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TESTIMONY IN SUPPORT OF

L.D. 548

AN ACT REGARDING PENALTIES FOR EARLY RETIREMENT FOR CERTAIN MEMBERS OF THE MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

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. 548.

Our associations support this bill for our teachers and administrators who essentially were given the choice of two bad options when the Legislature changed the retirement rules in 2011.

That year the normal retirement age for those in the teacher plan was increased to age 62 for those with five years or more of creditable service, as of July 1, 2011. People essentially had a one-year window to make up their mind. Some made the choice to retire in that short window so they could leave with their health insurance, even though leaving reduced their annual retirement benefit substantially.

We had superintendents who left during that time frame. We are here speaking on their behalf in support of L.D. 548.

In reality, the one-year window administrators and teachers were given to decide left very little time to consider the full ramifications and long-term impact of that choice.

Those ramifications are being felt today as the cost of living, including medical bills, continues to rise. We believe L.D. 548 is the right thing to do and urge its passage.