

MAINE STATE LEGISLATURE

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~~GA~~
R O F S

L.D. 1040

Date:

5/5/25

Majority

(Filing No. H-100)

LABOR

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

COMMITTEE AMENDMENT "A" to H.P. 669, L.D. 1040, "An Act to Raise the Cap on Retirement Benefits for Certain State Employees and Teachers to Which a Cost-of-living Adjustment Is Made"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 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 for the actuarial cost of applying the cost-of-living adjustment to the first \$40,000 of the retirement benefit being paid to retired state employees and retired teachers who retired on or before June 30, 2011 or their beneficiaries.

GENERAL FUND	2025-26	2026-27
All Other	\$0	\$118,240,000
GENERAL FUND TOTAL	\$0	\$118,240,000

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

SUMMARY

This amendment adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT

**132nd MAINE LEGISLATURE****LD 1040****LR 36(02)****An Act to Raise the Cap on Retirement Benefits for Certain State Employees and Teachers to Which a Cost-of-living Adjustment Is Made****Fiscal Note for Bill as Amended by Committee Amendment "A" (H-100)****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	\$118,240,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$118,240,000	\$0	\$0

Fiscal Detail and Notes

This legislation requires that, effective July 1, 2026, the cost-of-living adjustment applies to \$40,000 of the retirement benefit being paid to retired state employees and retired teachers who retired on or before June 30, 2011 or their beneficiaries instead of only to the first \$26,428.98 as required in current law. According to the Maine Public Employees Retirement System, this provision will create an unfunded actuarial liability (UAL) totaling \$118,240,000 that, pursuant to the Maine Constitution, will have to be funded immediately. This bill includes a one-time General Fund appropriation to the Retirement Allowance Fund within the Maine Public Employees Retirement System for that amount in fiscal year 2026-27 to pay for the UAL cost.