

Rob Peale 2023 Testimony on LD 70 (An Act to Eliminate the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-living Adjustment Is Made)

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 fully fund this act to remove the cap on the amount of our pensions to which a cost of living adjustment is made.**

MainePERS retirees need relief from the damage committed in 2011 by the then republican legislature and governor against public employees and our pensions. The cuts to my contractually promised pension (based on Maine Law prior to 2011) were billed by some elected officials as “shared sacrifice”. However, the ones who made most of the sacrifices when the cuts to our pensions were made were the public employees.

The damage included:

- (1) a substantial cut in the amount (base) to which cost-of-living adjustments (COLAs) apply,
- (2) lowering the COLA cap from 4% to 3%, a level below the likely long term average inflation rate, and
- (3) a 3-year COLA freeze. These changes were instigated by long term underfunding of the pension system by Maine politicians exacerbated by the Stock Market collapse during the Great Recession.

The changes are in stark contrast to the private sector equivalent of our pensions, Social Security, which private sector workers receive. Social

Security payments include COLAs equal to the full rate of inflation on the entire benefit payment.

The Financial Markets, even given the declines of 2022, have come roaring back since 2011 during one of the greatest long term bull market periods in stock market history. However, no legislature or governor has permanently reversed any of the pension benefit cuts from 2011. **Therefore I am requesting that you pass and fund LD 70 which would at least apply the COLA to our entire pension benefit although it would no where near bring us back to where we were before the 2011 cuts.**

In agreeing to work for state government, I was promised a far stronger pension than I have today, and it's falling further, and more quickly behind the increasing cost of living. Applying the COLA to our entire pension payment instead of just the base will be a significant help to many former state workers and teachers even if the current COLA cap of 3% continues to be applied in the future.

I also ask that you be open to additional changes that will help retirees recover the pension benefits that were promised to us.

Thank you.

Robert Peale

Readfield, ME