

Hello Honorable Senator Tipping, Representative Roeder and members of the Labor and Housing Committee.

My name is Crystal Ward; I am from Lewiston, a retired teacher and the MEA-Retired Legislative chairperson representing over 5600 members statewide. I am speaking in support of LD70. What is a Cost of Living Allowance (COLA)? Put simply, a cost of living allowance applied to your whole pension is a payment intended to help protect you from inflation by maintaining your purchasing power, it is based on the Consumer Price Index (CPI-U). This means that inflation no longer drains value from the MainePers benefits. That was the intent of a COLA and until 2011 this very worthwhile intent was met by the State Of Maine. LD 70 Provides that the cost-of-living allowance (COLA) increases for retired state employees and teachers and their beneficiaries apply to a retiree's entire retirement benefit instead of only to the first \$24,911.84 of the retirement benefit.

2011 is the year that will live in infamy for MainePers retired. All at one time our pensions were frozen, COLA capped at 3%, COLA on only the first \$20,000 of pension, a totally unheard of thing to do, the retirement age was increased to 65, combined with the 1993 penalty for early retirement raised to 6% per year early. **Quadrupedal WHAMMY!** ALL collectively punitive, a receipt for long term hardships for MainePers retired. Was there a dire need to make ALL these changes? Was the State going bankrupt? NO and NO They were a part of a historic tax cut for mostly Maine's wealthiest residents. In the very same 2011 Legislature a massive tax cut was passed with more than 50% going to the wealthiest Mainers. According to the Maine Center for Economic Policy, "Under full implementation of the Governor's proposed income and estate tax changes, approximately half the benefits would go to the wealthiest 10% of taxpayers." So it could be said that the tax cut was partially funded on the backs of MainePers retired, as Governor LePage said "it's time the retired had a little skin in the game." These changes were far more than a "little skin"! These changes are compromising retirement security for public employees in MainePERS a mandatory plan, which is a substitute for Social Security. Maine Public Employee Retirement System covers 162,555 active, inactive and retired teachers and state employees in 2023.

Every year from 2011- 2023 MainePers have not met the stated job of a COLA “a payment intended to help protect you from inflation by maintaining your purchasing power.” It is past time to remedy this situation. Every year the can is kicked down the road results in more harm. It is time to develop a process to reinstate the COLA applying to the whole pension. Expensive ,Yes, BUT a legislature made a giant, mess, some of them full well knowing the future consequences and harm to retired being set up and a Legislature needs to figure out a way to fix the mess. The time has come to develop and implement a plan to return COLA to the **Whole** retirement pension amount and stop the backward slide.