

**132nd MAINE LEGISLATURE****LD 1611****LR 1215(02)****An Act to Decrease the Retirement Contributions Required for Teachers and State Employees****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	\$0	\$0	\$5,510,000	\$11,200,000
Appropriations/Allocations				
General Fund	\$0	\$0	\$5,510,000	\$11,200,000

Fiscal Detail and Notes

Under current law, the contribution rate paid by state employees and teachers who participate in the regular State Employee and Teacher Retirement Plan toward their retirement benefit is set at 7.65 % of earnable compensation. This bill gradually reduces this rate from 7.65% in fiscal year 2026-27 to 6.2% beginning in fiscal year 2032-33. However, because the total cost of the benefits are shared by the employee and the employer, the employer contribution must increase by the same rate as the employee contribution rate decreases. The cost to the General Fund, for both the state employee and teacher share, is estimated to be \$5.51 million in fiscal year 2027-28 and \$11.2 million in fiscal year 2028-29. By fiscal year 2032-33, the employer contribution is estimated to increase by \$36.3 million.