

127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 86

H.P. 69

House of Representatives, January 16, 2015

An Act To Improve Retirement Security for Retired Public Employees

(EMERGENCY)

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative SHERMAN of Hodgdon.

Cosponsored by Representatives: FOWLE of Vassalboro, LONG of Sherman, STANLEY of Medway, Senators: EDGECOMB of Aroostook, McCORMICK of Kennebec.

- 1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not 2 become effective until 90 days after adjournment unless enacted as emergencies; and
- 3 **Whereas,** cost-of-living adjustments are applied to the applicable portion of an 4 eligible retiree's benefit amount beginning in September of each year; and
- 5 **Whereas,** this legislation requires a retroactive adjustment to the cost-of-living 6 increase applied to the eligible portion of a retiree's benefit in September 2014; and
- Whereas, this legislation may impact the percentage increase to be applied to the
 applicable portion of an eligible retiree's benefit amount beginning in September 2015;
 and
- 10 **Whereas,** in the judgment of the Legislature, these facts create an emergency within 11 the meaning of the Constitution of Maine and require the following legislation as 12 immediately necessary for the preservation of the public peace, health and safety; now, 13 therefore,
- 14 Be it enacted by the People of the State of Maine as follows:
- 15 Sec. 1. 5 MRSA §17806, sub-§1, ¶A-2 is enacted to read:
- 16A-2. Notwithstanding paragraphs A and A-1, for cost-of-living adjustments awarded17in fiscal year 2014-15, fiscal year 2015-16 and fiscal year 2016-17 only, the board18shall automatically make a percentage increase in retirement benefits of no less than192.55% and no more than 3%. The increase applies to that portion of the retirement20benefit up to \$20,000, which amount must be indexed in subsequent years by the21same percentage adjustments granted under this paragraph.
- 22 Adjustment to September 2014 cost-of-living increase to Sec. 2. 23 retirement benefits. Notwithstanding any other provision of law, the cost-of-living percentage applied to retirement benefits in September of 2014 must be adjusted to reflect 24 25 a cost-of-living percentage of 2.55%. The Executive Director of the Maine Public Employees Retirement System shall determine the additional amount of funding 26 27 necessary to adjust the retirement benefit for all eligible members that received a cost-ofliving increase in September 2014 to reflect a percentage increase of 2.55% and provide 28 each eligible retiree with a one-time lump-sum payment no later than August 31, 2015. 29
- 30 Emergency clause. In view of the emergency cited in the preamble, this
 31 legislation takes effect when approved.
- 32 SUMMARY
- This bill provides a minimum cost-of-living adjustment of 2.55% for benefits received by retired state employees, teachers, judges and Legislators for fiscal year 2014-15, fiscal year 2015-16 and fiscal year 2016-17 only.