

Maine Education Association

Jesse Hargrove President | Beth French Vice President | Jaye Rich Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

Testimony

In Support Of

LD 1611: An Act to Decrease the Retirement Contributions Required for Teachers and State Employees

Jan Kosinski, Government Relations Director, Maine Education Association

Before the Labor Committee

April 22nd, 2025

Senator Tipping, Representative Roeder, and other members of the Labor Committee,

My name is Jan Kosinski, and I am the Director of Government Relations for the Maine Education Association (MEA). The MEA represents nearly 24,000 educators, including teachers and other educators in nearly every public school in the state, as well as full-time faculty and other professional and support staff in both the University of Maine and Community College systems. Thousands of retired educators continue their connection and advocacy work through the MEA- Retired program.

I offer this testimony today on behalf of the MEA in SUPPORT of LD 1611, *An Act to Decrease the Retirement Contributions Required for Teachers and State Employees*.

I have already testified before this Committee to share the many ways teachers and educators are disadvantaged in retirement, but this bill brings up a different question – are teachers and other educators also financially disadvantaged while working?

Currently, teachers, other certified professionals and ed tech IIs and IIIs are all part of the MainePERS system and make contributions of 7.65% on their earnable compensation to the pension system. This number, 7.65% has been set in law for at least 15 years and rarely gets discussed. Especially after the pension cuts made in 2011, one must ask whether the 7.65% rate should remain in effect for teachers and ed techs.

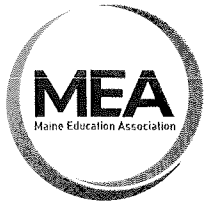
If teachers and other MainePERS-eligible educators were part of our Social Security System, they would only pay 6.2% of their earnable compensation.

In other words, public school teachers are paying 1.45% more of their earnings to their pension while private sectors teachers who are in Social Security are only paying 6.2%. This bill raises the question whether this current contribution system is fair.

While teacher/state employee contribution is fixed at 7.65%, the employer rate is variable and adjusts due to various actuarial factors.

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Local schools currently pay 4.47% of the salary cost to MainePERS. However, next fiscal year, beginning July 1, 2025, the employer costs are going to decrease to 4.36%.¹

The state is currently paying 4.84% and beginning July 1, 2025, the rate ticks down 4.81%.²

The employer rates have been extremely stable over the past decade and a half, and it is remarkable to see the normal contribution for employers tick down next fiscal year.

However, if the state and school districts participated in Social Security, they would be required to pay 6.2% of earnable compensation for all employees. Under Social Security both the employee and employer pay 6.2%.

While teachers and state employees are currently paying 1.45% more into retirement than the private sector or Social Security-based counterparts, school districts are paying 1.73% less than they would have to pay if the school's employees were part of Social Security. With the slight rate decrease, beginning in July of this year, school districts will pay 1.84% less than private schools or other educational agencies and institutions. (The State is paying 1.36% less than it would if state employees were also in Social Security).

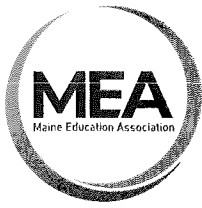
The MEA has consistently supported efforts to raise wages for ed techs and support staff and to raise salaries for teachers and other certified professionals. Our schools face very challenging workforce shortages. Local school districts are struggling mightily to find qualified applicants for open teaching jobs. We remain hopeful we can find a way to pass LD 34, *An Act to Increase the Minimum Teacher Salary*, and/or LD 653, *An Act to Allow Teachers to Qualify for Overtime Pay*. Both bills will help improve the compensation of teachers which is one major factor stifling new entrants into the profession.

This bill will also help. This bill will provide a 1.45% salary increase to every teacher and ed tech II and III in the state. For an entry-level, brand-new teacher, this could mean a raise of about \$500 per year. For a more seasoned, veteran teacher, this could result in keeping another \$1,000+ of their earnings each year.

With all the ways educators are disadvantaged in retirement I would hope this increase of 1.45% for teachers and ed techs could help some of them start or add to their 401ks or other retirement products to make up for the shortfall they will find in their MainePERS pension whenever they retire. Too many teachers are living paycheck to paycheck, and this proposal would give them a bit of breathing room to invest in their retirement since many are struggling to do so now.

¹ Information on the normal cost of retirement for school districts can be found on the MainePERS website found here: [Teacher - MainePERS](#)

² Information on the normal cost of retirement for the state can be found on the MainePERS website found here: [State - MainePERS](#)



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We fully understand the challenging budget picture many school districts face. We know many school boards are actively working to construct budgets that meet the needs of students while balancing the capacity of property taxpayers. However, we would argue the current distribution of rates is unfair to teachers. If 6.2% is good enough for Social Security, it should be good enough for MainePERS. We believe the current rate distribution is a cost shift on to teachers and should be corrected. This bill does that.

Thank you for your time and your attention. I will do my best to answer any questions you may have.

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