

Judith Feinstein
Hallowell
LD 1096

Senator Tipping, Representative Roeder, and Members of the Committee on Labor and Housing:

My name is Judith Feinstein. I am a retired Maine State employee, and I live in Hallowell. I am writing 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."

I retired from state government almost eight years ago, after 30 years of service. My position was in DHHS, as a program manager, would be considered middle-management, and was also considered to be fairly well-paid. As the possibility of retirement neared, I looked at my options. I realized that because of my start date with the state to be eligible for Medicare, I would need more time working in a job that contributed to Social Security. I did multiple calculations to estimate my pension benefit. Because of my classification and where I started, step increases were limited and many of the increases in my salary were due only to cost-of-living adjustments, which were usually small, and off and on suspended. I was looking at a pension based on 60% of my salary – a salary that had not kept up with inflation. Then there was the 3% cap on the cost-of-living adjustment for state employee retirement benefits, and of course the "windfall profits" offset. My conclusion was that these limitations were effectively a prescription for poverty – and my salary was a good one for state government and for where I live. It was a very bitter prospect to consider after many years of public service.

Many state employees made less than I did. I see them everywhere, still working – in retail jobs, mostly, and many of them long past the age when they'd hoped to retire. They are working to make ends meet. But in many ways, I am one of the lucky ones. Since my retirement from the state, I have worked part-time, in a professional capacity, on a contract that pays me well – well enough to maintain the standard of living I enjoyed while working in state government – managing my resources carefully, mind you – and to continue to save for extras as well as to cover necessities. But without that job, I would be in a precarious situation financially. The small adjustments to my pension do not, and would not, cover much and I certainly would not be able to save.

Changing the index used to calculate the cost-of-living adjustment for state employee and teacher retirement benefits to the same index that is used to calculate the cost-of-living adjustment for benefits under Social Security and removing the 3% cap on the cost-of-living adjustment for state employee and teacher retirement benefits will make an appreciable, and appreciated, difference in many lives. Please give LD 1096 your very serious consideration. Thank you.