

Testimony of Jeff McCabe
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In Support of LD 111, “An Act Requiring the State to Pay a Share of a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage”
February 9, 2023

Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor and Housing. I'm Jeff McCabe, director of politics and legislation for the Maine Service Employees Association, Local 1989 of the Service Employees International Union. We are a labor union representing over 13,000 Maine workers, including workers and retirees for all three branches of Maine State Government.

First, on behalf of all the members of MSEA-SEIU Local 1989, we thank you for the work you are doing. It's so important to fund the quality services Maine people count on and to ensure that the workers who deliver those services, both those currently working and those who have retired after dedicating their careers in service to all Maine people, are respected, protected and paid fairly for their work. Your work on this committee is central to making that happen.

I am here today to support LD 111, “An Act Requiring the State to Pay a Share of a Retired State Employee's or Retired Teacher's Premium for Medicare Part B Under Medicare Advantage.”

We have come before the Legislature and this committee numerous times to ask you to support state and teacher retirees who have been hurt by actions of the Legislature over the years.

We also need to start flagging that current retirement benefits are hurting recruitment and retention efforts.

To say retirees have had it rough is an understatement. In simple terms they have had the rug pulled out from under them many times by the Legislature, and have watched as the retirement benefits they planned on have been frozen and slashed.

It is clear that many involved in the pension cuts of 2011 recognized they went too far. We respectfully ask that you build upon the bipartisan work of 130th Maine Legislature in strengthening retirement security for participants in the retirement plan. Together, let's keep fighting to undo and buffer the damage caused by the 2011 pension cuts. As all of you may know, ever since 2011, when taxes for the wealthy were cut at the expense of MainePERS participants, many retired state employees and teachers have struggled to keep up with the cost of living. The 2011 cuts included:

- A freeze on retirees' cost-of-living adjustments (COLAs) for 2011, 2012, and 2013;
- A 3% cap on all future cost-of-living adjustments;
- A permanent limit on cost-of-living adjustments so they only apply to the first \$20,000 of pension income.

I would encourage the committee to not get intimidated by opposition to the bill and to establish that the State will uphold its agreement with retirees to provide the same level of insurance coverage as when they are active.

It is important to also flag the focus of the bill sponsor: "It is also my intent that this bill only applies to those retirees who have qualified for 100% coverage of their insurance through the state retirement system."

I look forward to working with you on this bill, and I will answer any questions and happy to provide information for the work session.