

# MAINE STATE LEGISLATURE

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5/11/25  
ROS  
Maine - 2025

L.D. 1021

Date: 6/3/25

(Filing No. S-255)

## MAJORITY

## LABOR

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### STATE OF MAINE

### SENATE

### 132ND LEGISLATURE

### FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 439, L.D. 1021, "An Act to Remove Certain Cost-of-living Adjustment Restrictions for Retired Members of the Law Enforcement Bargaining Unit Who Are 65 Years of Age or Older"

Amend the bill by striking out all of section 2 and inserting the following:

Sec. 2. 5 MRSA §17806, sub-§1, ¶A-4 is enacted to read:

A-4. Beginning in 2025, whenever there is a percentage increase in the Consumer Price Index from July 1st to June 30th, the board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 3% for retirement benefits paid to individuals who are 65 years of age or older and who retired from a position as a law enforcement officer as defined in Title 25, section 2801-A, subsection 5 or from a probation or parole officer position as described in Title 34-A, section 5404.

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 a retiree's full benefit amount once the retiree reaches 65 years of age if that person retired from a law enforcement officer position or a probation or parole officer position.

GENERAL FUND	2025-26	2026-27
All Other	\$28,900,000	\$0
GENERAL FUND TOTAL	\$28,900,000	\$0

## COMMITTEE AMENDMENT

ROS

COMMITTEE AMENDMENT "A" to S.P. 439, L.D. 1021

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

3 SUMMARY

4 This amendment clarifies that the limitation on benefits subject to a cost-of-living  
5 adjustment is removed once a retiree reaches 65 years of age. It removes the specific  
6 positions from which a person must have retired and instead requires that the person must  
7 have retired from a law enforcement officer position or a probation or parole officer  
8 position.

9 FISCAL NOTE REQUIRED

10 (See attached)

**132nd MAINE LEGISLATURE****LD 1021****LR 1355(02)****An Act to Remove Certain Cost-of-living Adjustment Restrictions for Retired Members of the Law Enforcement Bargaining Unit Who Are 65 Years of Age or Older****Fiscal Note for Bill as Amended by Committee Amendment "AS-255"****Committee: Labor****Fiscal Note Required: Yes**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	\$28,900,000	\$0	\$0	\$0
<b>Appropriations/Allocations</b>				
General Fund	\$28,900,000	\$0	\$0	\$0

**Fiscal Detail and Notes**

This legislation provides that cost-of-living increases be applied to a retiree's full benefit amount once the retiree reaches 65 years of age if that person retired from a law enforcement officer position or a probation or parole officer position. According to the Maine Public Employees Retirement System, this provision will create an unfunded actuarial liability (UAL) totaling \$28,900,000 that, pursuant to the Maine Constitution, will have to be funded immediately. This bill includes a one-time General Fund appropriation for that amount to the Retirement Allowance Fund in fiscal year 2025-26 to fund the UAL cost.

This provision will also increase the normal cost component of the employer retirement rate beginning in the 2028-2029 biennium (future costs). The increase in the employer contribution rate for the "1998 Special Plan" is estimated to be 0.09%; the "25 and Out" plan is expected to increase 0.62% and the "Fire Marshalls" plan is anticipated to increase 0.40%.