

Senator Tipping, Representative Roeder, and other members of the Labor and Housing Committee, my name is Janice Driver and I live in West Bath.

I retired from Woolwich Central School after 31 years of teaching. I am here to testify in favor of LD 70 An Act to Eliminate the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-living Adjustment is made.

For the first time since I retired I am afraid of my financial future. How many more years can I keep going backwards while the cost of living rises? That is a scary thought. On my salary and my husband's we were not able to save a lot of money until both of our children were out of college. At that time I was not worried as I knew my retirement would keep up with inflation. With the changes in 2011 that confidence flew out the window.

I am also concerned that Maine needs to attract teachers to our state. Young people are much more savvy about money than I was at a young age. They look at retirement as part of the entire package. The retirement package that Maine offers will not attract teachers. Other states have much better retirement plans.

I loved teaching and am proud that I was a teacher. I hope the legislature will show us that they too are proud of us and give us a proper COLA. I don't think it is possible to fix all the damage that was done to our retirement, but please stop us from going backwards.

The following chart is from the 125th Legislative Report and shows the changes in teacher retirement plans. 2011 was not a good year for retired teachers.

Prior Plan Provisions	2011 Enacted Provisions
Cost-of-Living Adjustment (COLA) capped at 4%*	COLA capped at 3% frozen for 3 years
COLA applies to entire benefit	COLA applies to first \$20,000**
Age 62 normal retirement age	Age 65 normal retirement age for new hires and employees with less than 5 years of service on July 1, 2011
*COLA based on Consumer Price Index	**The \$20,000 will increase annually based on actual COLA awarded

Year	SS COLA	MEA COLA on BASE		my loss
2011	3.6	0	3.6 less than SS	
2012	1.7	0	1.7 less than SS	
2013	1.5	0	1.5 less than SS	
2014	1.7	2.1	figured on partial base	
2015	0	2.55	figured on partial base	
2016	0.3	2.55	figured on partial base	
2017	2	1.6	figured on partial base	266
2018	2.8	2.9	figured on partial base	485
2019	1.6	1.6	figured on partial base	266
2020	1.3	0.6	figured on partial base	100
2021	5.9	4	figured on partial base	670
2022	8.7	3	figured on partial base	
2023				

The COLA was applied to a base of \$20,000 in 2011,2012, 2013, 2014.

My loss Since the percentage of the COLA was figured on a base and not my actual earnings.