

February 09, 2023

Public Testimony on Supplemental Budget LD 111

Sen. Tipping, Rep. Roeder and members of the Committee on Labor and Housing. My name is Steven R. Keaten and I'm a lifelong resident of Maine. I grew up in Somerset County and have lived for the past 34 years in China, Maine. Thank you for letting me testify in favor of LD 111.

I'm a retired state employee having retired on December 29th, 2011 at the age of 55 ½ years. I retired with a penalty of 42 percent in my MEPERS pension after having worked just short of 28 years as a state employee. I retired due to the 2011 changes enacted to state paid health insurance benefits for long time teachers and state employees upon retirement.

You've probably all have heard about the cuts to our pensions the occurred in 2011 that were a reduction in the maximum COLA and the base reduction in which your COLA is based on. What you don't hear about much is the age requirement you must attain to qualify to get your health insurance paid for by the State at retirement. Prior to those enacted changes in 2011 you were eligible for State paid health insurance after reaching 25 years of service. That was changed to now having to reach your normal retirement age before the State picks up the cost of your health insurance. You'll be hearing more about this later from me in testimony I plan to submit on another proposed LD coming before this committee on a later date.

State employees that retire and work until their normal retirement age and are Medicare eligible when they turn 65 are placed into a Medicare Advantage plan that saves the State tons of money. Currently that deduction for me is \$164.90/month for Medicare Part B. This cost is deducted from what little I receive from Social Security.

The retiree is forced to pay this \$164.90 per month that is taken out of their Social Security check which is already greatly reduced because of the Social Security offsets known as the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). Many state retirees that receive their reduced Social Security don't get enough to pay this Medicare Premium and they must pay any difference out of pocket.

If you're not eligible to draw Social Security than the State picks up 100 % of your insurance costs. That is not the case if your Social Security eligible.

Therefor all Retired State employees are not treated equal when it comes to payment of Health Insurance and their out of pockets costs for Health Insurance Premiums.

I urge this committee to correct this injustice and pass LD 111 as ought to pass and send to the Legislature to be enacted and funded.

Once again, I thank you for allowing me to testify and I'll try to answer any questions you might have.

Steven R. Keaten

China , Maine