

March 2025

Public Testimony in support of
**LD 900: An Act to Protect State Retiree Pensions from Inflation and,
LD 1040: An Act to Raise the Cap on Retirement Benefits for Certain State Employees and Teachers to
Which a Cost-of-living Adjustment Is Made**

Sen. Tipping, Rep. Roeder and members of the Committee on Labor. My name is Steven R. Keaten. I am a retired state worker. I worked as a Senior Financial Analyst for the Department of Health and Human Services. I am asking for your support of LD 900 and LD 1040.

Hopefully you've all heard about some of the cuts that affected our pensions back in 2011/2012. You've heard about the lowering of the COLA's to a maximum amount of 3 % per year, the cap that was placed on the amount of pension earnings you could get a COLA on, raising the retirement age from 62 to 65 if you were not considered vested with 5 years or more of service and the freeze on any COLA for two years. I personally have lost well over \$120,000 in pension revenue since the LePage pension cuts were passed in 2011. All so the rich could get a tax cut in 2011.

LD 1040 and LD 900 would work to undo the harm that's been done to me and my fellow state workers. It doesn't make us whole – but it'd be a good start.

For many years, I was affected by something you might not have heard about. This was a change that only affected 116 state employees and teachers. Prior to the 2011 pension changes you were able to retire and have guaranteed health insurance paid after 25 years of service no matter your age at retirement. Now you must work until your normal retirement before you can receive paid health insurance in retirement depending on what age group you're tied to (60, 62 or now 65. There was no grandfathering if you already had 25 years of service in.

Now young people entering public service as a state employee or teacher may have to work 40 years or more before they are eligible. People retiring under the 60-year age plan received just 2.25 percent penalty if they left in the time frame allowed before the changes took effect but people who retired under the 62-year age plan suffered 6 percent penalty for each year they retired before reaching their retirement plan. IM glad that has changed, but where are people left if they can't get a full cost of living adjustment? We don't pay into social security as public workers.

As an example, I was forced to make a decision in 2011 that no one should have been forced to make. I was forced to retire at age 55 and thus was penalized 42 percent of my pension, not the promise when I got hired in 1984 saying I could retire at age 60 with no penalty. No wonder the State can't recruit and keep people. The legislature keeps playing with their retirements. I am grateful for the stability and predictability under Governor Mills, but there is more work to do to make us whole. I ask for your support in making measurable progress on this injustice in the 132nd Legislative session.

Steven R. Keaten
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