

MAINE STATE LEGISLATURE

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ROS

L.D. 1611

Date: 5/30/25 Majority

(Filing No. H-364)

LABOR

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

COMMITTEE AMENDMENT "A" to H.P. 1065, L.D. 1611, "An Act to Decrease the Retirement Contributions Required for Teachers and State Employees"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 5 MRSA §17154, sub-§6, ¶K is enacted to read:

K. Notwithstanding this section, beginning July 1, 2027, the additional employer retirement costs that are applicable to the normal cost of retirement for a teacher pursuant to section 17701-C must be paid by the State.

Sec. 2. 5 MRSA §17701-B, as amended by PL 2007, c. 491, §104, is further amended to read:

§17701-B. Member contributions on and after July 1, 1993 until June 30, 2027

Notwithstanding sections 17701 and 17701-A, on and after July 1, 1993 until June 30, 2027, all members shall contribute to the State Employee and Teacher Retirement Program or have pick-up contributions made at a rate of 7.65% of earnable compensation except as otherwise provided in this Part.

Sec. 3. 5 MRSA §17701-C is enacted to read:

§17701-C. Member contributions on and after July 1, 2027

1. Member contributions on and after July 1, 2027. Notwithstanding sections 17701, 17701-A and 17701-B, on and after July 1, 2027, except as otherwise provided in this Part, all members shall contribute to the State Employee and Teacher Retirement Program or have pick-up contributions made at a rate of earnable compensation as follows:

A. From July 1, 2027 until June 30, 2028, 7.4%;

B. From July 1, 2028 until June 30, 2029, 7.15%;

C. From July 1, 2029 until June 30, 2030, 6.9%;

D. From July 1, 2030 until June 30, 2031, 6.65%;

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COMMITTEE AMENDMENT "A" to H.P. 1065, L.D. 1611

1 E. From July 1, 2031 until June 30, 2032, 6.4%; and

2 F. On and after July 1, 2032, 6.2%.'

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

5 **SUMMARY**

6 This amendment, which is the majority report of the committee, replaces the bill. The
7 amendment provides that, beginning on July 1, 2027, the percentage of contributions that
8 members of the Maine Public Employees Retirement System must contribute will gradually
9 reduce from the current rate of earnable compensation of 7.65% to 6.2% by July 1, 2032.
10 The amendment also requires increased employer retirement costs applicable to the normal
11 cost of retirement for teachers due to this change to be paid by the State.

12 **FISCAL NOTE REQUIRED**

13 (See attached)



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

132nd MAINE LEGISLATURE

LD 1611

LR 1215(02)

An Act to Decrease the Retirement Contributions Required for Teachers and State Employees

Fiscal Note for Bill as Amended by Committee Amendment "A" (H-364)

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	\$0	\$5,510,000	\$11,200,000
Appropriations/Allocations				
General Fund	\$0	\$0	\$5,510,000	\$11,200,000

Fiscal Detail and Notes

Under current law, the contribution rate paid by state employees and teachers who participate in the regular State Employee and Teacher Retirement Plan toward their retirement benefit is set at 7.65 % of earnable compensation. This bill gradually reduces this rate from 7.65% in fiscal year 2026-27 to 6.2% beginning in fiscal year 2032-33. However, because the total cost of the benefits are shared by the employee and the employer, the employer contribution must increase by the same rate as the employee contribution rate decreases. The cost to the General Fund, for both the state employee and teacher share, is estimated to be \$5.51 million in fiscal year 2027-28 and \$11.2 million in fiscal year 2028-29. By fiscal year 2032-33, the employer contribution is estimated to increase by \$36.3 million.