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Testimony of Sen. Chloe Maxmin supporting
**LD 1105, Resolve, Directing the Maine Public Employees Retirement System
To Convene a Working Group To Investigate Public Pension Options**
Before the Joint Standing Committee on Labor and Housing

Senator Hickman, Representative Sylvester, and honorable members of the Labor and Housing Committee:

My name is Chloe Maxmin. I represent Senate District 13, which includes all of Lincoln County except for Dresden, plus Washington and Windsor—a total of twenty-seven towns. Thank you for the opportunity to speak in support of LD 1105, Resolve, Directing the Maine Public Employees Retirement System To Convene a Working Group To Investigate Public Pension Options.

I remember the exact day that I learned about the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). I was knocking doors in Whitefield in 2018, before I was ever elected, and met an elderly couple who were struggling to make ends meet. They told me about the WEP/GPO and asked if I could research the issue and provide some answers for them. I went home, sat down at my computer, and began a multi-year journey to learn about this program.

I am sure that you are all aware of the travesty that is the WEP/GPO, but to make sure that we are all on the same page: many folks work in the private and public sector throughout their careers. They therefore pay into two types of retirement funds—a private pension and Social Security. Upon retirement, Social Security benefits are cut because the person is “double dipping.” This was passed by Congress in 1983 and has haunted retirees ever since. The WEP mostly impacts public workers—like teachers and other state employees—who often hold multiple jobs in their lifetimes. The GPO impacts their spouses.

After that fateful day in 2018, I have regularly heard about the WEP/GPO from my constituents. Many don’t know that it’s coming and are caught off guard in their retirement. To me, this is obviously a deeply unfair and unjust situation.

Many advocate for a change at the federal level, as it costs a lot of money to fix this problem. But some states have already found a solution at the state level, making a federal fix more unlikely. The purpose of this bill is to put us on a path to fix this problem, for Mainers, on our own.

LD 1105 reconvenes a Working Group that was created out of the 2011 Biennial Budget to figure out a way to fix the WEP/GPO in Maine. The unions and employers worked hard to design a new retirement plan, but it did not work at at the time. The Maine Public Employee Retirement System, MainePERS, is retiring the use of UAL (unfunded actuarial liability) in the years ahead. In 2024, the UAL costs to the state begin to decline significantly. This opens the door to finally fixing the WEP/GPO. We need to reconvene this stakeholder group now so that we are prepared to launch into action in 2024.

There are advocates speaking after me who are much more well versed in the intricacies of addressing this problem. I appreciate the Committee's attention to this legislation. I am happy to answer any questions.

Sincerely,

Chloe Maxmin