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Testimony of Rep. Amy Roeder in support of
LD 457, An Act to Amend Maine's Tax Laws
Before the Joint Standing Committee on Taxation

Senator Grohoski, Representative Perry, and esteemed members of the Committee on Taxation, I am Amy Roeder, representing part of Bangor in House District 23, and Co-Chair of the Joint Standing Committee on Labor and Housing.

I wanted to be here to testify because a portion of LD 457 relates to a very important bill to support our state retirees that we have already passed in the Committee on Labor and Housing.

Every year our committee hears gut-wrenching testimony from retired educators and other retired state employees who are struggling to pay for basic necessities because their pension does not keep up with the cost of living. This is because the ongoing cost of living adjustments that state retiree pensions are supposed to have were cut in 2011.

The legislature has made very slow progress in restoring these cuts, and it is still the case today that if a state retiree has a \$30,000 or \$40,000 per year pension, they only receive COLA on about \$24,000 of that benefit. This means that every year, as inflation grows, the pensions for our state retirees are worth less and less.

Between 2011 and 2022, an average retired teacher with a pension of \$30,000 has lost over \$37,000 in income because of these cuts. This is like having one entire year's income erased.

Last year, our committee passed LD 70, which allows the annual COLA to be applied to up to \$40,000 of state pension benefits. This passed our committee with bipartisan unanimous support, passed the House and Senate with the same, and remains one of our committee's top priorities for the AFA table. Unfortunately for us, any changes to state pensions must have their lifetime of impact paid for up-front. In this case, that means a fiscal note of \$750 million for LD 70.

While the full LD 70 is out of reach for this supplemental budget, LD 457 provides us another option by allowing us to fund a single year's implementation of LD 70. I wholeheartedly support this approach because our state retirees deserve everything we can possibly give them. Allowing COLA to apply to up to \$40,000 in pension benefit, even for just this one year, is a tremendous positive step towards the broader restoration that LD 70 points to, and the restoration for state retirees that our committee will continue to advance and support.

There's one retired teacher who regularly sends me cards and letters, telling me how difficult it has been for him to stretch his meager pension far enough to be able to afford his mortgage, food and medicine. He was a dedicated public employee and is so proud of his work and service. He just wants to live a life without financial hardship – a life he believed he had secured through his public pension. He and so many others are suffering through no fault of their own.

Please pass LD 457 and give us the opportunity to support a truly amazing year for our state retirees. A year they have long been waiting for. A year they one thousand percent deserve. A year that hopefully marks a turning point towards restoring the promises we made to our state retirees long ago.

Thank you, and I am happy to answer any questions you may have.