

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
FIRST SPECIAL SESSION  
107TH LEGISLATURE

(Filing No. H-1033)

HOUSE AMENDMENT "C" to H.P. 1799, L.D. 1958, Bill,  
"AN ACT to Base Adjustments of Teacher and State Employee  
Retirement Allowances on the Consumer Price Index."

Amend said Bill by striking out all of sections 2 and  
3 and inserting in place thereof the following:

'Sec. 2. 5 MRSA §1124, sub-§4, first ¶, is repealed  
and the following enacted in place thereof:

4. Cost of living adjustments. At any time that a  
retirement allowance adjustment is made for state retirees,  
the same percentage increase shall be applied to the payments  
made under subsection 1, paragraph B. All adjustments shall  
become effective on the same day as such retirees' allowance  
adjustments.

Sec. 3. 5 MRSA §1128, 2nd ¶, as enacted by PL 1965,  
c. 337, §4, is repealed and the following enacted in place  
thereof:

Future general adjustments may be made to retirement  
allowances for all retired state employees, teachers or  
beneficiaries of either, by the board of trustees, whenever  
the Consumer Price Index increases by at least 3% for 3  
consecutive months over the price index as of the effective  
date of this Act, or over the price index for the last month  
in which such an adjustment could be made, whichever is

later. The board of trustees shall only make a general adjustment in retirement allowances, when, after consultation with the actuary, they find the adjustment shall not endanger the solvency of the Retirement System nor materially alter the actuarial assumptions so as to increase state contributions. Each such adjustment, when made by the board of trustees, shall be equal to the change in the index since the last adjustment to the nearest 1/10 of 1%, and shall become effective on the first day of the 3rd month after such change in the index is determined.

Sec. 4. Applicability. This Act shall apply to all participating local districts which have elected the cost of living increase provisions of Title 5, sections 1124 and 1128.

Sec. 5. Effective date. This Act shall take effect 90 days after adjournment of the First Special Session of the 107th Legislature, or one day after the effective date of an Act of the First Special Session of the 107th Legislature, if any, that makes a general adjustment in state salaries for active state employees under the State Retirement System, whichever is later.'

#### Statement of Fact

The purpose of this amendment is to clarify the provisions of this bill, and to allow any general salary increase enacted during this session to increase retirement benefits prior to shifting over to the Consumer Price Index method.

Filed by Mr. Ingegneri of Bangor.

Reproduced and distributed under the direction of the Clerk of the House.

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