



125th MAINE LEGISLATURE

LD 1657

LR 2448(01)

An Act To Amend the Laws Governing Health Insurance for Certain State Employees

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Martin, Jr. of Kennebec

Committee: Appropriations and Financial Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - All Funds

Fiscal Detail and Notes

Exempting certain appointed state employees from the requirement that a state employee who retires after January 1, 2012 but who has not reached his/her applicable normal retirement age must pay 100% of individual health insurance premiums until the age requirement is met will increase the cost to the State for health insurance premiums beginning in fiscal year 2011-12. According to information provided by the Department of Administrative and Financial Services and the Office of the Executive Director for the Maine State Legislature, of the approximately 722 appointed state employee positions within the executive, judicial and legislative branches, 93 would qualify under the provisions of this legislation at the present time. The maximum cost to the State if all 93 of these eligible employees were to retire prior to their normal retirement age is estimated to be \$849,183 per year, assuming annual premium costs of \$9,131 (retiree and spouse). The General Fund share of this cost is anticipated to be \$691,649 or approximately 80%. The actual cost to the State will depend on actual experience but is expected to be much lower.

This preliminary fiscal impact statement assumes that this provision would apply to all appointed "at will" positions, not just those that are appointed for a specified term. If the intent of this legislation is to exempt only those state employees who are appointed for a specific term, the number of eligible employees would be much lower. Currently no employees in the executive and judicial branches have been identified as appointed for a specified term and 7 employees in the legislative branch have been identified as appointed for a specified term.