

Date: September 14, 2018

To: Employers of the PLD Consolidated Plan

From: Stephanie D. Fecteau, PLD Plan Administrator

Re: Notice of approved changes to the rule that governs the PLD Consolidated Plan -
MainePERS Rule Chapter 803

I am following-up on our previous communications to you regarding changes to the rule governing the PLD Consolidated Plan. This memo describes the changes and the process used to adopt them.

On September 13, 2018, the MainePERS Board of Trustees approved a rule change that applies when a retiree from the Plan returns to work in a position covered by the Plan. In those situations, if the retiree continues to receive a retirement benefit, the employer must remit a payment to MainePERS equal to the greater of 5% or the aggregate unfunded actuarial liability rate (which currently is less than 5%). This requirement will take effect October 1, 2018, but will not apply to retirees who already have returned to work on that date until June 30, 2021.

An alternative option for the retiree to re-enter the Plan will not be available until July 1, 2019.

In addition to the retire-rehire changes, the Board of Trustees also adopted changes to the withdrawal liability and plan election provisions, both of which are clarifying changes not related to retirees returning to work.

Adoption of the changes followed a series of 11 informational meetings that were held across the state in June to provide additional information on the topic of retire-rehire. Most of the meetings were well attended and we believe well received.

This recent rule change includes modifications to those parts of the rule that were not adopted in the May, 2018 rule change. We resubmitted a proposed rule change to the Board of Trustees, and a public hearing was held on August 9, 2018. Public comments on the retire-rehire proposed changes were received at the hearing as well as in writing. The PLD Advisory Committee considered the comments and potential impacts of the proposed changes, and recommended that the Board adopt the proposed changes, with some modifications. The Board of Trustees considered the public comments as well as the Advisory Committee recommendations and voted to adopt the proposed changes as modified.

For more information about the adopted changes, please visit the homepage of our website at www.maineopers.org, where you will find a link to the complete rule as adopted by the Board of Trustees. If you prefer that we email you a copy of the adopted rule, please email your request to rulemaking@maineopers.org. We expect these changes to go into effect within the next few weeks, once the final regulatory review process is complete. We will provide notification and additional guidance to employers on the reporting of rehired retirees at that time.

Please share this notice with your employees as no other direct mailing of this rulemaking update will be sent out.