

TESTIMONY IN SUPPORT OF

L.D. 620

RESOLVE, TO DEVELOP A PLAN FOR TEACHERS TO COLLECT SOCIAL SECURITY

Senator Hickman, Representative Sylvester, and members of the Labor and Housing Committee. I am Victoria Wallack, communications and government relations director of Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and Maine School Superintendents Association in support of L.D. 620.

Our associations support this bill because the concept has long been discussed, but no definitive action has been taken to make this possible.

The last study we recall was done in 2018, and our association was part of the group that developed retirement options.

The options explored included allowing employees participating in Social Security to have the choice of three supplemental plans because Social Security is not enough.

The choices included: 1) a hybrid defined benefit/defined contribution option; 2) a defined benefit option; or 3) a defined contribution option.

The report also recommended that new employees hired by employers continuing without Social Security would be automatically enrolled in a defined benefit plan that meets the Internal Revenue Service safe harbor requirements. No new employees would be enrolled in the current tier of the State/Teacher Plan.

The report can be found at the link below:

<https://www.maineopers.org/wp-content/uploads/pdfs/Reports/State-Teacher-Report-to-the-Appropriations-Committee-4.9.18-FINAL.pdf>

We believe this report is a good starting point and would look to the Retirement System to give guidance on the next steps, including providing updated costs.