

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
109TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-94)

COMMITTEE AMENDMENT "A" to S. P. 189, L.D. 456, Bill, "AN ACT Appropriating Funds to Allow Maine State Retirement Members a Cost-of-Living Increase in Benefits."

Amend the Bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 5 MRSA §1128-A is enacted to read:

§1128-A. Adjustments to the basic cost-of-living plan for retired persons

Adjustments in the retirement allowance being paid to retired state employees, teachers or beneficiaries of either in accordance with section 1128 shall be further adjusted to reflect the actual increase in the Consumer Price Index as herein provided.

Any retiree who received a cost-of-living adjustment in his retirement allowance of 4% on September 1, 1978, shall have his retirement allowance increased to reflect a cost-of-living adjustment equal to 7.3% in lieu of the 4% received on September 1, 1978. This adjustment shall be reflected in the annual retirement allowance beginning in September 1979. Any adjustment made in September 1979 in accordance with section 1128 shall be made to the annual retirement allowance as adjusted by this section.

Sec. 2. Appropriation. The following funds shall be appropriated from the General Fund to carry out the purposes of this Act.

| | <u>1979-80</u> | <u>1980-81</u> |
|-------------------------------|------------------|------------------|
| MAINE STATE RETIREMENT SYSTEM | | |
| State Employees Retirement | | |
| Unallocated | \$ 328,039 | \$ 328,039 |
| Teachers Retirement | | |
| Unallocated | <u>1,146,635</u> | <u>1,146,635</u> |
| Total General Fund | \$1,474,674 | \$1,474,674 |

Sec. 3. Appropriation. The following funds shall be allocated from the General Highway Fund to carry out the purposes of this Act.

| | <u>1979-80</u> | <u>1980-81</u> |
|-------------------------------|----------------|----------------|
| MAINE STATE RETIREMENT SYSTEM | | |
| Unallocated | \$196,225 | \$196,225' |

Fiscal Note

This amendment will require an appropriation of \$1,670,899 for fiscal year 1979-80 and for fiscal year 1980-81. In addition to this appropriation and allocation, there will be a cost to the dedicated revenue accounts of \$224,684 each year.

Statement of Fact

This amendment adds a fiscal note to the bill and clarifies the intent of the original bill which allowed members of the Maine State Retirement System to catch up with the cost-of-living by providing funds to cover the difference between the automatic

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increase of 4% which they received under present statutes and the actual increase in the Consumer Price Index recorded during the fiscal year 1977-78.

Reported by the Committee on Aging, Retirement and Veterans.

Reproduced and distributed pursuant to Senate Rule 11-A.

April 6, 1979

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