

February 14, 2023

Chairs Tipping and Roeder, and distinguished members of the Committee on Labor and Housing, a very important committee assignment in the 131<sup>st</sup> Legislature:

I urge you to **support LD 70** to eliminate the COLA restriction on retirement benefits to Maine state employees and teachers.

I never served on the Committee on Education, and I regret that during my second tour in the Maine Legislature we did not correct policy to financial RESTORE benefits to my fellow teacher retirees.

Just as we must promote and help Maine businesses without punishing the employees that make it a success, we must look after the solvency of MPERS without victimizing this current population of Maine teachers who have given their all to Maine's children.

Those who made the choice to teach in Maine have lost ground in the last dozen years compared to their neighbors on Social Security. Lowering the cap and applying the capped COLA to only a fraction of the total multiplies the problem each and every year, slowly bleeding Maine retirees.

The maximum Social Security increases for 2022 and 2023 were up to 5.9% and 8.7%, respectively. MPERS, which references a different month, June, the end of the fiscal year, quoted the annual June-to-June CPI-U rise of 9.1%. Yet the benefits returned to retirees are, by statute, only 3% due to the cap rate implemented nearly a dozen years ago. The result is that Maine teachers, who have been falling farther behind each year, are now facing severe reductions in meeting cost-of-living expenses.

I have two friends in town that receive retirement income only from MPERS. This issue is huge for them. For teachers who did work second jobs during their careers and qualified for Social Security, the offset wipes out so much of that supplemental income. This issue is big for them.

Rep. Dodge's bill, as I read it, addresses this disparity by addressing the other gut punch instituted a decade ago. Present law, which applies the COLA to only a fraction of the benefit amount, guarantees the continuation of retirees losing ground to inflation. Social Security recipients have the COLA applied to the full monthly benefit, as MPERS once did. LD 70 restores that policy to deserving state employee and teacher retirees.

Dignity during our senior years means adequate financial health. We in Maine are responsible for the distribution of retirement income to this population who have paid in. Please take an important step to restore full application of the COLA now, when they need it, before time runs out in their lives.

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