

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1950

S. P. 618

In Senate, January 19, 1976

Referred to Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Conley of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SIX

AN ACT Relating to a Cost-of-Living Adjustment for State Retirees.

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

5 MRSA § 1128, as last amended by PL 1975, c. 622, § 62, is further amended by adding at the end the following new paragraph:

There shall be an adjustment of 10% made to retirement allowances for all retired state employees, retired teachers or beneficiaries of either, who are receiving benefits as of December 31, 1975, effective July 1, 1976 to be paid from funds of the Maine State Retirement System.

STATEMENT OF FACT

The last adjustment in allowances for retirees was in April, 1974. Since that date, the cost of living has advanced about 16% according to the latest Consumer Price Index figures. By July, 1976, it is projected to reach 19%. Retirees on a fixed income are in a difficult situation as they watch the purchasing power of pensions eroded away by price increases.

There will be no appropriation needed from the Legislature to fund the proposed law change. Retirement allowance adjustments have been an integral part of the Maine State Retirement System since 1964 and the costs have been included in the funding formula as determined by the actuary.