



DATE: April 9, 2021

TO: Senator Joseph Rafferty, Chair
Representative Mike Sylvester, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: William H. Laubenstein, III, President, Maine Association of Retirees

SUBJECT: Testimony on LD 1105: Resolve, Directing the Maine Public Employees Retirement System to Convene a Working Group To Investigate Public Pension Options

Senator Rafferty, Representative Sylvester, and members of the Joint Standing Committee on Labor and Housing. My name is William H. Laubenstein, III, and I am President of the Maine Association of Retirees.

The Maine Association of Retirees (MAR) opposes LD 1105, which directs the Maine Public Employees Retirement System (MainePERS) to convene a working group of interested parties to work together to develop new designs for public employee pensions that are based on Social Security and have comparable benefits to the current defined benefit plan.

MAR represents retirees covered by one of the various retirement plans administered by MainePERS. The overall mission of the organization is to protect the retirement fund and advocate for the rights of Maine Public Service retirees to ensure a financially secure, healthy and enriched life.

Since 2012 the Governor or the Legislature has directed MainePERS to develop retirement plan options for Maine state public employees, the most recent in 2019 and 2020. These reports were funded using Retirement Trust resources and involved considerable stakeholder input. The Legislature chose not to enact findings from any of these reports because the cost of offering comparable benefits with a Social Security-based option would be costlier to

the State. Maine's current, well-designed plans offer benefits to members and retirees that are superior to Social Security and at a lower cost.

Accordingly, MAR respectfully requests the Committee to vote "Ought Not to Pass" on this Resolve. If there is interest in reviewing plan design options, we suggest that you pull off the shelf one of the many existing reports, rather than incur new costs and effort by stakeholders. As an aside, MAR notes that it is not represented on the working group identified in the Resolve.

Thank you for your consideration of this testimony. I would be happy to answer your question.