

Donald King
Brooks
LD 1499

Testimony for LD 1499 "An Act Regarding Penalties for Early Retirement for Certain Members of the Maine Public Employees Retirement System"

Public Hearing by the Labor & Housing Committee scheduled for April 19, 2023 at 10 a.m.

WRITTEN TESTIMONY PROVIDED BY: Donald J. King, Brooks, ME, Retired Maine DOC Employee

Here we are again, attempting to seek a fair and equitable treatment for the harm we've suffered many years ago at the hands of two Maine Governors' who chose to balance the State budget on the backs of the employees rather than exploring more appropriate program cuts. We beseech you to hear our pleas with open minds.

I am thankful that I was able to work for the State of Maine Department of Conservation Parks & Lands for my career with state government. In my job I was blessed to be able to work outdoors in some of the most beautiful protected areas in Maine. While it wasn't a high paying position, it gave me lots of opportunities to use my skills and experience from previous construction jobs and we made a ton of logistical improvements to the State Parks and Lands in Maine.

I appreciate that the Legislature is once again considering righting a wrong, actually two wrongs that were done to me as a result of Budgetary problems that state experienced back in 1993 and in 2012. Both times I was directly and severely penalized by the decisions the two Governor's made at those times to cut the retirement benefits for state employees despite existing contractual agreements (promises) with the Union. Both times they were balancing the budget on the backs of state employees instead of making more appropriate cuts in state services. These changes in the law severely impacted my income at retirement. It may not immediately jump out at you that these changes could have amounted to a significant reduction in benefits. But in the end, my hard-earned retirement benefits were cut by over 30% as a result of the combined effects of these two sets of changes. I struggle to get by on the reduced income as my health costs continue to grow.

In 1993 Governor McKernan decided to limit the penalties for early retirement based on whether or not people had 10 years vested in state service. Unfortunately, I only had 9 years towards being vested in the system at that time. During those nine years the State had contractually promised me that if I worked to my retirement age I would be able to get an amount equal to half of my pay at retirement. That legislative initiative also included changing my allowed retirement age from 60 years of age to 62 years of age. That huge jump in age for "normal" retirement compounded the problems when I eventually was forced to retire early in 2012. This turned out to be a SEVERE financial penalty for us hardworking and committed state employees who'd been contractually promised a fair deal when we hired on.

Later, in 2012, Governor LePage was on a mission to reform the state pension system and decided to force state employees to retire early or take a benefit cut in their insurance premiums coverage previously covered by the state. Unfortunately, for me, the timing of that budgetary provision followed a tickborne illness (that I got on the job btw) which caused me to have a temporary liver failure condition at age 57 in November of 2011. I was in the hospital for one week and thankfully the liver started healing so I didn't require a transplant! That scared me big time and then when faced with the Health Insurance premium cuts on Jan 2, of 2012, it just didn't seem plausible to continue my employment for five more years given what had just happened to my health. I just didn't know what the future held at that time. I had exhausted my body with 27 years of hard physical labor and gotten sick through no fault of my own with an illness that I had contracted working in the great outdoors!

I estimate the penalties from those actions have cut my retirement benefits by at least \$8,250 - \$10,000 per year. The full impact of these cuts left me with over 30% less in

benefits as a result of these draconian attempts to balance the budget. That's a pretty significant hit to my promised retirement income. The furlough day's for state employees that those Governor's also implemented was more equitable than this targeted retirement penalties action that affected only a limited number of employees. Using the furlough approach everyone lost the same amount of work days (2 weeks) during the year. It hurt but didn't cripple our long term financial picture.

Those two Governor's failed us by using gimmicks to balance the budget on the backs of state employees instead of more appropriate cuts to state programs. When I started retirement in 2012, my monthly benefit was only \$12,000 a year; not the \$20,000 a year I had been promised back when I hired on. I still feel bitter and dejected because of the decisions made by those past Governors. I surely hope you will show those of us affected by these previous budgetary decisions that you stand behind us and want to make things right (and fair).

In my job for the State Parks I was a committed and devoted employee who went above and beyond what was asked of me. The only rewards I got besides a small paycheck were pat's on the back for jobs well done. For many years I traveled all over the state working on Parks and Lands maintenance and building projects which took me away from home and family for days at a time. I worked tirelessly for the state and was committed to doing the best job I could do. And I was rewarded for that effort with a 30% cut in my retirement benefits!

By passing this bill and ensuring funding for it you will fundamentally change my life by abating my stress and anger at the State for treating employees with such cruel disregard. You will also be fundamentally changing my life by allowing me this small increase in my retirement income. I am a capable, worthy and hard-working retired employee that has felt great despair over the unfairness of those past budget balancing gimmicks.

From my perspective, the State of Maine hires people to do their "essential work"; then these two Governor's decided to balance the budget on the backs of the state employees by showing a complete disregard for how this would affect employees lives decades into the future. I can't help but wonder how these Governor's would feel if their own retirement benefits were reduced by 30%. Would they go quietly into the night accepting an inequitable broken promise?

Please vote for the bill, HD 1499, to pass and make sure it comes with funding so that we can right the wrongs from the past and give retired employees a more fair and equitable retirement benefit for their years of service. We deserve a benefit that is more in line with what we had been promised when I started working for the State in 1984. One that more equitable with that of most state retirees. Obviously I will still have an overall 11.25% benefit reduction at the 2.25% reduction per year (five years) as a result of having been forced to retire in 2012. That is much more fair and equitable than the 30% reduction now in force. Though I'll likely never see retroactive benefits for this, making this legislative change will most certainly help me deal with the increased medical costs I am now facing as I grow older.

Please repair the broken promises and restore a more fair and equitable benefits adjustment by changing the rate of the penalty back to 2.25% rather than the 6% (per each year retired early) for affected retirees.