied such that a participating local district that has withdrawn from the MSRS may receive a refund of assets.

An Act to Allow County Corrections Personnel to Participate in the Same Retirement Plan as Other Corrections Personnel

PL 2001, Chapter 368 [LD 1276]

Amending: 5 MRSA §18453

Effective Date: June 8, 2001

Members Affected: Some PLD Employees

This bill amends the classification of employees that may be covered by specific participating local district special plans to include county corrections employees. *(See related article on page 4 of the September 2001 issue of Retirement News.)*

Legislation carried over to the second session of the 120th Legislature:

LD 1211 - An Act to Supplement Benefits for State Employees and Teachers whose Pensions are Subject to Reductions Enacted in 1993.

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**An Act to Improve Pension Benefits for
Employees in the Department of
Environmental Protection**

**PL 2001, Chapter 409 [LD 1566]
Amending: 5 MRSA §17851-A, 38 MRSA §551
Effective Date: January 1, 2002
Members Affected: Some State Employees**

This bill extends coverage of the 1998 Special Plan to specific employees in the Department of Environmental Protection. (See related article on page 3 of the September 2001 issue of *Retirement News*.)

**An Act to Expand Retirement Benefits for
State Employees and Teachers
Returning to Service**

**PL 2001, Chapter 442 [LD 1255]
Amending: 5 MRSA, §§17855, 17857, 20-A
MRSA, §12722
Effective Date: September 21, 2001
Members Affected: Service Retired State and
Teachers**

This bill repeals the restoration to service provision currently in effect for retired State and teacher members. (See related article on page 1 of the September 2001 issue of *Retirement News*.)

An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government...for Fiscal Years Ending June 30, 2002 and June 30, 2003

**PL 2001, Chapter 439 [LD 855]
Effective Date: September 21, 2001
Members Affected: Some State, Teachers
and Judges**

This is the "Part B" state budget. Included in this bill are provisions to: 1) increase the state share of the health insurance premium for retired teachers from 30% to 35% effective July 1, 2002; 2) increase the maximum service retirement benefit available to certain retiring judges to 70% of average final compensation (AFC); and 3) remove Inland Fisheries and Wildlife Officers and Marine Resource Officers from the 1998 Special Plan and place them in a special retirement plan that provides for retirement after 25 years of service in a covered capacity, regardless of the age at which the twenty-five years is reached. (See related article on page 3 of the September 2001 issue of *Retirement News*.)

An Act to Increase the Limit on Earnings for Beneficiaries of Disability Retirement Benefits

**PL 2001, Chapter 443 [LD 98] Amending: 5
MRSA, §§17906, 17930, 18506, 18530, P&SL
1995, C. 38 Effective Date: January 1, 2001
Members Affected: Disability Retired State,
Teachers and PLD**

This bill increases the amount that some disability retirees may earn without incurring a reduction in benefits. It also reverses any permanent reductions to disability retirement benefits for "section 1122" disability recipients based on earnings in calendar years 1999 and 2000 and suspends further implementation of this requirement until January 1, 2003. (See related article on page 1 of the September 2001 issue of *Retirement News*.)

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