

Testimony of Jane Gilbert
In support of LD1040, and LD 900

Senator Tipping, Representative Roeder, members of the Committee on Labor. I'm Jane Gilbert from Augusta, and I'm testifying in support of LD1040 and LD900.

I have worked for the State of Maine for over 40 years under Republican, independent and Democrat administrations, with the last 25 years in managerial capacities. I ask that you support, fix, and fully fund the Cost-of-Living Adjustment (COLA) and reverse the 2011 pension cuts for retired Maine state public workers as you work on this bill and budget. I am grateful for the ability to speak in favor of this type of legislation, I am frustrated that it's been nearly 2 full decades since my pension was cut to balance a budget for tax breaks to the wealthy and corporations.

There are two elements that adversely affect retired State Employees and Teachers income. Two of these were put into effect by former Governor Paul LePage and the former State Treasurer Bruce Poliquin. They were necessary in order to give a big tax break to individuals in the upper income tax bracket. Both of these have had severe consequences for long term employees and teachers.

The first is the current cap of \$26,428.98 on retirement income eligible for a COLA. This may sound harmless enough but the long-term effect is a massive reduction in income for employees who retire. This is not what workers signed up for when they were hired before 2011, this must be resolved. Otherwise, more and more retired public servants will fall into financial ruin.

Second, the COLA itself often does not reflect the actual cost of living increase. The COLA is capped at 3%, no matter what inflation may be. Fuel, food, and essential utilities have increased in costs much, much higher than 3% 2022. **The national consumer price index (COLA) went up by 5.9% in 2021, 8.7% in 2022, 3.2% in 2023, and 2.9% in 2024.** While we are thankful for the additional COLA improvements that were provided in the supplemental budget in 2022, unfortunately, inflation has surpassed those improvements. We are falling further behind until the legislature fixes these wrongs done onto us by the 2011 Governor and Legislature.

For example, if an individual worked for the State for 30 or 40 years and earned a retirement benefit of \$36,000, only \$24,186.25 would be eligible for a COLA. Over time, this broken promise on retiree's getting full cost-of-living-adjustments equals to tens of thousands of dollars in earned benefits. The choice of the Legislature to continue allowing this failure will cost seniors on fixed incomes hundreds of millions of dollars. All of this allow rich people and corporations to continue to get tax breaks at our expense?

This is a myriad of wrongs imposed on retired state employees and teachers that should and could be corrected. Please support, fix, and fully fund the Cost-of-Living Adjustment (COLA) for retired Maine state public workers and work to reverse the 2011 pension cuts.

Jane Gilbert, Augusta