

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-SIX

—
H.P. 650 - L.D. 1003

An Act Establishing the Retirement Improvement Fund

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA c. 421, sub-c. 4, art. 10 is enacted to read:

ARTICLE 10

RETIREMENT IMPROVEMENT FUND

§17446. Retirement Improvement Fund

1. Establishment of fund. The Retirement Improvement Fund, referred to in this section as "the fund," is established within and administered by the retirement system as an interest-bearing, nonlapsing fund for the payment of retirement benefit improvements.

2. Content of fund. The fund consists of all money transferred to the fund under this section and other money made available to the fund, which may include but is not limited to legislative appropriations from the General Fund or any other fund, the unappropriated surplus of the General Fund or any other source or fund identified or established through law.

3. Use of fund. Money in the fund must be used to pay for retirement benefit improvements. Whenever the fund has sufficient capital to pay for an increase in the amount of at least \$1,000 on the benefit base on which the annual cost-of-living adjustment is applied pursuant to section 17806, subsection 1, paragraph A, for all beneficiaries in the retirement system, that increase must be applied but only until the benefit base reaches \$40,000.

4. Reporting. By March 1, 2029 and annually thereafter, the retirement system shall submit a report regarding implementation of this section to the joint standing committee of the Legislature having jurisdiction over retirement matters that includes the following information for that fiscal year and the prior 3 fiscal years:

A. The amount of money transferred to the fund pursuant to subsection 2;

B. The total increases made to the benefit base on which the annual cost-of-living adjustment must be applied in accordance with subsection 3;

C. The amount of any payment made or required to be made toward any remaining obligation for the unfunded actuarial liability; and

D. The balance in the fund.

Sec. 2. Legislative intent. It is the intention of the Legislature through this Act to provide for a sufficient retirement by increasing the cost-of-living adjustment for retired state employees, teachers and their beneficiaries, to the greatest extent possible within existing state resources, including the future use of current state appropriations dedicated to the payment of the unfunded actuarial liability when those funds are no longer needed for payment of the existing liability.

Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Retirement Improvement Fund N521

Initiative: Provides base allocations to authorize the expenditure of funds to pay for retirement benefit improvements for retired state employees and teachers and their beneficiaries.

OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
All Other	\$0	\$500
OTHER SPECIAL REVENUE FUNDS TOTAL	<hr/> \$0	<hr/> \$500