

**§17701. Member contributions**

Each member shall contribute to the State Employee and Teacher Retirement Program or have pick-up contributions made at a rate of 6.5% of earnable compensation, except as otherwise provided in this Part. [PL 2007, c. 491, §100 (AMD).]

**1. Employer pick-up.** The contributions required to be made on behalf of a member under this section shall, after the effective date of this section, be picked up by the employer in lieu of contributions by the employee with a reduction of the member's salary consistent with section 17001, subsection 28-A.

[PL 1987, c. 739, §§14, 48 (NEW).]

**2. No employee option.** The employee may not choose to receive pick-up contribution amounts directly instead of having them paid by the employer to the State Employee and Teacher Retirement Program.

[PL 2007, c. 491, §101 (AMD).]

**2-A. Optional members.** If a person, whose membership in the State Employee and Teacher Retirement Program is optional under section 17652, elects a 5% salary increase in lieu of state payment of the retirement contribution, pursuant to Public Law 1981, chapter 453, and chooses to participate in the State Employee and Teacher Retirement Program, the State shall pick up the retirement contribution with a reduction of the member's salary consistent with section 17001, subsection 28-A.

[PL 2007, c. 491, §102 (AMD).]

**3. Treatment of pick-up contributions.** Pick-up contributions shall be treated as follows.

A. Pick-up contributions shall be treated as the employer's contribution in determining tax treatment under the United States Internal Revenue Code for federal tax purposes, pursuant to the United States Code, Title 26, Section 414(h)(2). [PL 1987, c. 739, §§14, 48 (NEW).]

B. For all other purposes, pick-up contributions shall be treated in the same manner and to the same extent as member contributions were treated before the effective date of this section. [PL 1987, c. 739, §§14, 48 (NEW).]

[PL 1987, c. 739, §§14, 48 (NEW).]

**4. Payment of contributions for back time; repayment of refunds; purchase of service credit.** Wherever under this chapter provision is made for payment of contributions for back time, repayment of refunds or purchase of service credit through annual direct payments, those payments may be made either by a single annual payment or by an increased rate of contribution through payroll deduction. For payments or repayments made by single annual payments, the board shall designate, by rule, a period of not less than 30 days during which annual direct payments or repayments may be made. Regardless of whether payment or repayment is made by a single annual payment or by payroll deduction, the payment or deduction must be sufficient to cover interest costs and effect some reduction in principal.

[PL 1999, c. 537, §1 (RPR); PL 1999, c. 537, §3 (AFF).]

**5. Earnable compensation for certain members.** The earnable compensation of a public school teacher or employee of the Maine Community College System who is on leave of absence for the purpose of serving as a Legislator is the total amount of earnable compensation upon which the teacher or employee makes member contributions as specified in and subject to the limitations of Title 3, section 801, subsection 1.

[PL 2001, c. 657, §3 (NEW); PL 2003, c. 20, Pt. OO, §2 (AMD); PL 2003, c. 20, Pt. OO, §4 (AFF).]

**SECTION HISTORY**

PL 1985, c. 801, §§5,7 (NEW). PL 1987, c. 739, §§14,48 (AMD). PL 1989, c. 710, §2 (AMD). PL 1999, c. 537, §1 (AMD). PL 1999, c. 537, §3 (AFF). PL 2001, c. 657, §3 (AMD). PL 2003, c. 20, §OO2 (AMD). PL 2003, c. 20, §OO4 (AFF). PL 2007, c. 58, §3 (REV). PL 2007, c. 491, §§100-102 (AMD).

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