

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

Date:

(Filing No. H-)

LABOR AND HOUSING

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 45, L.D. 70, “An Act to Eliminate the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-living Adjustment Is Made”

Amend the bill by striking out the title and substituting the following:

'An Act to Raise the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-living Adjustment Is Made'

Amend the bill by inserting after the title and before the enacting clause the following:

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

Whereas, this legislation needs to take effect before the expiration of the 90-day period in order to provide an increase in the cost-of-living adjustment for retired state employees and teachers at the beginning of the next fiscal year; 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,'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 5 MRSA §17806, sub-§1, ¶A, as amended by PL 2021, c. 635, Pt. NN, §1, is further amended to read:

A. Except as provided in paragraphs A-1, A-2 and A-3, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 3%. Effective July 1, 2011, the increase applies to that portion of the retirement benefit up to \$20,000, which amount must be indexed in subsequent years by the same percentage adjustments granted under

COMMITTEE AMENDMENT

1 this section. Effective July 1, 2022, the increase applies to that portion of the retirement
 2 benefit up to \$24,186.25, which amount must be indexed in subsequent years by the
 3 same percentage adjustments granted under this section. Effective July 1, 2023, the
 4 increase applies to that portion of the retirement benefit up to \$40,000, which amount
 5 must be indexed in subsequent years by the same percentage adjustments granted under
 6 this section.

7 **Sec. 2. Appropriations and allocations.** The following appropriations and
 8 allocations are made.

9 **EDUCATION, DEPARTMENT OF**

10 **Teacher Retirement 0170**

11 Initiative: Provides one-time funds to pay the unfunded actuarial liability created by
 12 requiring that, effective July 1, 2023, cost-of-living increases be applied to the first \$40,000
 13 of a retired teacher's retirement benefit instead of the first \$24,186.25 of the retirement
 14 benefit.

15	GENERAL FUND	2023-24	2024-25
16	All Other	\$518,348,543	\$0
17			
18	GENERAL FUND TOTAL	\$518,348,543	\$0

19
 20 **EDUCATION, DEPARTMENT OF**
 21 **DEPARTMENT TOTALS**

22		2023-24	2024-25
23	GENERAL FUND	\$518,348,543	\$0
24			
25	DEPARTMENT TOTAL - ALL FUNDS	\$518,348,543	\$0

26 **RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES**

27 **Retirement System - Retirement Allowance Fund 0085**

28 Initiative: Provides one-time funds to pay the unfunded actuarial liability created by
 29 requiring that, effective July 1, 2023, cost-of-living increases be applied to the first \$40,000
 30 of retired state employees', judges' and Legislators' retirement benefit instead of the first
 31 \$24,186.25 of the retirement benefit.

32	GENERAL FUND	2023-24	2024-25
33	All Other	\$226,642,562	\$0
34			
35	GENERAL FUND TOTAL	\$226,642,562	\$0

36
 37 **RETIREMENT SYSTEM, MAINE PUBLIC**
 38 **EMPLOYEES**
 39 **DEPARTMENT TOTALS**

40		2023-24	2024-25
41	GENERAL FUND	\$226,642,562	\$0
42			

1	DEPARTMENT TOTAL - ALL FUNDS	\$226,642,562	\$0
2			
3	SECTION TOTALS	2023-24	2024-25
4			
5	GENERAL FUND	\$744,991,105	\$0
6			
7	SECTION TOTAL - ALL FUNDS	\$744,991,105	\$0

8

9 Amend the bill by adding before the summary the following:

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

12 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
13 number to read consecutively.

14

SUMMARY

15 This amendment is the unanimous report of the committee. This amendment adds an
16 emergency preamble and emergency clause. It provides that cost-of-living increases for
17 retired state employees and teachers and their beneficiaries apply to the first \$40,000 of the
18 retirement benefit.

19

FISCAL NOTE REQUIRED

20

(See attached)