

Town of Windham

OFFICE OF THE TOWN MANAGER
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To: Town Council
Thru: Robert Burns
From: Phyllis Moss *P. Moss*
Date: September 16, 2025
Re: Limited Period MainePERS Open Enrollment

Currently full-time employees are given the opportunity to become a member of MainePERS at hire. This one-time election must be done within the first 30 days on the job, and it is an irrevocable election. If an employee declines to become a member, under our current agreement with MainePERS, they will not be given another opportunity with the Town of Windham or any other employer.

We recently learned of an open enrollment option for employees with less than five (5) years of service that previously declined to become a member. This would require an open enrollment period (September 1 – November 1) each year to provide this opportunity as follows:

- Only employees with five or less years of employment as of the start of the open enrollment period on September 1st each year will have the opportunity to join.
- Employees that elect to join MainePERS at any point during this open enrollment period, must always participate with MainePERS whenever employed by the Town now or in the future. They cannot stop contributing to MainePERS while employed by the Town for any reason.
- Employees who elect to join under this provision cannot purchase credit with MainePERS for the previous period for which they declined to participate. This means that any employee who joins MainePERS will have prospective membership only.
- The retirement contributions of employees who elect to join under this provision will be subject to federal income tax. Their retirement contributions will not reduce their federally taxable income while they are working but will reduce the amount of their retirement benefit that is subject to federal income tax when they retire. (This is different than it is for employees who elect to join MainePERS when first hired/eligible.)

I respectfully request that the Town Council vote to adopt this open enrollment provision as provided in 5 M.R.S. § 18252-C and to authorize the Town Manager to sign the Amended Agreement between the Town of Windham and the Maine Public Employees Retirement System at its September 23, 2025 Council meeting.