

**132nd MAINE LEGISLATURE****LD 467****LR 851(01)****An Act to Require the State to Pay Medicare Part B Premiums for Certain Retired State Employees****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Sen. Hickman of Kennebec****Committee: Labor****Fiscal Note Required: Yes**

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**Preliminary Fiscal Impact Statement**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$1,524,652	\$1,524,652	\$1,524,652
Highway Fund	\$0	\$530,314	\$530,314	\$530,314
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$1,524,652	\$1,524,652	\$1,524,652
Highway Fund	\$0	\$530,314	\$530,314	\$530,314

**Fiscal Detail and Notes**

The State Employee Health Plan's first impacted plan year will be fiscal year 2026-27 and is estimated to cost \$3,314,460 annually thereafter. The costs are split across the General Fund (\$1,524,652), Highway Fund (\$530,314) and all other funds (\$1,259,495). The State Employee Health Plan will require ongoing General Fund appropriations of \$1,524,652 and ongoing Highway Fund allocations of \$530,314 beginning in fiscal year 2026-27 to provide 100% coverage of certain retired state employees' shares of Medicare Part B premiums for retirees not eligible for benefits under the United States Social Security Act whose base annual pension benefit is projected to be less than or equal to the maximum amount of the retirement benefits that is subject to the cost-of-living adjustment effective January 1, 2026.