**§17858-B. Retirement; creditable service**

**1. Retirement incentive.**  Any state employee, as defined in section 17001, subsection 40, except employees of the Maine Community College System, who, by April 1, 1996, has reached normal retirement age and has 10 or more years of creditable service and who gives notice to the Maine Public Employees Retirement System no later than February 1, 1996 and who retires effective no later than April 1, 1996 is entitled to receive, at the employee's option, either 3 months' base salary paid as a lump sum to be paid on July 1, 1996 or the equivalent amount in monthly cash payments toward retiree dependent medical insurance equal to the current percentage contribution rate for dependent coverage for state employees.

Payment of the retirement incentive under this subsection must be made by the employing agencies and may not be made from the funds of the Maine Public Employees Retirement System.

Payment of the retirement incentive under this subsection may not be used in the calculation of the employee's average final compensation or creditable service.

[PL 1995, c. 502, Pt. R, §1 (NEW); PL 2003, c. 20, Pt. OO, §2 (AMD); PL 2003, c. 20, Pt. OO, §4 (AFF); PL 2007, c. 58, §3 (REV).]

**2. Vacant position.**  The department or agency from which any state employee retires under subsection 1 either may not fill the resulting vacant position or, if that position is filled, shall maintain a vacant position elsewhere within the department or agency until the State's costs associated with the retirement have been recovered. Alternatively, the Governor may recover these costs by maintaining an offsetting vacancy in another department or agency or by utilizing other salary savings.

[PL 1995, c. 502, Pt. R, §1 (NEW).]

**3. Payment of fixed costs.**  With respect to each employee who retires under subsection 1, the State shall pay the amount of the State Employee and Teacher Retirement Program's unfunded liability payment, the Maine Public Employees Retirement System's administrative cost payment and the retiree health care payment associated with the employee.

[PL 2007, c. 491, §173 (AMD).]

**4. Policies and procedures.**  The Chief Executive Officer of the Maine Public Employees Retirement System shall establish policies and procedures for the implementation of this section, including notice and payment requirements, that ensure that no unfunded liability results to the State Employee and Teacher Retirement Program.

[PL 2007, c. 491, §174 (AMD); PL 2021, c. 548, §45 (REV).]

SECTION HISTORY

PL 1995, c. 502, §R1 (NEW). PL 2003, c. 20, §OO2 (AMD). PL 2003, c. 20, §OO4 (AFF). PL 2007, c. 58, §3 (REV). PL 2007, c. 491, §§173, 174 (AMD). PL 2021, c. 548, §45 (REV).

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