

Melinda McKechnie  
Disabled  
LD 1638

Melinda McKechnie  
Fairfield, Maine

DATE Wednesday March 26, 2025

Testimony in Support of LD 1638

An Act Regarding Disability Retirement Benefits  
under the Maine Public Employees Retirement System

Good afternoon, Sen. Tipping, Rep. Roeder (PRONOUNCED RAY-DER), and to all the members of the Labor Committee. My name is Melinda McKechnie. I live in Fairfield and have been receiving a MainePERS disability pension since 2014.

I made it here today to urge the committee to vote "Ought to Pass" on LD 1638. This bill will repeal the MainePERS reduction in disability benefits to below the defined benefit amount of 59% of Average Final Compensation when the retiree also qualifies for Social Security Disability. This reduction in benefits is also known as the "Social Security offset."

After Maine public employees fighting about the Social Security offsets to MainePERS pensions for years, in late December 2024, Sen. Susan Collins successfully led a repeal of the Social Security offsets applied when the individual receives a MainePERS pension. That bill was titled the "Social Security Fairness Act."

Now it is time to apply the same fairness to MainePERS pensions and pay out the MainePERS benefits withheld from my pension since 2014. I paid for a 59% defined disability benefit. However, I have never received the entire benefit I and my employer paid for.

Moreover, I was approved for Social Security Disability a few months after I was approved for MainePERS disability retirement. Even though I notified MainePERS, they did not apply the MePERS Social Security offset until TWO YEARS later! Suddenly informing me that I owed back \$14,000 and I would receive no income from MainePERS until the amount was paid back. Thankfully I found an attorney who would represent me against MainePERS. The resulting agreement was a reduction in my monthly benefit spread out over 48 months. So with the monthly payback and the reduction of the offset for 48 months my income dropped about \$750 a month this had created much hardship in my financial situation. I have had to apply for welfare benefits in which I received. This offset had put me below the poverty line.

This offset is wrong and should be rectified immediately. I and 50 others has been affected deeply by this offset.

Melinda McKechnie