



# 127th MAINE LEGISLATURE

LD 927

LR 877(01)

**An Act To Remove the Age Penalty for State Retirees Working at Institutions That Are Closing**

**Preliminary Fiscal Impact Statement for Original Bill**

**Sponsor: Rep. Alley, Sr. of Beals**

**Committee: Appropriations and Financial Affairs**

**Fiscal Note Required: Yes**

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## Preliminary Fiscal Impact Statement

Current biennium cost increase - General Fund

Potential future biennium cost increase - All funds

### Fiscal Detail and Notes

Allowing certain members of the Maine Public Employees Retirement System (MainePERS) to retire before their normal retirement age without having the 6% per year reduction applied to their retirement benefit will result in an increase in the unfunded actuarial liability which would require a one-time General Fund appropriation to MainePERS before this provision could become effective. Pursuant to the Constitution of Maine, Article IX, Section 18-A, unfunded liabilities may not be created except those that result from experience losses. This provision may also increase the normal cost component of the employer retirement rate and may result in additional ongoing retirement costs to state agencies in future biennia.

Upon direction of the committee prior to a vote, or upon a favorable vote by the committee, MainePERS will engage the services of its actuary in order to quantify the costs associated with this bill.