

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

S.P. 276 - L.D. 711

An Act To Allow Certain Employees To Return to Participation 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, this legislation must take effect as soon as possible to allow certain employees sufficient time to make the election to return to the Maine Public Employees Retirement System, as permitted by this legislation; 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 §18252-A, sub-§1, ¶A, as amended by PL 2011, c. 449, §15, is further amended to read:

A. A person hired by a participating local district, or rehired following a break in service, after the date on which the employer provides a plan under section 18252-B must elect at the time of initial hiring or rehiring whether to be a member under the Participating Local District Retirement Program or to be covered under a plan provided by the employer under section 18252-B. Once an election is made under this paragraph, except as provided in paragraph E, the election is irrevocable with respect to all subsequent employment with the same employer when membership in the program is not mandatory.

Sec. 2. 5 MRSA §18252-A, sub-§1, ¶B, as amended by PL 2009, c. 474, §33, is further amended to read:

B. An employee of the participating local district who is a member under the Participating Local District Retirement Program on the date on which the employer provides a plan under section 18252-B may elect to remain a member under that program or to become covered under a plan provided by the employer under section 18252-B. A person must make an election within 90 days of the date on which the

employer provides a plan under section 18252-B. Once an election is made under this paragraph, except as provided in paragraph E, the election is irrevocable with respect to all subsequent employment with the same employer when membership in the program is not mandatory.

(1) If that person elects not to remain a member, the election is effective as of the first day of the month in which no contributions or pick-up contributions are made to the Participating Local District Retirement Program by that person. A person who elects not to remain a member may, at that person's discretion, withdraw accumulated contributions in accordance with section 18306-A.

Sec. 3. 5 MRSA §18252-A, sub-§1, ¶E is enacted to read:

E. An election under paragraph A or B to not be a member or not remain a member is not irrevocable if:

(1) The employee contribution rate for the plan provided by the employer under section 18252-B is not lower than the employee contribution rate for the applicable plan under the Participating Local District Retirement Program; and

(2) Employee contributions after joining or rejoining the Participating Local District Retirement Program qualify for treatment as pick-up contributions for federal tax purposes and the person's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.

Sec. 4. 5 MRSA §18254, sub-§1, as amended by PL 2009, c. 474, §35, is further amended to read:

1. Employee eligible to withdraw accumulated contributions. An employee of the district whose membership in the Participating Local District Retirement Program was compulsory under section 18251 must make an election to remain a member under that program or to withdraw accumulated contributions within 90 days of the effective date of the employer withdrawal from the program under section 18203, subsection 2. An employee who elects to withdraw accumulated contributions under this subsection may not be a member of the program as an employee of that district. Once an election is made under this subsection, the election is irrevocable with respect to all subsequent employment with the same employer when membership in the program is not mandatory if the employer later resumes participation in the program pursuant to section 18254-A: unless the employee is electing to rejoin the Participating Local District Retirement Program and:

A. The employee is covered by a plan provided by the employer under section 18252-B with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under the Participating Local District Retirement Program; and

B. Employee contributions after rejoining the Participating Local District Retirement Program qualify for treatment as pick-up contributions for federal tax purposes and the person's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.

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