

MAINE STATE LEGISLATURE

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L.D. 1872

Date:

6/3/25 Majority

(Filing No. H-465)

LABOR

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

COMMITTEE AMENDMENT "A" to H.P. 1243, L.D. 1872, "An Act to Reinvest in the Pension Funds of the Maine Public Employees Retirement System"

Amend the bill in section 1 in art. 10 in §17445 in subsection 2 in the 3rd line (page 1, line 11 in L.D.) by striking out the following: "2030-31 and" and inserting the following: '2030-31.'

Amend the bill in section 1 in art. 10 in §17445 in subsection 2 in the 3rd line (page 1, line 11 in L.D.) by inserting after the following: "2031-32" the following: 'and 2032-33'

Amend the bill in section 1 in art. 10 in §17445 in subsection 3 in the 3rd line (page 1, line 16 in L.D.) by inserting after the following: "liability" the following: 'from the General Fund'

Amend the bill in section 1 in art. 10 in §17445 in subsection 3 in the last line (page 1, line 17 in L.D.) by inserting after the following: "2027-28" the following: 'or \$185,000,000, whichever is lower'

Amend the bill in section 1 in art. 10 in §17445 in subsection 5 in the first line (page 1, line 24 in L.D.) by striking out the following: "2031 and" and inserting the following: '2031.'

Amend the bill in section 1 in art. 10 in §17445 in subsection 5 in the first line (page 1, line 24 in L.D.) by inserting after the following: "2032" the following: 'and 2033'

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

SUMMARY

This amendment includes fiscal year 2032-33 in the period of time for General Fund revenue to be transferred annually to a nonlapsing fund to be used to pay for retirement benefit improvements for retired state employees and teachers and their beneficiaries. It also provides that the amount transferred is equal to the difference between the amount of the payments made toward the unfunded actuarial liability from the General Fund in the

COMMITTEE AMENDMENT

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1 year in which the amount is transferred and the amount of those payments for fiscal year
2 2027-28 or \$185,000,000, whichever is lower.

3 **FISCAL NOTE REQUIRED**

4 **(See attached)**

**132nd MAINE LEGISLATURE****LD 1872****LR 2244(02)****An Act to Reinvest in the Pension Funds of the Maine Public Employees Retirement System****Fiscal Note for Bill as Amended by Committee Amendment "A" (H-465)****Committee: Labor****Fiscal Note Required: Yes**

Fiscal Note

Diverts future revenue - General Fund

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$0	\$0	\$185,000,000

Fiscal Detail and Notes

Article IX, section 18-B of the Maine Constitution requires that all unfunded actuarial liabilities (UAL) of the Maine Public Employees Retirement System (MainePERS) existing as of June 30, 1996 be paid in full by the end of fiscal year 2028. Once this occurs, the amount required to be paid by the State towards the UAL will decrease significantly and the General Fund portion will become available to be appropriated for other purposes. This bill requires that the difference in General Fund dollars between what was required to be paid towards the UAL in 2028 and what is required to be paid in fiscal years 2028-29 through 2032-33, or \$185.0 million per year, whichever is lower, be transferred to a newly created Retirement Improvement Fund within the Maine Public Employees Retirement System to be used to pay for retirement benefit improvements. This fiscal note assumes that the average General Fund difference in required contributions per year will exceed \$185.0 million in fiscal year 2028-29 through fiscal year 2032-33 and the amount to be transferred to the fund will be \$185.0 million per year through that period.