An Act to Eliminate the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-living Adjustment Is Made

Reference to the Committee on Labor and Housing suggested and ordered printed.

Presented by Representative DODGE of Belfast.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §17806, sub-§1, ¶A, as amended by PL 2021, c. 635, Pt. NN, §1, is further amended to read:

A. Except as provided in paragraphs A-1, A-2 and A-3, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 3%. Effective July 1, 2011, the increase applies to that portion of the retirement benefit up to $20,000, which amount must be indexed in subsequent years by the same percentage adjustments granted under this section. Effective July 1, 2022, the increase applies to that portion of the retirement benefit up to $24,186.25, which amount must be indexed in subsequent years by the same percentage adjustments granted under this section.

SUMMARY

This bill provides that cost-of-living increases for retired state employees and teachers and their beneficiaries apply to a retiree's entire retirement benefit instead of only to the first $24,186.25 of the retirement benefit.