

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 916

H. P. 771

House of Representatives, February 19, 1981

Referred to the Committee on Aging, Retirement and Veterans. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Peterson of Caribou.

Cosponsor: Representative Matthews of Caribou.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT Concerning Cost-of-Living Increase for Retirees under the State Retirement System.

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

Sec. 1. 5 MRSA § 1128, as amended by PL 1979, c. 663, § 19, is repealed.

Sec. 2. 5 MRSA § 1128-A is enacted to read:

§ 1128-A. Cost of Living

On any or all future general adjustments in state salaries made to active state employees the same percent increase or decrease shall be applied to all retired state employees, teachers, or beneficiaries of either, and the effective date shall be the first day of the month following the effective date of the active employees' adjustment.

The cost of the adjustment shall be determined by the Board of Trustees of the Maine State Retirement System and shall be included in their budget requests, if necessary.

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.

The service retirement allowance of a member who retires under sections 1092 or 1121, within 12 months of the effective date of a retirement allowance adjustment, shall not be less than the service retirement allowance, including the retirement allowance adjustment that would have been payable if the member had retired on the day immediately preceding the date of the adjustment. This provision shall apply only if the member is eligible, under sections 1092 or 1121, to retire on the day immediately preceding the effective date of the retirement allowance adjustment.

STATEMENT OF FACT

This bill replaces the current cost-of-living section of the retirement law with the basic wording which existed prior to 1977 changes. The language this bill reenacts grants to retirees the same percentage increase or decrease in their benefits as is granted to active state employees.