

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
109th LEGISLATURE
SECOND REGULAR SESSION

(Filing No. S-508)

COMMITTEE AMENDMENT " A " to S.P. 677, L.D. 1784, Bill,
"AN ACT Appropriating Funds to Allow Maine State Retirement
System Members a Cost-of-Living Increase."

Amend the bill by striking out the title and inserting
in its place the following: 'AN ACT to Provide a Cost-of-
Living Adjustment for Fiscal Year 1980-1981 to Members of the
Maine State Retirement System.'

Further amend the bill by inserting before the enacting
clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do
not become effective until 90 days after adjournment unless
enacted as emergencies; and

Whereas, the retirement benefits of retirees of the Maine
State Retirement system have not kept pace with inflation; and

Whereas, an increase in those benefits is necessary as
soon as possible to prevent further loss of buying power among
those retirees who are living on a relatively fixed income; and

Whereas, this increase should become effective on July 1,
1980; and

Whereas, in the judgment of the Legislature these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health
and safety; now, therefore,'

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Further amend the bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 5 MRSA §1129 is enacted to read:

§1129. Additional cost-of-living adjustments for retired persons

1. Adjustments. State employees, teachers or beneficiaries of either who are eligible to receive a cost-of-living increase on
under section 1128.
← September 1, 1979, shall be entitled to an additional
cost-of-living benefit as provided in this section.

→ Each eligible person shall be entitled to an additional
\$12 per month effective July 1, 1980 and continuing until
June 30, 1981. This benefit shall be in addition to any cost-
of-living adjustment pursuant to section 1128; however, any
adjustment made in accordance with section 1128 shall be made
to the annual retirement allowance less the adjustment made by
this section.

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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.

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Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1980-81

MAINE STATE RETIREMENT SYSTEM

State Employees Retirement

Unallocated \$ 367,869

Teachers Retirement

Unallocated 954,144

TOTAL GENERAL FUND \$1,322,013

Sec. 3. Appropriation. The following funds are allocated from the Highway Fund to carry out the purposes of this Act.

1980-81

MAINE STATE RETIREMENT SYSTEM

Unallocated \$191,292

Sec. 4. Appropriation. The following funds are allocated on a pro rata basis from all state funds and amounts not allocated in section 3.

1980-81

MAINE STATE RETIREMENT SYSTEM

Unallocated \$258,327'

Sec. 5. Application. The limitations of P&SL 1973, chapter 224, section 3 as they apply to that Act and P&SL 1971, chapter 144 and P&SL 1973, chapter 140, shall apply to adjustments made under this Act.

~~←~~ Emergency clause; repeal. In view of the emergency cited in the preamble, this Act shall take effect when approved. This Act is repealed on July 1, 1981.'

Fiscal Note

This amendment will require an appropriation of \$1,322,013 for fiscal year 1980-81. In addition to this appropriation there will be an allocation of \$449,619 to be pro-rated among all other state funds and amounts. The total appropriation and allocation will be \$1,771,632.

Statement of Fact

This amendment replaces the original bill and provides a \$12 per month increase to the retirement allowances of all persons retired as of March 31, 1979 for a 12-month period starting July 1, 1980. This amendment will allow retirees of

the Maine State Retirement System to catch up, partially, with the increase in the Consumer Price Index beyond the 4% automatic annual increase currently authorized. This amount will not be added to the basic benefit and will not be used in computing the 4% cost-of-living increase which eligible retirees will receive on September 1, 1980.

Reported by the Committee on Aging, Retirement and Veterans.
March 21, 1980 (Filing No. S-508)