

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 735

H.P. 538

House of Representatives, March 9, 1989

Reference to the Committee on Aging, Retirement and Veterans suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative HICKEY of Augusta.

Cosponsored by Senator BRANNIGAN of Cumberland, Senator CAHILL of Sagadahoc and Representative STROUT of Corinth.

STATE OF MAINE

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

**An Act to Improve the Cost-of-living Adjustment Under the Maine
State Retirement System.**



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

3 **Sec. 1. 5 MRSA §17806, sub-§1, ¶A,** as enacted by PL 1985, c.
5 801, §§5 and 7, is amended to read:

7 A. Whenever there is a percentage change in the Consumer
9 Price Index from July 1st to June 30th, the board shall
11 automatically make an equal percentage increase or decrease
13 in retirement benefits, beginning in September, ~~up to a~~
15 ~~maximum annual increase or decrease of 4%.~~

17 **Sec. 2. 5 MRSA §7806, sub-§1, ¶B,** as enacted by PL 1985, c.
19 801, §§5 and 7, is repealed.

21 **STATEMENT OF FACT**

23 The current retirement system law limits cost-of-living
adjustments to a maximum of 4% per year. This has resulted in
substantial losses to inflation for retirees, many of whom rely
on these pension benefits as their sole or primary source of
income during their retirement years. This bill removes the 4%
cap under the Maine State Retirement System and bases future
cost-of-living adjustments on the Consumer Price Index.