

Crystal Ward  
LEWISTON, MEA-Retired  
LD 1096

Hello Honorable Senator Tipping, Representative Roeder and members of the Labor and Housing Committee.

My name is Crystal Ward; I am from Lewiston, a retired teacher and the MEA-Retired Legislative chairperson representing over 5600 members statewide. I am speaking in support of LD 1096. An Act to Help Retired Teachers and State Employees Keep Pace with Inflation by Matching the Cost-of-Living Adjustment for Social Security Benefits. What is a Cost of Living Allowance (COLA)? Put simply, a cost of living allowance applied to your whole pension is a payment intended to help protect you from inflation by maintaining your purchasing power, it is based on the Consumer Price Index (CPI-U), and this should be changed to the CPI-W which is used by the Social Security Administration. This means that inflation no longer drains value from the MainePers benefits. That was the intent of a COLA and until 2011 this very worthwhile intent was met by the State Of Maine. LD 1096 provides that the cost-of-living allowance (COLA) increases for retired state employees and teachers and their beneficiaries now capped at 3% to be replaced with the actual rate of inflation. 2011 is the year that will live in infamy for MainePers retired. All at one time our pensions were frozen, COLA capped at 3%, COLA on only the first \$20,000 of pension, a totally unheard of thing to do, the retirement age was increased to 65, combined with the 1993 penalty for early retirement raised to 6% per year early. Quadrupedal WHAMMY! ALL collectively punitive, a receipt for long term hardships for MainePers retired. Many retirees are sliding towards poverty and out of the middle class.

These changes are compromising retirement security for public employees in MainePERS a mandatory plan, which is a substitute for Social Security. Maine Public Employee Retirement System covers 162,555 active, inactive and retired teachers and state employees in 2023.

Every year from 2011- 2023 MainePers have not met the stated job of a COLA "a payment intended to help protect you from inflation by maintaining your purchasing power." It is past time to remedy this situation. Every year the can is kicked down the road results in more harm. It is time to develop a process to put in a COLA equal to the real inflation amount each year. Expensive, Yes, BUT a legislature made a giant, mess, some of them full well knowing the future consequences and harm to retired being set up and a Legislature needs to figure out a way to fix the mess. The time has come to develop and implement a plan to fix the COLA and stop the backward slide. LD 1096 is a step in the right direction.

Thank you for your support of LD 111, LD112, and LD70 bills that will help repair the issues made in 2011.

Thank you

Crystal Ward. MEA-Retired Legislative Chairperson