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Testimony of Representative Suzanne Salisbury presenting
LD 426, "An Act To Amend the Eligibility Criteria for Creditable Service in the Armed Forces of the United States under the State Retirement System"
before the Joint Standing Committee on Labor and Housing

Good afternoon Senator Tipping, Representative Roeder, and distinguished members of the Joint Standing Committee on Labor and Housing. My name is Sue Salisbury, and I represent House District 128, which includes part of Westbrook. I am here today to introduce **LD 426, "An Act To Amend the Eligibility Criteria for Creditable Service in the Armed Forces of the United States under the State Retirement System"**

Some of you may recall this legislation from the 130th Legislature wherein a very similar bill received a favorable vote out of this committee before passing successfully in the House and Senate only to die on the appropriations table. All of the reasons that this bill made sense last session remain true today and are perhaps even more compelling now. I am hopeful that this session, more resources will be available to get this important measure across the finish line.

Currently, under Maine law, eligible MainePERS members can purchase up to four additional years of their eligible military service toward their total retirement time. There are two ways that the cost of purchasing this time is calculated. The first requires the member to pay the full actuarial cost associated with the additional service credit. The second is the member is only required to pay the member contributions related to the time being purchased. The balance of the cost, or the difference between the costs the member pays and the actuarial cost, is added to the liabilities of the plan and is considered a subsidized rate.

In order to qualify for this subsidized rate, military time for members of the United States Armed Forces has to fall within a prescriptive "federally recognized period of conflict" as stated in current law. Notably listed are World War I & II, the Korean Conflict, the Vietnam War, and the Persian Gulf War. Unfathomably left out are the conflicts that occurred in Lebanon and Grenada.

On August 21, 1982 800 Marines were sent to serve in the multinational force to help members of the Palestine Liberation Force escape Beirut. On September 29, 1982 1,200 Marines joined the same multinational force to help secure sovereignty to the Lebanese government. On October 25, 1983 following a coup d'etat and alignment with the Soviet Union and Cuba, the US invaded the nation island of Grenada.

These events were an important part of U.S. history and are currently listed as official “periods of conflict” per the Congressional Research Service report for members and committees of Congress dated June 5, 2020. Maine statute related to purchasing retirement time that has left out these historical events is egregious.

LD 426 adds these two periods of conflict and allows those who served during these times to be eligible for the subsidized rate when purchasing their military time toward their well-deserved retirement.

On February 7, 2023, MainePERS issued the Military Subsidy Report which indicates that there have been 11 members who were eligible for the subsidized service credit since 2009. The total amount appropriated was \$816,497. The report also states that some of those members did not complete the purchase or were found eligible to complete the purchase without the subsidy.

Since 2016, there have been a total of five requests for this service credit. The total cost of this subsidy was \$311, 293.11. The beginning balance in this account was \$30, 541.30, which left a remaining subsidy cost of just \$280, 751.81.

It’s time for Maine law to correct the error in not recognizing these times of conflict and allowing these eligible service members this benefit in recognition of their service.

Thank you very much for your time and consideration. I would be happy to answer any questions or to provide you with any information for your upcoming work session.