

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND FOURTEEN

—
S.P. 68 - L.D. 232

An Act To Increase the Base for the Cost-of-living Increase for Retired State Employees and Teachers

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is imperative that this legislation take effect prior to the close of fiscal year 2013-14 in order to reserve sufficient funds from the General Fund unappropriated surplus at the end of fiscal year 2013-14 to pay for the one-time, noncumulative cost-of-living adjustment payable in calendar year 2014; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. PL 2011, c. 380, Pt. T, §22 is amended to read:

Sec. T-22. Noncumulative cost-of-living adjustment retirement benefit. No later than August 15th in 2012, 2013 and 2014, the Executive Director of the Maine Public Employees Retirement System shall notify the State Controller of the total cost of providing a payment to retirees that would otherwise have been eligible for a cost-of-living adjustment but for the operation of the suspension of the annual cost-of-living adjustments pursuant to the provisions of this Part. The benefit calculation for the noncumulative cost-of-living adjustments payable in 2012 and 2013 is equal to the change in the Consumer Price Index for the year ending in June of the prior calendar year, up to a maximum of 3%, but in no case may the change be less than 0%, multiplied by the retirement benefit payments up to a maximum of \$20,000 for the one-year period ending August 31st of that calendar year, excluding any retirement benefits calculated pursuant to this section. The benefit calculation for the noncumulative cost-of-living adjustment payable in 2014 is equal to the change in the Consumer Price Index for the year ending in June 2013, up to a maximum of 3%, but in no case may the change be less

than 0%, multiplied by the retirement benefit payments up to a maximum of \$30,000 for the one-year period ending August 31, 2014, excluding any retirement benefits calculated pursuant to this section. The State Controller shall transfer the amounts calculated pursuant to this section up to the balance available in the reserve for retirement benefits established in the Maine Revised Statutes, Title 5, section 1522 no later than September 1st of each year. If the balance in the reserve for retirement benefits on that date is not sufficient to fully fund the total benefits calculated, the State Controller shall transfer the amount that is available in the reserve to the Maine Public Employees Retirement System and the executive director shall proportionally reduce the benefit calculated by this section to equal the amount of funding provided.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.