

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 19  
6

7 H.P. 23

House of Representatives, January 5, 1983

8 Reference to the Committee on Aging, Retirement and Veterans  
9 suggested and 1,600 ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Hickey of Augusta.

Cosponsors: Senator Teague of Somerset, Representative MacBride of  
11 Presque Isle and Representative Nelson of Portland.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Provide Cost-of-living Adjust-  
18 ments to Retired State Employees,  
19 Teachers and Beneficiaries.  
20

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

23 Sec. 1. 5 MRSA §1128, sub-§1, ¶¶A and B, as  
24 enacted by PL 1977, c. 573, §3, are amended to read:

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

32 The board of trustees shall automatically make  
33 such adjustments in the retirement allowances up

1 to a maximum annual increase or decrease 4 6%.  
2 The cost of such adjustments shall be determined  
3 by the Board of Trustees of the Maine State  
4 Retirement System and shall be included in their  
5 budget requests, if necessary.

6 B. Whenever the annual percentage change from  
7 July 1st to June 30th in the Consumer Price Index  
8 exceeds 4%, the The board of trustees shall make  
9 such adjustments in the retirement allowances as  
10 necessary to reflect an annual increase or  
11 decrease of 4% up to 6% and shall report that ad-  
12 justment and the actual increase or decrease in  
13 the Consumer Price Index to the Legislature  
14 during the month of February of the following  
15 year.

16 Sec. 2. Appropriations and allocations. The  
17 following funds are appropriated from the General  
18 Fund and allocated from the Highway Fund to carry out  
19 the purposes of this Act.

	<u>1983-84</u>	<u>1984-85</u>
21 <u>MAINE STATE</u>		
22 <u>RETIREMENT SYSTEM</u>		
23 Teachers' Retirement	\$13,532,287	\$14,241,703
24 State Employees		
25 Retirement	<u>11,329,069</u>	<u>11,952,168</u>
26 TOTAL	\$24,861,356	\$26,193,871

27 It is the intent of the Legislature, that the  
28 cost to other funds for carrying out the purposes of  
29 this Act will be paid from available resources.

30 **Statement of Fact**

31 Since 1976, the Consumer Price Index has run from  
32 6% to as high as 14.4% in 1980. Remedy by the Maine  
33 Legislature has fallen behind, accumulatively 25%, so  
34 that the purchasing power of the retirees' pensions  
35 has been evaporated by 1/4. Federal economists are  
36 estimating it will hold at 6 or 7% for the next 3

1 years. This bill is supported jointly by a coalition  
2 of: The Maine Legislative Committee of the American  
3 Association of Retired Persons, the Maine Association  
4 of Retirees, Incorporated, and the Maine Retired  
5 Teachers' Association.

6 The appropriation in this bill covers the addi-  
7 tional 2% (the 4% has been included in the 1983-1985  
8 biennial budget request).

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