



128th MAINE LEGISLATURE

LD 1396

LR 895(03)

An Act To Remove Certain Restrictions Imposed on Retired State Employees Who Return to Work as Educators

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - local school administrative units
Undetermined future biennium impact - State Employee and Teacher Program

Fiscal Detail and Notes

Under current law, school administrative units (SAU's) are not required to pay either the employer or employee contribution of the normal cost component of the State Employee and Teacher Retirement Program within the Maine Public Employees Retirement System for those retirees who have reached normal retirement age and who retired after September 1, 2011 and return to work as a classroom-based employee. This legislation adds school administrator positions and requires SAU's to pay both the employee and employer contributions for the classroom-based and school administrator positions filled by retired state employees and teachers even though no additional retirement benefits are being accrued by the returning employee. This provision will result in increased costs to SAU's versus what they would have been required to pay under current law. The impact to individual SAU's can not be estimated at this time.

The impact to the State Employee and Teacher Program within the Maine Public Employees Retirement System as a result of both employee and employer contributions being made towards the normal cost component of the plan while a retired state employee or teacher holds the position as a classroom-based employee or school administrator will be positive and will help offset any potential long-term negative impact to the program that may occur when members retire and begin receiving benefit payments earlier than actuarially anticipated.