Testimony of Beth White
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Before the Joint Standing Committee on Labor and Housing
1pm Tuesday, April 22, 2025,
Cross Office Room 202 and Electronically
LD 1611, An Act to Decrease the Retirement Contributions Required for Teachers and State Employees, Sponsored by Representative Julie McCabe

Senator Tipping, Representative Roeder, members of the Committee on Labor, I'm Beth White, director of politics and legislation for the Maine Service Employees Association, Local 1989 of the Service Employees International Union. The Maine Service Employees Association represents over 13,000 workers across the state, including state workers in all three branches of Maine State Government.

We are here in support of LD 1611. We appreciate Representative McCabe, a former teacher from the Lewiston Public Schools, bringing this bill forward to begin an important discussion about the rates that participants, in this instance, state workers, public school teachers and their employers, pay into the Maine Public Employees Retirement System (MainePERS).

Under LD 1611, the rate of contributions from state employees and teachers would decrease from the current 7.65% to 6.2% of earnable compensation effective July 1, 2026.

For comparison, the current rate that their employers pay into MainePERS is much less than the employee contributions. Local school districts currently pay 4.47% of salary costs into MainePERS and that rate will drop to 4.36% effective July 1, 2025. Similarly, the State of Maine currently pays 4.84% of salary costs to MainePERS, and the State's rate will go down slightly to 4.81%, also effective July 1, 2025.

Yet state workers and teachers are still being required to contribute 7.65% of their salaries from each and every paycheck they earn to MainePERS.

You should know that the state employee and teacher contributions to MainePERS have remained at 7.65% before, during and after the 2011 LePage Pension Cuts took effect. As you all may know, as a result of those pension cuts, retiree cost of living adjustments (COLAs) were frozen for three years, retiree cost of living adjustments (COLAs) were capped at 3% of the first $20,000 of pension income indexed to inflation, and the retirement age was raised to 65 retroactive to July 1, 2006. The result of these pension cuts is that state workers are paying into a plan that, in retirement, will keep them behind the cost of living.

Reducing the share that state workers and teachers are required to contribute to MainePERS would go a long way toward providing some level of fairness to current state workers and teachers given the fact that the 2011 LePage Pension cuts remain on the books.

Thank you and I would be glad to answer any questions.