

Administrative Office of the Courts

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Judicial Branch testimony neither for nor against LD 1124, An Act Regarding Retirement Benefits and Salary Adjustments for Judicial Employees:

Senator Carney, Representative Kuhn, members of the Joint Standing Committee on Judiciary, my name is Julie Finn and I represent the Judicial Branch. I would like to provide some brief testimony regarding this bill.

While the Judicial Branch is generally supportive of increases in salary or benefits for our hardworking staff, there are several issues with LD 1124 which I will outline below.

The bill allows an employee of the judicial branch to retire before reaching 65 years of age if the employee retires upon completion of 35 years of "continuous creditable" service. The term "continuous creditable" service is problematic because, by definition, creditable service does not need to be continuous. See 5 MRS §17001(10).

The bill seems to anticipate that salary savings would be created due to an assumption that the employees who would be newly eligible to retire after 35 years would, in fact, retire early. This would not, however, create the expected salary savings because retired employees would be replaced by new hires. While employees hired as replacements may be paid less than more tenured employees who retire, any salary savings would be minimal and temporary and would not result in the permanent salary savings necessary to fund the reclassification of another position. In addition, we do not know how many employees would take advantage of early retirement. Some individuals choose to work past their retirement dates.

The bill also anticipates savings due to "other associated costs" of employment, presumably benefits and mileage, for example. These savings are difficult to quantify and would accrue to any new employees hired into the vacant positions.

Finally, LD 1124 refers to "positions identified by the Department of Administrative and Financial Services [DAFS] as underpaid based on a comparison of regional and national salaries for those positions" and requires DAFS to calculate salary savings. Because the Judicial Branch is a separate branch of government, DAFS does not include judicial branch positions in its labor analyses. The Judicial Branch completes its own salary studies, with comparisons of regional and national pay scales, when needed. The last one occurred in 2017 and is thus outdated.

Thank you for your consideration.