

MAINE STATE LEGISLATURE

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SAZ
ROFS

L.D. 1003

Date: 5/30/25 Majority

(Filing No. H-362)

LABOR

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to H.P. 650, L.D. 1003, "An Act Establishing the Retirement Benefit Improvement Fund"

Amend the bill in section 2 in art. 10 in §17446 in subsection 4 in the 4th line (page 2, line 16 in L.D.) by striking out the following: "labor" and inserting the following: 'retirement matters'

Amend the bill by inserting after section 2 the following:

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

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
Retirement Benefit Improvement Fund N521**

Initiative: Provides base allocations to authorize the expenditure of funds to pay for retirement benefit improvements for retired state employees and teachers and their beneficiaries.

OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
All Other	\$500	\$500
OTHER SPECIAL REVENUE FUNDS TOTAL	\$500	\$500

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

SUMMARY

This amendment clarifies that the Chief Executive Officer of the Maine Public Employees Retirement System must report on the status of the Retirement Benefit Improvement Fund to the joint standing committee of the Legislature having jurisdiction over retirement matters as opposed to the joint standing committee of the Legislature

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 650, L.D. 1003

1 having jurisdiction over labor matters. The amendment also adds an appropriations and
2 allocations section.

3 **FISCAL NOTE REQUIRED**

4 **(See attached)**



Approved: 05/20/25 **LRL**

132nd MAINE LEGISLATURE

LD 1003

LR 1598(02)

An Act Establishing the Retirement Benefit Improvement Fund

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Labor

Fiscal Note Required: Yes

A (H-362)

Fiscal Note

Redistribution of final priority transfers

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Appropriations/Allocations				
Other Special Revenue Funds	\$500	\$500	\$500	\$500

Fiscal Detail and Notes

Currently, cost-of-living increases for retired teachers, state employees, judges and legislators are applied to a portion of a retiree's benefit instead of the full amount. In 2024, the cost-of-living adjustment was applied to the first \$25,659 of a retiree's benefit. That amount will increase to \$26,429 for 2025. Increasing the portion of a retiree's benefit to which the cost-of-living increase is applied beyond this amount will create an unfunded actuarial liability that, pursuant to the Constitution, will need to be funded prior to the increase taking effect. The most recent cost estimate, prepared by the Maine Public Employees Retirement System in February 2023, of applying the cost-of-living adjustment to a retiree's full benefit amount is \$1,192,325,370.

This bill includes ongoing Other Special Revenue Funds base allocations of \$500 per year beginning in fiscal year 2025-26 to the Retirement Benefit Improvement Fund established within the Department of Administrative and Financial Services for the purpose of accumulating funds to pay for retirement benefit improvements for retired state employees and teachers and their beneficiaries such as increasing the base in which a retiree's cost-of-living adjustment is applied. The bill requires that any remaining balance of the unappropriated surplus of the General Fund at the end of each fiscal year be transferred, as the 5th priority, to the fund until such time as the cost-of-living adjustment is applied to a retiree's full retirement benefit. Adding this priority will suspend any funding for other statutory priorities of the cascade that fall after the Retirement Benefit Improvement Fund.