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TESTIMONY IN SUPPORT OF

L.D. 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

Senator Tipping, Representative Roeder and members of the Committee on Labor and Housing, I am Victoria Wallack, director of communications and government relations for Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and Maine School Superintendents Association in support of L.D. 1096.

In 2011, the Legislature passed a law that froze cost-of-living adjustments for three years and reduced the maximum cost-of-living adjustment from 4 to 3 percent. The adjustment also was limited initially to the first \$20,000 in benefits – a cap that has risen under current law to just under \$25,000.

This bill would tie cost-of-living increases to the same index as Social Security and that is only fair.

The cap on retirement benefits was voted in during the 2011 recession, which certainly affected many people at the time. It was not fair then, and it certainly is not fair that the cap continues today.

We need to be encouraging more people to become teachers and school administrators and to assure that when they retire they have supplementary income to maintain reasonable standards of living. They should not be penalized for choosing to work in a school system by forgoing adequate pensions.

This legislation also should help with teacher recruitment – an issue we are facing now given the number of teachers who have retired.