

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE (Filing No. S-236)
108TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 317, L.D. 1075, Bill,
"AN ACT to Base Adjustments of Teacher and State Employee
Retirement Allowances on the Consumer Price Index."

Amend the Bill by striking out all of section 3 and
inserting in its place the following:

'Sec. 3. 5 MRSA §1128, as last amended by PL 1975,
c. 778, §2, is repealed and the following enacted in its
place:

§1128. Cost-of-living plan for retired persons

1. Adjustments. Adjustments in the retirement allowances
being paid to retired state employees, teachers or beneficiaries
of either shall be made as follows.

A. Any percentage change in the Consumer Price Index
from July 1st through June 30th shall be reflected in an
equal percentage increase or decrease in the annual
retirement allowance beginning in September, except that
in the year 1977, such increase or decrease shall be in
November.

The board of trustees shall automatically make such
adjustments in the retirement allowances up to a maximum
annual increase or decrease of 4%. The cost of such
adjustments shall be determined by the Board of Trustees
of the Maine State Retirement System and shall be
included in their budget requests, if necessary.

B. Whenever the annual percentage change from July 1st to June 30th in the Consumer Price Index exceeds 4%, the board of trustees shall make such adjustments in the retirement allowances as necessary to reflect an annual increase or decrease of 4% and shall report that adjustment and the actual increase or decrease in the Consumer Price Index to the Legislature during the month of February of the following year.

C. Cost-of-living adjustments provided by this section shall be applied to retirement allowances of all retirees who have been retired for at least 6 months prior to the date that the adjustment becomes payable. Beneficiaries of deceased retirees shall be eligible for the cost-of-living adjustment at the same time the deceased retiree would have become eligible.

D. Notwithstanding any other provision of this section, the amount of annual retirement allowance otherwise payable under this chapter shall not be less than the retired member received on the effective date of his retirement or on July 1, 1977, whichever is greater.

2. Participating local districts. Participating local districts may provide for adjustments in retirement allowances being paid to their former employees or beneficiaries by application to the board of trustees supplying therein the necessary information. Upon acceptance of such a plan, the district shall supply a certified copy of its action and a statement of agreement of payment of costs.'

Further amend the Bill by striking out all of section 5 and inserting in its place the following:

'Sec. 5. Effective date. The first allowance adjustment shall be made in November, 1977 based on the period from July 1, 1976, to June 30, 1977. Successive payments shall be made in September of each year.'

Statement of Fact

This amendment provides for annual adjustments to retiree benefits. It further provides that any change in the Consumer Price Index greater than 4% would require legislative action if such change is to be reflected in retirement allowances.

Reported by the Committee on Veterans and Retirement.

Reproduced and distributed pursuant to Senate Rule 11-A.

June 13, 1977

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