

Rob Peale 2023 Testimony on LD 1096

(An Act to Help Retired Teachers and State Employees Keep Pace with Inflation by Matching the Cost-of-living Adjustment for Social Security Benefits)

Senator Michael 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 provide the equivalent of the Social Security cost of living adjustment (COLA) to our Maine teacher and state retiree pensions.**

For most retired Maine teachers and state employees our state pensions play the same role in retirement as does social security to private sector workers and business owners. Because we did not pay into Social Security when employed by the state or Maine school systems, many of us receive no social security benefits. For those like myself that do receive social security benefits due to having more than 40 quarters of employment in the private sector, our small social security benefits are further diminished by federal Windfall Elimination Provision. Under this provision my social security benefit is cut to half what it would be if I received the full benefit based on the contributions made by myself and my employers in the private sector.

MainePERS retirees certainly need relief from the damage committed in 2011 by the then legislature and governor against public employees and our pensions. I am sure you know about these cuts already. It is my understanding that the average pension received by state employee and teacher retirees, and the average social security benefit received by private sector workers are roughly similar. Because of the 2011 cuts and caps the average state pension will continue to decline in real terms relative to the average social security benefit.

The state of Maine received substantial savings by having its own pension system rather than paying into the social security system. The original goals were that the pension system would be more reliable and provide better benefits than social security. It is time to move in a direction to make those goals the reality.

Thank you.

Robert Peale

Readfield, ME