

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

Bureau of Human Resources

June 26, 1992

HUMAN RESOURCES MEMORANDUM 18-92

TO: Personnel managers, Administrative Services Directors

SUBJECT: New Retirement Form for Employee Self-Declaration
for Contribution Rate (Form # MM-9-03-1205)

The Maine State Retirement System has developed a new form that must be completed by all employees upon initial hire or upon reemployment.

Purpose of the Form

State law requires all employees who are hired after July 1, 1992 to contribute an additional 1% to retirement, unless one of the following conditions apply:

* The employee has been continuously employed in a position that requires membership in the State Retirement System and the employee has been an actively contributing member of the retirement system, or

* While employed and a member of the retirement system, the employee has been laid off, and is returning to employment while on layoff status.

This form allows new employees to self-declare either of the above conditions, subject to verification, that allows the employee to pay the lesser contribution rate.

Ordering the Form

This is a multipart carbonless form that must be obtained directly from the Retirement System. Forms may be ordered by contacting:

Rita Gilpatrick
Maine State Retirement System
State House Station # 46
Telephone 287-3461

Eligible Employment

All State employees and teachers in all Maine public school administrative units are members of the Maine State Retirement System and employment in either or both

capacities qualifies for the lower rate, provided that there has been no break in service between jobs in the event that employees change employers.

Employees who have been laid off from such employment and are subsequently employed while on layoff status are also eligible for the lower rate.

NOTE: Some appointive officials in State Government may decline membership in the Retirement System. If membership was declined, this employment does not qualify the employee for the lower contribution rate.

Qualifying Conditions

In order to qualify for the lower contribution rate when changing employers, there must not be a break in service.

A break in service occurs when the employee resigns from one position and does not start work in the new position on the next work day.

The following examples constitute continuous employment:

* An employee who resigns from one position at the end of the work week for that employer and begins work on the next work day for the new employer has not had a break in service. Idle time over weekends, holiday periods, or days when Government is shut down do not constitute a break in service.

* A teacher who ends a contract with a school at the end of an academic year and begins employment with another school at the beginning of the next academic year has not had a break in service.

* A teacher who becomes a State employee on the next work day after the end of his/her contract with a school has not had a break in service.

* A State employee who leaves State service and becomes a teacher with a contract beginning on the next work day after his/her last work day with the State has not had a break in service.

Conditions that are Not Qualifying for the Lower Rate

* All new hires with no prior membership in the Maine State Retirement System must contribute the higher rate.

* Municipal or county work experience is not qualifying. This is because these employees are covered by different retirement plans and are not "state employees" under the Retirement law.

* Previous employees who are reemployed, but have experienced a break in service and are not on layoff status when reemployed are not eligible for the lower rate.

* A teacher who ends a contract with a school and becomes a State employee but does not begin work on the next work day immediately after the end of that contract has had a break in service.

* A State employee who becomes a teacher but whose teaching contract does not begin on the next work day immediately after the last work day with the State has had a break in service.

Instructions for Completing the Form

This form contains three sections (see attached example).

Section 1: Employee Not Eligible for Lesser Rate

The first section of the form explains the provisions of the law to the employee and provides the employee with a place to sign a statement that he/she must pay the additional 1%. If the employee signs this section, simply provide the employee with the last copy of the form, keep the yellow copy for your file, and submit the white copy to this Bureau with other paperwork supporting the employment action.

Section 2: Declaration for Eligibility for Lower Rate

This section is completed by the employee if the employee believes that he/she is eligible for the lower rate.

The employee must check one of the blocks in this section, sign where indicated, and indicate dates of employment in the last portion of this section.

Section 3 must be completed by both the previous and current employer whenever the employee completes Section 2. It is the employee's responsibility to get Section 3 completed by both employers prior to submitting this form to this Bureau.

Section 3: Employer Verification

Instruct the employee to have previous employment verified by the employee's former employer. Once the employee has obtained this verification, the employee should return the form to your office.

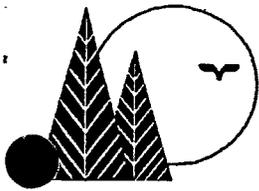
Complete the verification section for "current employer", provide the employee with the employee's copy, keep the "current employer" copy for your records, and submit the form to the Bureau. We will microfiche the form on the employee's record and inform Accounts and Control Payroll to set the employee's plan, option and premium accordingly. We will send the white copy to the Retirement System for their records.

Questions about Eligibility for the Lower Rate

Please direct any questions concerning eligibility for the lower contribution rate to this Bureau. We will discuss various conditions with the Maine State Retirement System and provide follow-up guidance to all State agencies as necessary.



Nancy J. Kenniston, Director
BUREAU OF HUMAN RESOURCES



STATE EMPLOYEE AND TEACHER MEMBER DECLARATION FOR CONTRIBUTION RATE

This form is for those State employees and teachers (i.e., teachers for MSRS membership purposes) who are either new hires, recalls from layoff status or those being re-employed. Legislation passed in April 1992 (PL 1991, c. 780) mandates that State employees and teachers (i.e., teachers for MSRS membership purposes) to be covered by the MSRS who are hired after July 1, 1992, contribute to the Retirement System at a rate 1% greater than the rate paid by employees hired before July 2, 1992. Those individuals who believe they have had no break in service that results in their being "new hires" should use this form to declare that they should not be subject to the additional 1% contribution. These people need to complete the lower part of this form. Others should sign under the first statement below to indicate they are not eligible for the lower contribution rate.

My signature below indicates that I must pay the additional 1% contribution.

Employee Signature	Date
Printed or Typed Employee Name	Social Security Number

My signature below indicates that I am eligible for the old contribution rate, i. e., I do not have to pay an additional 1% of my earnable compensation. I believe I am eligible because (check one):

- (1) I have been re-employed or recalled while on layoff. I was in the position of _____ within the _____ Bureau/Division/School of the _____ Department/Agency/School Unit .
- (2) I am a teacher member who is becoming a State employee and there is no break in service between leaving my teacher member position and starting my new State job.
- (3) I am a State employee who is becoming a teacher member, and there is no break in service between leaving my State position and starting my new teacher member job.
- (4) Other (please provide reason). _____

Employee Signature	Date
Printed or Typed Employee Name	Social Security Number

TO THE EMPLOYEE: The reason you have given for your being eligible for the old contribution rate determines by whom you will need to get your statement certified. If you are returning to work for the State or returning to work for the same school unit, you need to have only your current employer certify below that your statement is true. If you are changing employers (i.e., from the State to a school, a school to the State, or one school unit to another), you need to have both your current employer and your former employer certify below that your statement is true. So that your employer(s) can verify your statement, please indicate here your last day at your former job _____ and your first day at your current job _____.

I certify that the above information is true. I recognize that any misrepresentation or omission may result in problems handling this employee's benefits, including the distributions of those benefits to the employee when the employee retires, and may be subject to the MSRS statutes regarding fraud, violation of law, and misrepresentation (5 MRSA Section 17105 (1) (D); 17154 (9)).

Signature of Certifying Official for <u>Current</u> Employer	Date	Employer Code
Printed or Typed Name of Certifying Official	Title of Certifying Official	

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Signature of Certifying Official for <u>Former</u> Employer	Date	Employer Code
Printed or Typed Name of Certifying Official	Title of Certifying Official	