

LD 210 - An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

Senator Rotundo, Representative Gattine, Members of the Appropriations Committee.

My name is Harold Booth, I live in Hallowell, and I'm a retired state employee, retiring in 1996. I've appeared before this committee many times, providing testimony on the damage done to State retirees by inflation over the years. Over those years, this committee has granted some relief, but not enough to make us whole. I've provided pages of figures, graphic representations of those figures, yet the relief granted by this

committee has consistently fallen short. I don't know whether the committee has not believed my figures or that the fig-leaf proffered by the governor has proved persuasive, but this year, I'm providing you an easy way to check the figures for yourselves.

The first full year of my retirement my pension was \$14,302 [see my 1099-R from 1997, below.] I've removed only my address and Social Security number, since this testimony becomes public record.

<input type="checkbox"/> CORRECTED (if checked)				
PAYER'S name, street address, city, state, and ZIP code 13,442 MAINE STATE RETIREMENT SYSTEM 46 STATE HOUSE STATION AUGUSTA ME 04333-0046		1 Gross distribution	OMB No. 1545-0119 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		\$ 14,302.00		
		2a Taxable amount		
		\$ 13,534.24		
PAYER'S Federal identification number RECIPIENT'S identification number		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	CALENDAR YEAR 1997
RECIPIENT'S name, street address (incl. apt. no.), city, state, and ZIP code BOOTH, HAROLD W		3 Capital gain (included in box 2a)	4 Federal income tax withheld	Copy C For Recipient's Records
		\$	\$ 2,003.08	
		5 Employee contributions or insurance premiums	6 Net unrealized appreciation in employer's securities	This information is being furnished to the Internal Revenue Service
		\$ 767.76	\$	
		7 Distribution code 7	8 Other %	
Account number (optional)		9a Your percentage of total distribution %	9b Total employee contributions	
			\$ 17,913.95	
Payer's Tel. (207) 287-3461 or (800) 451-9800		10 State tax withheld	11 State/Payer's state no.	12 State distribution
		\$ 1,074.84	23	\$
		13 Local tax withheld	14 Name of locality	15 Local distribution
		\$		\$

Form 1099-R (Keep for your records.) Department of the Treasury - Internal Revenue Service

The US government provides a convenient calculator to show the effect of inflation from a starting point and ending point of your choosing. The address of that calculator is www.bls.gov/data/inflation_calculator.htm.

You can compare the result provided by that calculator, \$27,983, to my current pension, \$24,963, and see how that pension has failed to keep up.

CPI Inflation Calculator

\$

in

has the same buying power as

\$27,983.77

in

What I am going to address now is the governor's persistent idea of granting ad-hoc increases to retirees, apparently assuming that the inflationary price-increases are also ad-hoc. If this is her belief, then I have a great deal on a New York bridge for her, and it will pay for itself in a year or two from the tolls.

Back in, I think it was 2021, she proposed a 2% COLA supplement to the retirees' pension – also ad-hoc – which the legislature dropped down to 1% on the base. Better, but not matching the cost-of-living increase.

In 2023 she again proposed an ad-hoc increase – which this committee went along with. As a result, retirees got an increase for 2023 that vanished for 2024.

I've included my 1099-R for both 2023 [\$25,167] and 2024 [\$24,963]. Your attention is directed to how the ad-hoc increase granted for 2023 vanished in 2024, even though the 2024 income includes a statutory COLA granted in 2024.

Department of the Treasury - Internal Revenue Service
 OMB No. 1545-0119 **2024**

Form 1099-R CORRECTED (if checked)

1 Gross distribution \$ 24,962.60	2a Taxable amount \$ 24,962.60	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
2b Taxable amount not determined	Total distribution	12 FATCA filing requirement
13 Date of payment		

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 PO BOX 349
 AUGUSTA, ME 04332-0349
 PAYER'S TEL (207)512-3100
 OR (800)451-9800

PAYER'S TIN		RECIPIENT'S TIN	
3 Capital gain (included in box 2a)	4 Federal income tax withheld \$ 2,295.52	5 Employee contributions / Designated Roth contributions or insurance premiums	
6 Net unrealized appreciation in employer's securities	7 Distribution code(s) 7	IRA/SEP/SIMPLE	8 Other
9a Your percentage of total distribution	9b Total employee contributions		

RECIPIENT'S name, street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code

HAROLD W BOOTH

Account number (see instructions)		11 1st year of disp. Roth contrib.	10 Amount allocable to RRR within 5 years
14 State tax withheld \$ 1,248.00	15 State/Payer's state no. 23	16 State distribution \$ 24,962.60	
17 Local tax withheld	18 Name of locality	19 Local distribution	

Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.
 www.irs.gov/Form1099R This information is being furnished to the IRS.

In 2010, the legislature dropped the cap on retirees' COLA from 4% to 3%, and froze COLAs for a couple of years. This started state retirees falling behind, and despite legislative efforts since then, the damage has not been undone.

Since that 2010 change, retirees have fallen further and further behind – greatly accelerating in 2021 as inflation took off, **with the accumulated difference approaching 12 % with the 2024 figures.**

People who get Social Security enjoy an uncapped COLA, while State retirees are stuck – and falling further and further behind. It is past time for the State of Maine's Legislature to fix these long-standing wrongs that have cost tens of thousands of Mainers upwards of hundreds of millions of dollars since 2011. It is past time to fix Maine's tax code so our pension income will not continue to subsidize the wealthiest Mainer's who benefited from LePage's tax cut at our expense.

Department of the Treasury - Internal Revenue Service
 OMB No. 1545-0119 **2023**

Form 1099-R CORRECTED (if checked)

1 Gross distribution \$ 25,167.39	2a Taxable amount \$ 25,167.39	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
2b Taxable amount not determined	Total distribution	12 FATCA filing requirement
13 Date of payment		

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
 PO BOX 349
 AUGUSTA, ME 04332-0349
 PAYER'S TEL (207)512-3100
 OR (800)451-9800

PAYER'S TIN		RECIPIENT'S TIN	
3 Capital gain (included in box 2a)	4 Federal income tax withheld \$ 2,496.61	5 Employee contributions / Designated Roth contributions or insurance premiums	
6 Net unrealized appreciation in employer's securities	7 Distribution code(s) 7	IRA/SEP/SIMPLE	8 Other
9a Your percentage of total distribution	9b Total employee contributions		

RECIPIENT'S name, street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code

HAROLD W BOOTH

Account number (see instructions)		11 1st year of disp. Roth contrib.	10 Amount allocable to RRR within 5 years
14 State tax withheld \$ 1,310.60	15 State/Payer's state no. 23	16 State distribution \$ 25,167.39	
17 Local tax withheld	18 Name of locality	19 Local distribution	

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 www.irs.gov/Form1099R This information is being furnished to the IRS.

