



Jill C. Duson
Senator, District 27
Assistant Majority Leader

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Testimony of Senate Assistant Majority Leader Jill C. Duson introducing
LD 1638, "An Act Regarding Disability Retirement Benefits Under the Maine Public Employees Retirement System"
Before the Joint Standing Committee on Labor

April 22, 2025

Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor. My name is Jill Duson. I represent Senate District 27 which includes part of the City of Westbrook and part of Portland. In addition, I have the honor of serving as the Senate Assistant Majority Leader. I am pleased to present for your consideration, **LD 1638, "An Act Regarding Disability Retirement Benefits Under the Maine Public Employees Retirement System."**

As you may know, the Social Security Fairness Act (Public Law No. 118-273) was signed into law by then President Biden on January 5th of this year. The SSFA which was passed on overwhelmingly bipartisan votes in the House and the Senate repealed two tax provisions, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

The Act repealed provisions that reduced Social Security benefits for individuals who receive other benefits such as a pension from state or local government. It eliminated the pension offset which reduced SS benefits for spouses, widows and widowers who also received government pensions of their own. And, it eliminated the provision that reduced SS benefits for individuals who also receive a pension or disability benefit from an employer that did not withhold Social Security taxes.

The SSFA repeal of these provisions restored earned Social Security benefits for more than 2 million retirees, including more than **25,000 retired Maine workers**.

The bill before you, LD 1638, aims to correct similarly unfair offsets that result in a portion of Maine Public Employee Retirement System (MainePERS) Disability benefits being withheld from retired Maine workers who received Social Security Disability Insurance payments.

In 1991, the Maine Legislature created the MainePERS Social Security disability offset as part of a large Worker's Compensation reform bill. This offset reduced benefits to well below the defined disability benefit amount of 59% of Annual Final Compensation for a small group of MainePERS disabled retirees – those who worked in Social Security covered public service jobs fully paying into both Social Security and MainePERS.



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We understand that the benefits that are being withheld from these retirees are sitting in the trust fund accruing interest while being withheld from the impacted retirees. This bill aims to pay out the underpayment of disability benefits from the MainePERS retirement trust fund to make whole, **fifty-one (51) current disabled retirees**, as if the MainePERS Social Security Offset never existed.

Passage of LD 1638 would right a wrong by repealing the MainePERS Social Security offset and it would return unfairly withheld monies to retired Maine workers. These retirees are being denied the full 59% MainePERS disability benefit that these retirees and their employers paid for through MainePERS's Contributions Rates.

Disabled retirees, our vulnerable retirees and their families experience detrimental long-term consequences of reduction in MainePERS disability benefits. These impacts transcend party lines as evidenced by the slate of legislators who cosponsored the bill.

Returning these benefits to retired Maine workers with disabilities who paid into the system is the right and fair thing to do. It restores fairness and brings equity to these retirees. I am grateful to the constituent, Mrs. Susan Hawes who brought this matter to our attention and for her persistent advocacy on this issue.

Today you will hear from some of the affected retirees or their surrogates who will share what passage of this bill would mean to them and their family. I thank you in advance for considering the real life effect, passage of this bill will have on these Maine families.

I am grateful for your attention to this matter and for the opportunity to present this bill and I am happy to answer any questions you may have.

Thank you.