

March 28, 2023

To: Senator Michael Tipping Representative Amy Roeder Members, Joint Standing Committee on Labor and Housing

FROM: Linda Jariz, Maine State retiree

SUBJECT: LD 1096: An Act to Help Retired Teachers and State Employees Keep Pace with Inflation by Matching the Cost-of-living Adjustment for Social Security benefits

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Linda Jariz. I live in Bowdoinham and I am a retired State Employee. I am here to testify in favor of LD 1096.

I worked for the State of Maine for 25 years. In all my years of work, which included working with the legislature, it never occurred to me that I would one day be here to advocate for fairness in the retirement system. During my time working for Maine within social services and when I retired, I was promised several retirement benefits, including

- full health insurance paid for by the State of Maine, and
- a retirement pension that would increase by a COLA applied to my full benefit amount

I planned my retirement based on those promises. As I speak today, neither of those things are happening because in 2011 the retirement situation changed.

LD 1096 proposes addressing one of those promises – by providing for a pension that, in part, keeps up with inflation.

As each year passes, I, like everyone else, pay much more for basic living requirements – such as food, heat, and housing to name just a few. And while LD 1096 is helpful, it only addresses part of the COLA problem because back in 2011 when the State COLA was capped at 3%, the pension amount it could be applied to was also capped at \$20,000 instead of the retiree's entire pension amount. It's like saying to an employee – sure you can have a cost-of-living increase but only up to 3% and only on part of your wages. And while it did provide for some growth in the capped pension amount – which is somewhere around \$24,000 now, it is still a big step back from what was promised. As the result I become further behind in my ability to keep up with inflation with each passing year.

It's important that state employees can trust and rely on the retirement system in place when they retire. The promises that were made as part of the benefit of working for State Government (and incentivizing people to stay rather than seek better wages in the private sector) can be partially addressed by the enactment of LD 1096 – which would be helpful in years where the COLA is above 3% - like this year and last year. There is still more work to do to address the fairness in how Maine State retirees have been treated. LD 1096 is a beginning to that work. I ask that you support this bill.

I thank you for the opportunity to testify and for your efforts to address the negative impacts instituted in 2011.