

Rob Peale Testimony On LD 111
An Act Requiring the State to Pay a Share of a Retired
State Employee's or Retired Teacher's Premium for
Medicare Part B Under Medicare Advantage sponsored
by Representative Shagoury.

Senator Tipping, Representative Roeder and members of the
Committee on Labor and Housing:

My name is Rob Peale and I am a Readfield resident. I am also a retired
State of Maine employee. **I am asking for your support to pass and
fund LD 111 for the state to share the cost of our Medicare premiums.**

Although paying a portion of our Medicare premiums would not come
close to paying back retired state employees and teachers for the
financial sacrifices imposed on them by the pension cuts passed by the
republican governor and republican majority legislature 2011, it will
provide a small financial boost for most of us.

The 2011 cuts included (1) a substantial cut in the amount (base) to
which cost-of-living adjustments (COLA) apply, (2) lowering the COLA
cap to a level below the likely long term average inflation rate, and (3) a
3-year COLA freeze.

These changes took away benefits we were promised when we were
hired. These promises were often repeated to keep us in our jobs during
years when wage and other benefit increases were paltry. Until 2011
Maine law specified that these pension benefits were contractual
between the state, and its employees and teachers. This all changed in
2011.

Since I retired in 2017 after 30 years of service to the state, the value of my pension benefits has continued to decrease because (1) a significant portion of my pension is not covered by cost of living adjustments (the COLA) due to the cap on covered pension benefits base, (2) the COLA itself is capped at rate below the likely long term average inflation rate, and (3) inflation rates that in the last couple of years have exceeded the COLA cap (and are likely to exceed it in at least some future years).

Our benefit COLAs contrast starkly with the social security payments that private sector workers get. Social security benefits receive annual COLAs on their entire payment based on actual inflation rates.

On behalf of myself and my fellow retirees I ask you to please pass and fund this bill, and be open to other changes to help retirees recover our promised pension benefits.

Thank-you

Robert Peale
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