LD 70 Fact Sheet

An Act Eliminating the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-Living Adjustment is Made.

In 2011, former Governor Le Page and the Legislature at the time gave large tax breaks to the wealthiest Mainers and paid for them by cutting pensions of MainePERS retirees.

COLA Base

- Since 2011 Maine State Retirees have lost between **12% to 18%** of the purchasing power of their pension (depending on each person's benefit). The dollars they use today to support themselves purchases considerably less than they did in 2011.
- The Base benefit the COLA is calculated on of $24,186, is worth **$2,402 less** than it was in 2011 dollars.
- This is due to the State of Maine not matching the Social Security COLA benefit over the last 11 years. In fact, Maine has under-valued the cumulative COLA at **9.93%**
- **While the 3% will help it will not make up for the severe loss of the pension amounts over the COLA base**

Benefits over the COLA Base

- For those retirees who are lucky enough to have a benefit over the COLA base, the effect has been drastic.
- Benefits on the over the COLA base has lost an additional 30.83% in purchasing value, compared to Social Security.

Giving the wealthy a tax break does not trickle-down to people on a fixed income. Their income was fixed the day they retire, and there is never an increase in the pension calculation, only a Cost-of-Living Adjustment.

It is unfair to condemn the people who chose public service to a life of poverty, in order to give a few wealthy individuals more money.

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