

MAINE STATE LEGISLATURE

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34
R O F S

L.D. 900

Date: 5/23/25

(Filing No. S-146)

MAJORITY

LABOR

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STATE OF MAINE

SENATE

132ND LEGISLATURE

FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 389, L.D. 900, "An Act to Protect State Retiree Pensions from Inflation"

Amend the bill in section 2 in paragraph A-4 in the first line (page 1, line 21 in L.D.) by inserting after the following: "27" the following: 'and fiscal year 2027-28'

Amend the bill by inserting after section 2 the following:

'Sec. 3. Appropriations and allocations. The following appropriations and allocations are made.

RETIREMENT SYSTEM, MAINE PUBLIC EMPLOYEES

Retirement System - Retirement Allowance Fund 0085

Initiative: Provides one-time funds to pay the unfunded actuarial liability created by requiring that cost-of-living increases be applied to the first \$40,000 in fiscal year 2026-27 and fiscal year 2027-28 and \$50,000 beginning in fiscal year 2028-29 of a retiree's benefit as well as increasing the maximum cost-of-living percentage increase that may be applied to a retiree's benefit from 3% to 4% in fiscal year 2026-27 and fiscal year 2027-28 and 5% beginning in fiscal year 2028-29.

GENERAL FUND

	2025-26	2026-27
All Other	\$0	\$1,652,960,000

GENERAL FUND TOTAL

\$0 \$1,652,960,000

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the majority report of the committee, provides that for fiscal year 2027-28, the Board of Trustees of the Maine Public Employees Retirement System,

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to S.P. 389, L.D. 900 (5-146)

1 whenever there is a percentage increase in the Consumer Price Index from July 1st to June
2 30th, must automatically make an equal percentage increase in retirement benefits up to a
3 maximum increase of 4%. The amendment also adds an appropriations and allocations
4 section.

5 **FISCAL NOTE REQUIRED**

6 (See attached)

COMMITTEE AMENDMENT

**132nd MAINE LEGISLATURE****LD 900****LR 1451(02)****An Act to Protect State Retiree Pensions from Inflation****Fiscal Note for Bill as Amended by Committee Amendment "A" (S-146)****Committee: Labor****Fiscal Note Required: Yes**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$0	\$1,652,960,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$1,652,960,000	\$0	\$0

Fiscal Detail and Notes

This legislation requires that cost-of-living increases for retirees be applied to the first \$40,000 of the retiree's benefit in fiscal year 2026-27 and fiscal year 2027-28 and the first \$50,000 of the retiree's benefit in fiscal year 2028-29 and in each subsequent year thereafter. It also increases the maximum cost-of-living percentage increase that may be applied to a retiree's benefit from 3% to 4% in fiscal year 2026-27 and fiscal year 2027-28 and 5% beginning in fiscal year 2028-29. This bill includes a one-time General Fund appropriation of \$1,652,960,000 in fiscal year 2026-27 to the Maine Public Employees Retirement System for the unfunded actuarial liability created as a result of these provisions which, pursuant to the Maine Constitution, must be funded immediately.

These provisions will also increase the normal cost component of the employer retirement rate beginning in the 2028-2029 biennium (future costs). The impact in the employer contribution rate can not be estimated at this time.