

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-147)

COMMITTEE AMENDMENT "A" to S.P. 130, L.D. 307, Bill, "AN ACT to Base Adjustments of Retirement Allowances on Cost of Living."

Amend the bill in section 1 by striking out at the end the following: "~~of 4%~~ in the actual percentage change in the Consumer Price Index" and inserting in their place the following: 'of ~~4%~~ 4 1/2%'

Further amend the bill by striking out all of section 2 and inserting in its place the following:

'Sec. 2. 5 MRSA §1128, sub-§1, ¶B, as enacted by PL 1977, c.573, §3, is amended to read:

B. Whenever the annual percentage change from July 1st to June 30th in the Consumer Price Index exceeds ~~4%~~ 4 1/2%, the board of trustees shall make such adjustments in the retirement allowances as necessary to reflect an annual increase or decrease of ~~4%~~ 4 1/2% and shall report that adjustment and the actual increase or decrease in the Consumer Price Index to the Legislature during the month of February of the following year.'

Fiscal Note

The cost of increasing the ~~4%~~ to 4 1/2% would be as follows:

D. R.

	<u>1979-80</u>	<u>1980-81</u>
Appropriation from General Fund		
State Employees Retirement		
All Other	\$ 996,538	\$1,024,219
Teachers Retirement		
All Other	2,440,487	2,440,487
Allocation from Highway Fund		
State Employees Retirement		
Unallocated	626,545	643,949

In addition to the above appropriation and allocation, there will be a cost to the Dedicated Revenue Accounts of \$632,118 for 1979-80 and \$670,232 for 1980-81.

Statement of Fact

This amendment merely increases the maximum cost-of-living adjustment to 4 1/2 from 4%. The original bill replaced 4% by the actual change in the Consumer Price Index.

Reported by the Committee on Aging, Retirement and Veterans.

Reproduced and distributed pursuant to Senate Rule 11-A.

May 7, 1979

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