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TESTIMONY IN SUPPORT OF

L.D. 1105

RESOLVE, DIRECTING THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM TO CONVENE A WORKING GROUP TO INVESTIGATE PUBLIC PENSION OPTIONS

Senator Hickman, Representative Sylvester, and members of the Labor and Housing Committee. I am Steven Bailey, executive 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. 1105.

Maine School Management Association was part of the group that did work in 2011 to look at public pension options, including a hybrid based on Social Security and a supplemental plan.

Maine, as the committee knows, is one of a dozen states that don't participate in Social Security for their state and public school employees.

Under Social Security the employee and employer rates would be 6.2 percent for each. Under the current state plan, the employee rate for state employees and teachers is 7.65 percent. The employer rate under the current plan is 4.44 percent for state workers and 4.16 percent for teachers.

There are other options for alternative plans, many of which already have been explored. We assume past work would inform the new working group, if this bill moves forward. Our association has recommended members for such a working group in the past, and would welcome doing so again, if this bill moves forward.