

Crystal Ward  
MEA-Retired  
LD 457

Senator Grohoski, Representative Perry, and other esteemed member of the Taxation Committee,

My name is Crystal Ward, from Lewiston and I am the MEA Retired Legislative chairperson representing over 5000 retirees. On behalf of MEA Retired, I submit this testimony in support of LD 457, An Act to Amend Maine's Tax Laws, as amended by the proposal from Senator Chipman.

Many retired educators are concerned about their financial stability in retirement. The pension cuts made in 2011 by Governor Paul LePage, resulted in steep cuts to the earnings of retired educators. Those cuts have compounded and accumulate over time. The one doing the most harm is a cap on the amount the cost-of-living adjustment (COLA) applies to. Originally it was set at \$20,000 and later adjusted for inflation. Unlike people on Social Security who receive a COLA on their Whole pension amount retirees in MainePers receive a COLA on only the first \$25,659.20, in 2024. So when MainePers tells us we are getting a 3% COLA that is only for people making \$25,659.20 or less, everyone who earned a pension over that amount makes LESS than 3%. This means each year retired educators are falling farther and farther behind as their pension benefit does not keep pace with inflation. Many people do not believe me when I tell them I am not receiving a COLA on my Whole pension amount.

The high inflation in recent years, some at 10% while our COLA is capped at 3% ensure pension benefits are not keeping up with inflation. Many retired educators are struggling to pay for rent, food, fuel, electricity, car insurance and just necessities. There has been a great loss in purchasing power from 2011 to 2024.

Many retirees who worked second jobs are hit with the unfair GPO/WEP, Social Security offsets. These two penalties impact thousands of retired teachers and ed techs in our state. Most retired teacher who are eligible for Social Security benefits meets the GPO/WEP formula which often results in them losing 2/3rds or more of the benefits they earned.

We have tried for many years to find fixes to the problems created by the previous Governor and while we have made minor progress in some areas, significant fixes for the BIG issues are hard largely due to the costs. The Maine Constitution requires us to pay the whole cost upfront. This is a BIG problem which was recognized by the Labor Committee in LD70 with bipartisan support. While the price tag on LD70 is very high there needs to be a start somewhere, somehow. . As the old saying goes "How do you eat an elephant? One bite at a time".

LD 457 is the first small bite on the journey to fix this BIG mess. Many retired teachers are struggling, we hope this Committee can come together, Democrats and Republicans, and pass this small fix and provide relief to some retirees. They did not get rich working as a teacher or an ed tech, but they expected they could retire with basic comforts. They deserve to be able to retire and live with dignity and respect.

I will try to answer any questions.

Thank You  
Crystal Ward