

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1872

H.P. 1243

House of Representatives, May 5, 2025

An Act to Reinvest in the Pension Funds of the Maine Public Employees Retirement System

Received by the Clerk of the House on May 1, 2025. Referred to the Committee on Labor pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative SKOLD of Portland.
Cosponsored by Senator HICKMAN of Kennebec and
Representatives: DODGE of Belfast, Speaker FECTION of Biddeford, GATTINE of
Westbrook, HASENFUS of Readfield, ROEDER of Bangor, Senators: President DAUGHTRY
of Cumberland, PIERCE of Cumberland, TIPPING of Penobscot.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA c. 421, sub-c. 4, art. 10** is enacted to read:

3 **ARTICLE 10**

4 **RETIREMENT IMPROVEMENT FUND**

5 **§17445. Retirement Improvement Fund**

6 **1. Establishment of fund.** The Retirement Improvement Fund, referred to in this
7 section as "the fund," is established within and administered by the retirement system as an
8 interest-bearing, nonlapsing fund for the payment of retirement benefit improvements.

9 **2. Content of fund.** The fund consists of all money transferred to the fund under this
10 section and other money made available to the fund. For fiscal years 2028-29, 2029-30,
11 2030-31 and 2031-32, within 30 days of the beginning of each fiscal year, the State
12 Controller shall transfer to the fund from the General Fund an amount calculated under
13 subsection 3.

14 **3. Calculation of transfer amount.** The amount required to be transferred to the fund
15 under subsection 2 is equal to the difference between the amount of the payments made
16 toward the obligation for the unfunded actuarial liability in the year in which the amount is
17 transferred and the amount of those payments for fiscal year 2027-28.

18 **4. Use of fund.** Money in the fund must be used to pay for retirement benefit
19 improvements. Whenever the fund has sufficient capital to pay for an increase in the
20 amount of at least \$1,000 on the benefit base on which the annual cost-of-living adjustment
21 is applied pursuant to section 17806, subsection 1, paragraph A, for all beneficiaries in the
22 retirement system, that increase must be applied but only until the benefit base reaches
23 \$40,000.

24 **5. Reporting.** By March 1st of 2029, 2030, 2031 and 2032, the retirement system
25 shall make a report regarding implementation of this section to the joint standing committee
26 of the Legislature having jurisdiction over retirement matters that includes the following
27 information for that fiscal year and the prior 3 fiscal years:

28 **A.** The amount of money transferred to the fund pursuant to subsection 2;

29 **B.** The total increases made to the benefit base on which the annual cost-of-living
30 adjustment must be applied in accordance with subsection 4;

31 **C.** The amount of payment made or required to be made toward the obligation for the
32 unfunded actuarial liability; and

33 **D.** The balance in the fund.

34 **SUMMARY**

35 This bill requires that, for fiscal years 2028-29, 2029-30, 2030-31 and 2031-32,
36 General Fund revenue be transferred annually to a nonlapsing fund to be used to pay for
37 retirement benefit improvements for retired state employees and teachers and their
38 beneficiaries.