



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1231

H.P. 922

House of Representatives, March 22, 2011

**An Act Regarding Calculation of Benefits under Special Plans under
the Maine Public Employees Retirement System**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative DAVIS of Sangerville.

Cosponsored by Representatives: BLACK of Wilton, BURNS of Whiting, CRAFTS of Lisbon, FREDETTE of Newport, KESCHL of Belgrade, SARTY of Denmark, TIMBERLAKE of Turner.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §17001, sub-§13, ¶C**, as repealed and replaced by PL 1999, c.
3 489, §2, is amended to read:

4 C. The following provisions govern limitations on earnable compensation.

5 (1) Notwithstanding the other provisions of this subsection, for the purposes of
6 determining average final compensation, "earnable compensation" does not
7 include any increase that exceeds the prior year's earnable compensation by more
8 than 5% or that results in a total increase of more than 10% during the 3-year
9 period used in the calculation of average final compensation, unless the cost of
10 the additional actuarial liability arising from the excess increase is paid by the
11 employer as provided in section 17154. Notwithstanding subparagraph (2), the
12 other provisions of this subsection and subsection 17, for a person whose service
13 retirement benefit is computed under subsections 4 to 16, beginning October 1,
14 2011, for the purposes of determining average final compensation, "earnable
15 compensation" does not include any increase that exceeds the prior year's
16 earnable compensation by more than 2% or that results in a total increase of more
17 than 6% during the 3-year period used in the calculation of average final
18 compensation, unless the cost of the additional actuarial liability arising from the
19 excess increase is paid by the employer as provided in section 17154. Any
20 payment made under paragraph B, subparagraph (1) must be included in
21 determining the amount of increase in the year in which the payment is made.
22 This subparagraph does not apply to excess increases resulting from
23 compensation paid prior to July 1, 1993, from compensation paid in accordance
24 with an individual employment contract executed prior to July 1, 1993 or a
25 collective bargaining agreement executed or ratified in its final form by final vote
26 of one party to the agreement prior to July 1, 1993 for the initial term of that
27 contract or agreement or from other action by the governing body of a school
28 administrative unit in effect on July 1, 1993. This subparagraph does not apply to
29 increases in compensation of state employees during fiscal year 1993-94 and
30 fiscal year 1994-95. In all circumstances in which this subparagraph does not
31 apply to earnable compensation of state employees and teachers, the provisions
32 of this subparagraph that were in effect prior to June 30, 1993 apply. This
33 subparagraph does not apply to earnable compensation of employees of
34 participating local districts.

35 (2) Effective October 1, 1999, the 5% limitation and the 10% limitation on
36 increases in earnable compensation set out in subparagraph (1) may not be
37 changed to a lower percentage for members who, on October 1, 1999 or
38 thereafter, meet the creditable service requirement for eligibility to receive a
39 service retirement benefit, at the applicable age if so required, under section
40 17851 or section 17851-A, subsection 2.

41 **Sec. 2. 5 MRSA §17852, sub-§18** is enacted to read:

