

§18408. Payment of benefits when a district disbands or dissolves

If the membership of the employees of a participating local district ceases under section 18255, the funds that have been established under the Participating Local District Retirement Program for that district must be used to provide benefits for members or beneficiaries at the date of the cessation of membership. [PL 2007, c. 491, §237 (AMD).]

1. Allocation. The amount of the funds that have been established under the Participating Local District Retirement Program for the district at the date of the cessation of membership must be allocated by the board in an equitable manner to provide benefits for the members or beneficiaries:

A. In accordance with this Part as in effect at the date of the cessation; and [PL 1985, c. 801, §§ 5, 7 (NEW).]

B. Based upon years of creditable service, average final compensation and accumulated contributions as of the date of the cessation, in the following order of priority:

(1) For the benefit of members to the extent of the then value of their accumulated contributions in the Members' Contribution Fund;

(2) If any funds remain after allocation under subparagraph (1), then for the benefit of beneficiaries then receiving payment of benefits after cessation of payments to those beneficiaries, in proportion to the then actuarial value of their respective benefits, but not to exceed the amount of those values;

(3) If any funds remain after allocation under subparagraph (2), then for the benefit of members with at least 10 years of creditable service who are not then receiving benefit payments, to the extent of the actuarial value of their retirement allowances not provided by their accumulated contributions, allocating the funds on the basis of the oldest ages first; and

(4) If any funds remain after allocation under subparagraph (3), then for the benefit of members in service with the district on the date of the cessation with less than 10 years of creditable service, who are not then receiving benefit payments, to the extent of the actuarial value of their retirement allowances not provided by their accumulated contributions, allocating the funds on the basis of the oldest ages first. [PL 1985, c. 801, §§ 5, 7 (NEW).]

[PL 2007, c. 491, §238 (AMD).]

2. Manner of payment. The allocation of the funds under subsection 1, as decided by the board, may be carried out through the continuance of the benefit payments or the funds may be distributed in one lump sum to the persons entitled to the benefits under subsection 1.

[PL 1985, c. 801, §§ 5, 7 (NEW).]

3. Right to benefits. A member may not be deprived of the member's right to any benefits under this section solely because the member later terminates employment with the participating local district before the member's service retirement date.

[RR 2023, c. 2, Pt. B, §142 (COR).]

SECTION HISTORY

PL 1985, c. 801, §§5,7 (NEW). PL 2007, c. 491, §§237, 238 (AMD). RR 2023, c. 2, Pt. B, §142 (COR).

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