



## Maine Education Association

Grace Leavitt President | Jesse Hargrove Vice President | Beth French Treasurer  
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

### Testimony

### In Support

#### 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

John Kosinski, Government Relations Director, Maine Education Association

Before the Labor and Housing Committee

March 28, 2023

Senator Tipping, Representative Roeder and esteemed members of the Labor and Housing Committee, My name is John Kosinski (he/him) and I am proud to serve as the Director of Government Relations for the Maine Education Association (MEA). The MEA represents 24,000 educators in the state of Maine, including teachers and other professionals in nearly every public school in the state and faculty and other professional staff in the University of Maine and Community College Systems.

I am here to testify on behalf of the MEA 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*.

You have already heard this session about many ways retired teachers and ed techs are disadvantaged in retirement. Today, I will not go on and on about the unjust and unfair Social Security offsets, the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP), that penalize educators who have earned Social Security benefits, only to lose 2/3rds or more of their benefits because of their public pension. I will not drone on about the dreaded pension cuts in 2011 that froze COLAs, capped the COLA to the first \$20,000 of earnings (later adjusted for inflation), among other reductions in benefits. Instead, this bill is an attempt to specifically address the impact of inflation on retirees, especially higher than average inflation as we have seen over the past two years.

Regarding Section one of the bill, we do not have a position. Whether we use CPI-U or CPI-W to calculate the cost-of-living we feel is irrelevant. I have reviewed most recent reports of CPI-U and CPI-W and I don't believe this change will produce a significant difference in benefits for retirees, but we do appreciate the concept of aligning our public pension system with the Social Security system. However, the evidence is clear – regardless of whatever metric we use, it is undeniable that pension benefits for retired teachers, ed techs and state employees have not kept pace with inflation.

For 21-22, retirees saw a 4% COLA increase thanks to the bipartisan work of the last Legislature (Thank you!). Inflation during this time was 5.4% (CPI-U). It is important to note, the bipartisan supplemental budget in 2022 also lifted the base amount the COLA applies to by the full 5.4% inflationary amount. This is hugely impactful now and into the future. This move helped prevent the further degrading in

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purchasing power of benefits for everyone going forward, including teachers and ed techs currently in our schools.

For 22-23, retirees saw a 3% COLA increase, but inflation was 9.1% (CPI-U). Unlike the budget passed last year, the base remained with only the 3% increase, representing a loss for everyone currently at the cap or above, and for all impacted employees currently working in our schools whenever they retire. LD 1096 is an attempt to ensure retired teachers, ed techs and state employees can keep pace with inflation, rather than the fixed maximum COLA of 3%. We fully expect the cost of this bill will place this solution far out of reach at this time, but we hope that at least some progress could be made towards this goal. We appreciate the intent and hope the Committee will continue to look at solutions for retirees.

Thank you for your time and your service to the people of Maine and I will do my best to answer any questions you may have.