

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 944

6
7 H.P. 661

House of Representatives, March 7, 1985

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

10 EDWIN H. PERT, Clerk

Presented by Representative Jalbert of Lisbon.

11 Cosponsored by Representative Stevenson of Unity, Representative
Drinkwater of Belfast and Representative Daggett of Manchester.

12 STATE OF MAINE
13

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

17 AN ACT to Provide that Cost-of-Living Plans
18 for Retired Persons under the Maine State
19 Retirement System shall Apply to All
20 Participating Local Districts that do not
21 Provide Social Security Benefits for
22 Employees.
23

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

26 5 MRSA §1128, sub-§2, as enacted by PL 1977, c.
27 573, §3, is amended to read:

28 2. Participating local districts. Notwithstand-
29 ing the provisions of section 1033, subsection 3, and
30 section 1092, subsection 12, this section is applica-
31 ble to former employees or beneficiaries, who are re-
32 ceiving a retirement allowance, of all participating
33 local districts that do not provide coverage by the
34 United States Social Security System for their em-
35 ployees. Participating Other participating local
36 districts may provide for adjustments in retirement

1 allowances being paid to their former employees or
2 beneficiaries by application to the board of trustees
3 supplying therein the necessary information. Upon ac-
4 ceptance of such a plan, the district shall supply a
5 certified copy of its action and a statement of
6 agreement of payment of costs.

7 STATEMENT OF FACT

8 There are 250 counties, cities, towns, quasi-mu-
9 nicipal corporations and other entities that meet the
10 definition of "local district" in the Maine Revised
11 Statutes, Title 5, section 1001, subsection 11-A,
12 that have elected to have their employees participate
13 in the Maine State Retirement System. Two hundred
14 and twelve of these participating local districts al-
15 so provide for the participation of their employees
16 in the Social Security System. The social security
17 benefit provides a substantial supplement to the
18 Maine State Retirement System benefit and includes a
19 cost-of-living provision. Twenty-Three participating
20 local districts have neither social security or cost-
21 of-living adjustments for their retirees. When a
22 retiree has a retirement benefit with no cost-
23 of-living adjustment, the purchasing power of that
24 benefit is soon eroded by inflation.

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