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THE MAINE SENATE  
131st Legislature

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**Testimony in Support of LD 185**  
***An Act To Reduce the Benefit Penalty Imposed on Career Educators Who Retire After 35 Years of Service***

**Presented to the Joint Standing Committee on Labor and Housing**  
Thursday, February 9, 2023

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Troy Jackson and I represent Aroostook County in the Maine Senate and have the great honor of serving as Senate President. I am here today to present LD 185, An Act To Reduce the Benefit Penalty Imposed on Career Educators Who Retire After 35 Years of Service.

To put it simply, the Maine State Retirement System is confusing and this is largely in part due to actions taken by different Legislatures over the years. This means not all state employees within the system are treated the same, let alone employees within the same line of work. For Maine teachers, this has created a system that unfairly penalizes certain educators when it comes to accessing the retirement benefits that they've rightfully earned.

My intent with LD 185 is to ensure that the Maine State Retirement System treats educators who have been in the system and served our communities for 35 years fairly.

These are teachers who have dedicated their lives to Maine children and families. Teachers who are committed to their students, schools and communities. These are teachers who consistently go above and beyond to help our kids succeed while enduring changes in curriculum, standards, testing and technology. These professionals deserve the right to retire after 35 years with dignity and without penalty.

Unfortunately, the current system penalizes teachers who began teaching at an earlier age. Instead of the ability to retire after 35 years, these teachers must wait until a certain age to retire or see a reduction in the retirement benefits they have earned.

Maine law states that the length of service for one to retire as a teacher in the state of Maine is 25 years or the individual's "normal retirement age." The definition of a "normal retirement age" varies across the system for both employees in different programs and those in the same program. For teachers, the so-called normal retirement age depends on when the individual was hired. The age is broken out into three tiers:

- Tier One: If a teacher had 10 years of creditable service on July 1, 1993, they can retire without penalty at the age of 60. If they retire earlier, the reduction in their benefit is approximately 2 percent each year.
- Tier Two: If a teacher had less than 10 years of service on July 1, 1993, they can retire at the age of 62. If they retire early, the benefit is reduced by 6 percent for each year preceding the individual's age of 62.
- Tier Three: teachers who had fewer than 5 years of creditable service on July 1, 2011, can retire at the age of 65. If they retire earlier, their benefit will be reduced by 6 percent for each year before the age of 65.

A teacher has worked for the required amount of years to be vested; they should not be penalized to such a degree. Though state law doesn't refer to this six percent reduction as a penalty, that is exactly what it is. It makes a huge financial difference that can and will affect a retiree who has to retire early after decades in the classroom for the rest of their life. It is a penalty that forces teachers to remain in the profession even when their health or the health of their loved ones have been impaired.

Like many of you, I have been asked by constituents on numerous occasions to please fix this glaring inequity. What I'm proposing is to reduce the penalty from six percent to 2 percent for each year an educator, who has worked for 35 years, retires early. Those who benefit from this change will have worked ten years longer than the required length of service for Maine teachers and still see a reduction in their retirement benefits by 2 percent for each year before their "normal retirement age." This change will simply let these professionals who have dedicated their lives to our children know that we have their backs. I'm also hopeful it will help retain first-rate teachers by sending a clear message that we will ensure they get the benefits they've earned and deserve.

Please note that I've proposed an amendment with clarifying language after conversations with the Maine State Retirement Director of Actuarial and Legislative Affairs.

Thank you for your time today. I hope you will join me in supporting LD 185, "An Act To Reduce the Benefit Penalty Imposed on Career Educators Who Retire After 35 Years of Service," to ensure that hardworking educators get the benefits they deserve. I am happy to take any questions from the Committee.

LD 185 "An Act to Reduce the Benefit Penalty Imposed on Career Educators Who Retire  
After 35 Years of Service  
President Troy Jackson - Proposed Amendment

Delete all of Section 1. 5 MRSA §17851, sub-§3-B

Replace Section 2 as follows:

Sec.1. 5 MRSA §17852, sub-§3-C is enacted to read:

3-C. Teacher with creditable service of 35 years or more. Notwithstanding subsections 3-A and 3-B, the amount of the service retirement benefit for a member who has creditable service of 35 years or more, and whose last position prior to retirement was as a teacher, is computed in accordance with subsection 1, except that the benefit is reduced by the same percentage as provided in subsection 3, paragraph A, for each year that the member's age precedes that member's normal retirement age of 62 or 65.

**SUMMARY**

This bill allows those who retire from a teaching position and have 35 years or more of creditable service in the Maine State Employees and Teachers Retirement Program to have their benefit reduction computed at the same rate as those who had 10 years of creditable service on July 1, 1993.