§1519. Retiree Health Insurance Internal Service Fund

1. Established. The Retiree Health Insurance Internal Service Fund is established within the Department of Administrative and Financial Services to accumulate funds to pay the health insurance premiums for retired state employees and teachers.
[PL 1999, c. 731, Pt. DD, §1 (NEW); PL 1999, c. 731, Pt. DD, §2 (AFF).]

1-A. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Board" means the Board of Trustees, Maine Public Employees Retirement System established under section 12004-F, subsection 9. [PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF); PL 2007, c. 58, §3 (REV).]

B. "Commissioner" means the Commissioner of Administrative and Financial Services. [PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF).]

C. "Fund" means the Retiree Health Insurance Internal Service Fund. [PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF).]
[PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF); PL 2007, c. 58, §3 (REV).]

2. Funding.
[PL 2003, c. 451, Pt. X, §7 (RP).]

3. Investment of the fund. The board shall invest the cash assets of the fund that are not required to pay insurance premiums and other operating expenses at the request of the commissioner in the same manner and according to the same investment policy and practices by which the board invests the assets of the Maine Public Employees Retirement System. The board shall treat the fund as held in trust on behalf of the State for the purposes specified in this section and no other and shall separately account for the fund as investment assets, attributing to the fund its proportional share of investment returns and of investment management costs and expenses, including costs and expenses of the retirement system arising because of the board's investment of the fund. The commissioner and the board shall develop jointly a memorandum of understanding that sets out their mutual understanding of the investment of the fund, the related investment accounting and investment return and expense attribution.
[PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF); PL 2007, c. 58, §3 (REV).]

4. Audit of the fund. The commissioner shall ensure adequate audit of the investment management of the fund and the expenditures of the fund each fiscal year within the scope of the annual audit of the Maine Public Employees Retirement System and the State's single audit or through a separate audit as considered appropriate by the board. Any separate audit must be reported to the Governor, the Legislature, the commissioner and the State Controller in as timely a manner as possible after the close of each fiscal year.
[PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF); PL 2007, c. 58, §3 (REV).]

5. Use of the fund. Notwithstanding subsection 1, the fund may be used for necessary audit services, legal expenses, investment management fees and services, general administrative expenses, costs related to the management and administration of the fund and health insurance premium costs.
[PL 2001, c. 439, Pt. C, §1 (NEW); PL 2001, c. 439, Pt. C, §4 (AFF).]

6. Additional transfers to the fund. The State Controller may, at the close of each fiscal year, as the next priority after the transfers authorized pursuant to section 1507, section 1511 and section 1536, subsection 1, transfer from the unappropriated surplus of the General Fund to the Retiree Health Insurance Internal Service Fund amounts as may be available from time to time, up to an amount of $4,000,000 in fiscal year 2015-16, $4,000,000 in fiscal year 2016-17 and, beginning in fiscal year 2017-18, $2,000,000 to be used solely for the purpose of amortizing the unfunded liability for retiree health benefits. Transfers to the fund may also include appropriations and allocations of the Legislature and

revenue from direct billing rates charged to state departments and agencies and other participating jurisdictions to be used solely for the purpose of amortizing the unfunded liability for retiree health benefits.

[PL 2015, c. 267, Pt. L, §1 (NEW).]

SECTION HISTORY

PL 1999, c. 731, §DD1 (NEW). PL 1999, c. 731, §DD2 (AFF). PL 2001, c. 439, §C1 (AMD). PL 2001, c. 439, §C4 (AFF). PL 2003, c. 451, §X7 (AMD). PL 2007, c. 58, §3 (REV). PL 2015, c. 267, Pt. L, §1 (AMD).

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