

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND TWELVE

—
S.P. 550 - L.D. 1651

**An Act To Clarify Health Insurance Benefits for Disabled Participants in the
Maine Public Employees Retirement System**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, changes made during the First Regular Session of the 125th Legislature to cost-sharing provisions for the health insurance plan covering retired state employees require individuals who retire after January 1, 2012 and before normal retirement age to pay 100% of the group health plan premium; and

Whereas, these changes have created unanticipated consequences affecting individuals receiving disability retirement benefits who are automatically transferred to regular retirement benefits when those regular retirement benefits equal or exceed the disability retirement benefits; and

Whereas, individuals who are transferred from disability status to regular retirement status prior to normal retirement age may be required to pay the full cost of the health insurance plan; and

Whereas, such costs would be a significant burden for disabled retirees; and

Whereas, this situation must be remedied immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 5 MRSA §285, sub-§7, ¶L, as enacted by PL 2011, c. 380, Pt. V, §1 and affected by §7, is amended to read:

L. The provisions of paragraphs I and J do not apply to those individuals who are receiving or who have received retirement benefits under section 17907 or section 17929.

Sec. 2. 20-A MRSA §13451, sub-§3, as amended by PL 2011, c. 380, Pt. W, §3 and affected by §5, is further amended to read:

3. Payment by State. The State shall pay a percentage of the retired teacher members' share of this insurance according to the following schedule:

- A. Thirty percent until July 1, 2002;
- B. Thirty-five percent from July 1, 2002 to July 31, 2003;
- C. Forty percent from August 1, 2003 to December 31, 2005; and
- D. Forty-five percent after December 31, 2005.

Except for individuals who are receiving or who have received retirement benefits under Title 5, section 17907 or ~~17192~~ 17929, for a teacher who retires after July 1, 2012, the State shall begin paying the percentage of the retired teacher member's share pursuant to this subsection when the retiree reaches normal retirement age.

For the fiscal years ending June 30, 2012 and June 30, 2013, the State's total cost for retired teachers' health insurance premiums is capped at the fiscal year 2010-11 funding level.

Sec. 3. Retroactivity. This Act is retroactive to January 1, 2012.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

In House of Representatives, 2012

Read twice and passed to be enacted.

..... Speaker

In Senate, 2012

Read twice and passed to be enacted.

..... President

Approved 2012

..... Governor