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## **An Act To Allow Certain Retirees in the Maine Public Employees Retirement System To Return to Service with the State for 180 Days Annually**

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

**Sec. 1. 5 MRSA c. 421, sub-c. 6** is enacted to read:

### **SUBCHAPTER 6**

### **RETURN TO SERVICE AFTER RETIREMENT**

#### **§ 17501. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Normal retirement age.** "Normal retirement age" means the age, years of service or combination of age and years of service at which a member is eligible for service retirement benefits that are not subject to reduction.

**2. MePERS employer.** "MePERS employer" means the State, a school administrative unit or a participating local district whether or not that participating local district is in the consolidated plan under chapter 427 for participating local districts.

**3. Return to service after retirement with the same MePERS employer.** "Return to service after retirement with the same MePERS employer" means:

A. In all cases, employment after retirement with the MePERS employer for whom a member last worked prior to retiring;

B. In the case of a retired State employee or retired teacher, employment after retirement as either a State employee or a teacher with a MePERS employer other than the MePERS employer for whom the member last worked prior to retiring; and

C. In the case of a participating local district employee who retires from a participating local district in the consolidated plan under chapter 427 at the time of the member's retirement, employment with any participating local district that is in the consolidated plan at the time the member returns to employment.

#### **§ 17502. Conditions**

A member who has not reached normal retirement age at retirement who returns to service after retirement with the same MePERS employer must meet the following requirements.

**1. Bona fide termination of employment.** There must be a bona fide termination of employment by the member prior to returning to service after retirement with the same MePERS employer. A bona fide termination of employment requires the following:

A. At retirement, the member must certify to the retirement system that the member did not have any discussion or negotiation prior to the member's termination that resulted in an explicit or implicit arrangement or expectation of future employment after retirement with the same MePERS employer;

B. The member must not return to service after retirement with the same MePERS employer before the effective date of the member's retirement; and

C. The member must not return to service after retirement with the same MePERS employer for at least 30 calendar days after the last day of work with the MePERS employer.

**2. Time limitation.** A member who returns to service after retirement with the same MePERS employer may be employed by that MePERS employer for no more than 180 days in each calendar year.

## SUMMARY

Current Maine Public Employees Retirement System rules address the circumstance of a State employee or a teacher who retires prior to normal retirement age but who then returns to service with same employer for whom the employee or teacher last worked prior to retiring. The rules are based on the interpretation of federal Internal Revenue Service regulations.

This bill codifies some of those rules, including the requirement that there be a bona fide termination of at least 30 days, and allows a retiree to return to service after retirement with the same employer for a maximum of 180 days each year, instead of the current limit of 60 days specified in Maine Public Employees Retirement System rules.