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An Act To Increase the Portion of Retirement Benefits to Which the Cost-of-living Adjustment Applies

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 2015, c. 334, §1, is further amended to read:

A. Except as provided in paragraphs A-1 and A-2, 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 to June 30, 2020, 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 paragraph and paragraph A-2. Effective July 1, 2020, the increase applies to that portion of the retirement benefit up to \$30,000, which amount must be indexed in subsequent years by the same percentage adjustments granted under this paragraph and paragraph A-2.

SUMMARY

This bill increases the portion of retirement benefits of retired state employees, teachers and beneficiaries of either to which the cost-of-living adjustment applies from \$20,000 to \$30,000 effective July 1, 2020.