

FIRST REGULAR S	SESSION
ONE HUNDRED AND ELEVENT	TH LEGISLATURE
Legislative Document	No. 630
S.P. 209	In Senate, February 7, 1983
Received by the Secretary of the Senate of the Committee on Appropriations and Finance pursuant to Joint Rule 14.	
	O'BRIEN, Secretary of the Senate
Presented by Senator Dow of Kennebec. Cosponsors: Senator Brown of Washingt and Representative Mitchell of Vassalboro.	on, Senator Pray of Penobscot
STATE OF MAI	NE
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IN THE YEAR OF OUR LORD	
NINETEEN HUNDRED AND	EIGHTY-THREE
AN ACT to Establish	Wage-based
Cost-of-living Adjustments for	
Retired State Employe	
and Beneficiar	
Be it enacted by the People of	the State of Maine as
follows:	
	sub-§1, ¶¶ A and B, as
enacted by PL 1977, c. 573, §3, are repealed and the	
following enacted in their place	
A. The annual retirement	
increased in September of each year by a percent-	
age equal to the average increase in salaries and	
salary-related items received by active state	
workers and active teache	ers for the prior year,
except that in the year 198	33 the increase shall
be 6%.	

1	The cost of that adjustment shall be determined
2	by the Board of Trustees of the Maine State
3	Retirement System and shall be included in their
4	budget requests, if necessary.
5	B. The average increase shall be determined by
6	computing the average of salary and
7	salary-related increases received by active state
8	employees and teachers for the period of July 1st
9	to June 30th of the year preceding the year in
10	which the adjustment is made.
11 12 13	Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.
14	APPROPRIATIONS AND
15	ALLOCATIONS
16	<u>1983-84</u> <u>1984-85</u>
17	MAINE STATE
18	RETIREMENT SYSTEM
19	Teachers' Retirement \$ 967,560 \$1,993,174
20	State Employees'
21	Retirement 659,653 1,258,885
22	Total \$1,627,213 \$3,252,059
23	The appropriation for
24	fiscal 1984-85
25	is based upon
26	an estimated 6%
27	average increase in
28	state employee and
29	teacher salaries.
30	STATEMENT OF FACT
31	This bill establishes a wage-based formula for
32	determining cost-of-living increases for retired
33	state employees and retired teachers. Prior to 1977,
34	retired state employees and teachers received the

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1 same percentage increases as state employees whenever 2 the Legislature enacted a general wage increase for 3 state employees.

4 Present law grants retired state employees an 5 increase based upon rises in the Consumer Price Index 6 but such raises are capped at a 4% maximum.

7 This bill establishes a wage-based formula to be 8 determined by averaging wage increases earned by 9 state workers and teachers for the preceding year. 10 In order to allow enough time to elapse to establish 11 the percentage based on wage increases, the cost-12 of-living raise for 1983 will be set at 6%.

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