



Legislative Update

The following legislation pertaining to either the programs or the operations of the Retirement System was passed during the Second Regular Session of the 124th Legislature.

L.D. 1582 – IRS Determination Letter

This bill updates Maine law to comply with the Internal Revenue Code and maintain the qualified tax status of the programs administered by the System. The most substantive change in the bill is to membership rights for optional members. Specifically, the bill implements a one-time membership election whereby individuals have only one opportunity to select the retirement plan by which they will be covered. Members eligible to purchase service for periods of optional membership prior to August 1, 2010 retain their eligibility to make those purchases. The bill authorizes the Board of Trustees to adopt rules necessary to maintain the qualified tax status of the programs administered by the System.

This bill was signed by the Governor and enacted as PL 2009, c. 474. It will become effective July 12, 2010.

L.D. 1671 – State budget

This bill is the Supplemental State budget for fiscal years 2010 and 2011. It includes two sections that pertain to System members. First, it permits teachers who are subject to furlough days in FYs 2010 and 2011 to pay the employee contributions on the missed earnings in order to increase average final compensation at retirement. Second, it includes as earnable compensation lost earnings for judges for whom the FY11 salary cost-of-living adjustment has not been funded. This is consistent with how unfunded COLAs in FYs 2004 and 2005 are treated.

This bill was signed by the Governor and enacted as PL 2009, c. 571. It became effective May 17, 2010.

L.D. 1776 – Teacher Furlough Days

Although the title of this bill refers to teachers, it pertains to participating local district members. It gives the same treatment to PLD members as teachers were given in c. 571 (see L.D. 1671 above); specifically, those members who are subject to furlough days in FYs 2010 and 2011 can pay the employee contributions on the missed earnings in order to increase average final compensation at retirement.

This bill was signed by the Governor and enacted as PL 630. It became effective April 9, 2010.

L.D. 1595 – COST OF LIVING ADJUSTMENT (COLA)

This bill is a follow up to legislation passed in the First Regular Session that ensured that no reduction in benefits would occur if the CPI-U, the index on which cost-of-living adjustments are based, was negative, as it was in 2009. This follow up legislation further ensures no reduction in benefits if the CPI-U is negative for multiple years or if, in the year subsequent to a negative CPI-U year, it is not sufficient enough to offset the prior year. In this case, the offset will be spread over multiple years.

This bill was signed by the Governor and enacted as PL 2009, c. 473. It will become effective

July 12, 2010.

L.D. 1657 – MainePERS’ Life Insurance Policies

This bill changes how the System disburses group life insurance proceeds when there is no beneficiary designation (i.e., no beneficiary named or beneficiary predeceased participant). If there is no designated beneficiary or surviving spouse, the proceeds go to the appointed executor or personal representative for distribution according to a lawfully executed will. If the System is not notified of the appointment of an executor or personal representative within six months of the death of the member, or if there is no lawfully executed will, the proceeds will instead be paid according to the next listed in the law (i.e., children).

This bill was signed by the Governor and enacted as PL 2009, c. 515. It became effective

March 17, 2010.

L.D. 1558 – Accidental Death Benefits

This bill makes the spouse and/or dependent child(ren) of a firefighter potentially eligible for an accidental death benefit if the firefighter dies as a result of either cardiovascular injury or disease or pulmonary disease. If the death is within thirty days of fighting a fire or participating in training or a drill that involves fighting a fire, it is deemed to be work related. If the death is after thirty days but within six months of having participated in one of these events, there is a rebuttable presumption that the death is work related. The Board of Trustees is required to adopt a rule to administer this benefit. The rule governing the provisions of the Participating Local District Consolidated Plan must also be amended if this expanded benefit provision is to apply to members of that plan.

This bill was signed by the Governor and enacted as PL 2009, c. 513. It will become effective

July 12, 2010.

L.D. 1 – An act to stimulate capital investments in Maine businesses

This bill encourages investment in venture capital opportunities, which typically are start-up businesses needing capital in order to get started. The bill authorizes, but does not require, MainePERS to invest in these funds. Any investment opportunity that arises as a result of this bill would be analyzed under the Board's Investment Policy, as is the case with all investment opportunities.

This bill also makes certain information pertaining to investment activity confidential and not open to public inspection under the Freedom of Access laws.

This bill was signed by the Governor and enacted as PL 2009, c. 633. It will become effective July 12, 2010.

L.D. 1551 – Public Bodies Communication

This bill was introduced to further enhance constituent access to government. The bill was amended to a Resolve that directs the Right To Know Advisory Committee to further study the freedom of access laws and how those laws can address the use of communication technologies to ensure that decisions of public bodies are made in proceedings that are open and accessible to the public.

This Resolve was signed by the Governor and enacted as Resolve, c. 171. It will become effective July 12, 2010.

L.D. 1791 – Recordings of Public Proceedings

This bill was introduced to clarify what must be included in the recordings of public proceedings. This bill was amended to a Resolve that directs the Right To Know Advisory Committee to further study issues related to requiring public bodies to keep records of public proceedings. This study includes the form, content and maintenance of records.

This Resolve was signed by the Governor and enacted as Resolve, c. 186. It will become effective July 12, 2010.