

**132nd MAINE LEGISLATURE****LD 1021****LR 1355(02)****An Act to Remove Certain Cost-of-living Adjustment Restrictions for Retired Members of the Law Enforcement Bargaining Unit Who Are 65 Years of Age or Older****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Labor****Fiscal Note Required: Yes**

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**Fiscal Note**

	<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	\$28,900,000	\$0	\$0	\$0
<b>Appropriations/Allocations</b>				
General Fund	\$28,900,000	\$0	\$0	\$0

**Fiscal Detail and Notes**

This legislation provides that cost-of-living increases be applied to a retiree's full benefit amount once the retiree reaches 65 years of age if that person retired from a law enforcement officer position or a probation or parole officer position. According to the Maine Public Employees Retirement System, this provision will create an unfunded actuarial liability (UAL) totaling \$28,900,000 that, pursuant to the Maine Constitution, will have to be funded immediately. This bill includes a one-time General Fund appropriation for that amount to the Retirement Allowance Fund in fiscal year 2025-26 to fund the UAL cost.

This provision will also increase the normal cost component of the employer retirement rate beginning in the 2028-2029 biennium (future costs). The increase in the employer contribution rate for the "1998 Special Plan" is estimated to be 0.09%; the "25 and Out" plan is expected to increase 0.62% and the "Fire Marshalls" plan is anticipated to increase 0.40%.