

**132nd MAINE LEGISLATURE****LD 111****LR 176(02)****An Act to Increase the State's Share of Retired Teacher Health Insurance****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Labor****Fiscal Note Required: Yes**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$3,032,120	\$3,116,753	\$3,204,959	\$3,296,916
Appropriations/Allocations				
General Fund	\$3,032,120	\$3,116,753	\$3,204,959	\$3,296,916

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$3,032,120 in fiscal year 2025-26 and \$3,116,753 in fiscal year 2026-27 to the Retired Teachers' Health Insurance program within the Department of Education for the costs associated with increasing the State's contribution to the retired teachers' cost of health insurance premiums from 60% to 65% beginning in fiscal year 2025-26. The estimated cost of this bill assumes an average increase in premiums of 5.3% per year for all plans other than the Maine Education Association Benefit Trust's (MEABT) Medicare Advantage plan. For that plan, the estimated cost assumes that enrollment in the plan will grow at an annual rate of 1.2% per year and that the premium rate will hold at its current level of \$356.17 per month through fiscal year 2028-29. The total cost of this provision over time will depend on actual health premium cost inflation and the number of retired teachers in the future.