

# MAINE STATE LEGISLATURE

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Date: 6/12/9

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
124TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to S.P. 573, L.D. 1496, Bill, "An Act To Ensure Benefits for State Retirees"

Amend the bill by striking out the title and substituting the following:

'An Act To Protect Benefits for State Retirees'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

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

**Whereas,** current law requires that cost-of-living adjustments in retirement benefits for state employees must be made when there is a percentage change in the Consumer Price Index; and

**Whereas,** there has been a percentage change in the Consumer Price Index; and

**Whereas,** it is imperative that this legislation take effect immediately so that the benefits for state retirees are protected; 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,

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

**Sec. 1.** 4 MRSA §1358, sub-§1, ¶A, as repealed and replaced by PL 1985, c. 693, §11, is amended to read:

A. The Except as provided in paragraph A-1, the board shall automatically adjust allowances, beginning in September 1985, and each September thereafter, by any percentage change in the Consumer Price Index from July 1st to June 30th, but only to a maximum annual increase or decrease of 4%. The board shall determine the cost of these adjustments and shall include them in its budget requests, if necessary.

**Sec. 2.** 4 MRSA §1358, sub-§1, ¶A-1 is enacted to read:

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1 A-1. If there is a percentage decrease in the Consumer Price Index from July 1st to  
2 June 30th, the board as provided in paragraph A shall set the percentage change at  
3 0% for that September. The adjustment for the following year must be set based on  
4 the actuarially compounded Consumer Price Index for both years in a cost-neutral  
5 manner.

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

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

12 **Sec. 4. 5 MRSA §17806, sub-§1, ¶A-1** is enacted to read:

13 A-1. If there is a percentage decrease in the Consumer Price Index from July 1st to  
14 June 30th, the board as provided in paragraph A shall set the percentage change at  
15 0% for that September. The adjustment for the following year must be set based on  
16 the actuarially compounded Consumer Price Index for both years in a cost-neutral  
17 manner.

18 **Sec. 5. 5 MRSA §18407, sub-§4, ¶A,** as enacted by PL 1985, c. 801, §§5 and 7,  
19 is amended to read:

20 A. ~~Whenever~~ Except as provided in paragraph A-1, whenever there is a percentage  
21 change in the Consumer Price Index from July 1st to June 30th, the board shall  
22 automatically make an equal percentage increase or decrease in retirement benefits,  
23 beginning in September, up to a maximum annual increase or decrease of 4%.

24 **Sec. 6. 5 MRSA §18407, sub-§4, ¶A-1** is enacted to read:

25 A-1. If there is a percentage decrease in the Consumer Price Index from July 1st to  
26 June 30th, the board as provided in paragraph A shall set the percentage change at  
27 0% for that September. The adjustment for the following year must be set based on  
28 the actuarially compounded Consumer Price Index for both years in a cost-neutral  
29 manner.

30 **Emergency clause.** In view of the emergency cited in the preamble, this  
31 legislation takes effect when approved.

32 **SUMMARY**

33 Like the bill, this amendment is designed to protect state retirees from the impact on  
34 retirement benefits of decreases in the Consumer Price Index. This amendment requires  
35 that if the Consumer Price Index decreases, the Board of Trustees of the Maine Public

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1 Employees Retirement System shall set the percentage change at 0% for that September.  
2 The adjustment for the following year must be set based on the actuarially compounded  
3 Consumer Price Index for both years in a cost-neutral manner.

4 SPONSORED BY: *A. L. Tuttle*

5 (Representative TUTTLE)

6 TOWN: Sanford

FISCAL NOTE REQUIRED  
(See attached)

# HOUSE AMENDMENT



# 124th MAINE LEGISLATURE

LD 1496

LR 2029(04)

An Act To Ensure Benefits for State Retirees

Fiscal Note for House Amendment "A"  
Sponsor: Rep. Tuttle, Jr. of Sanford  
Fiscal Note Required: Yes

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## Fiscal Note

Recovery of loss of potential savings - All Funds

### Fiscal Detail and Notes

This amendment recovers the loss of the potential actuarial gains in those years when the consumer price index declines and retirement benefit amounts would be reduced.