

Crystal Ward
LEWISTON, MEA-Retired
LD 258

Honorable Senator Rotundo, Representative Sachs and members of the Appropriations and Financial Affairs committee my name is Crystal Ward; I am from Lewiston, a retired teacher, and the MEA Retired Legislative Chairperson representing over 5600 members Statewide. We want to thank Governor Mills for putting a 3% onetime Ad Hoc COLA in her proposed budget, we would ask that if passed it be made tax free so the retirees may get the full benefit. However, this one time COLA is a larger band aid covering a gaping hole made in the MainePers pension plan in 2011 my Governor LePage and the Legislature.

The 2011 cuts were: freezing pensions, capping COLA at 3%, and capping amount the COLA is figured on to the base amount of the first \$20,000 (the major harm). At the same time tax cuts were made which resulted in about 50% of the tax cuts going to the wealthiest 10%. As Governor LePage said "it's was time that the Retired had some skin in the game", part of the tax cuts were funded by the Retired. Did the richest Mainers need help from Retirees on pensions?

A law changed the process to allow the COLA amounts to be added to the base for figuring the COLA amount per Year. In 2022 the amount to figure the COLA increase on was \$24,186.25 --- $\$24,186.25 \times 3\% = \$725.59 / 12\text{months} = \60.47 per month before taxes. This monthly increase will not pay for the rise in the cost of food, fuel, rent etc. If you make over \$24,186.25 in your earned pension you DO NOT RECEIVE 3% BUT MAYBE 1- 1 ½% OR LESS.

Since 2011 many Retired have lost thousands of dollars in COLA's that were in the plan up to 2011.

The major issue is how we return MainePers to putting the COLA on the WHOLE pension's amount, done until 2011 and always done in Social Security. There needs to be a plan made, the band aids are helpful but continuing to kick the major harm problem along is not a good answer. Make a plan, make a down payment on fixing the problem, please begin repairing this man made mess that everyday does harm to retired. The 3% COLA, Tax Free, will help, but fixing the Gaping hole is needed.

Thank You

Crystal Ward, MEA Retired chairperson