

MAINE STATE LEGISLATURE

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STATE
AUGUSTA, MAINE



124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1496

S.P. 573

In Senate, June 12, 2009

An Act To Ensure Benefits for State Retirees

(AFTER DEADLINE)

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Labor suggested and ordered printed.

JOY J. O'BRIEN
Secretary of the Senate

Presented by President MITCHELL of Kennebec.
Cosponsored by Speaker PINGREE of North Haven and
Representative: TUTTLE of Sanford.

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

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

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

7 Whereas, it is imperative that this legislation take effect immediately so that the
8 benefits for state retirees do not decrease; and

9 Whereas, in the judgment of the Legislature, these facts create an emergency within
10 the meaning of the Constitution of Maine and require the following legislation as
11 immediately necessary for the preservation of the public peace, health and safety; now,
12 therefore,

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

14 **Sec. 1. 4 MRSA §1358, sub-§1, ¶A,** as repealed and replaced by PL 1985, c.
15 693, §11, is amended to read:

16 A. The board shall automatically ~~adjust~~ increase allowances, beginning in September
17 1985, and each September thereafter, by any percentage ~~change~~ increase in the
18 Consumer Price Index from July 1st to June 30th, but only to a maximum annual
19 increase ~~or decrease~~ of 4%. The board shall determine the cost of these adjustments
20 and shall include them in its budget requests, if necessary.

21 **Sec. 2. 4 MRSA §1358, sub-§1, ¶D,** as repealed and replaced by PL 1985, c.
22 693, §11, is repealed.

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

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

29 **Sec. 4. 5 MRSA §17806, sub-§1, ¶C,** as enacted by PL 1985, c. 801, §§5 and 7,
30 is repealed.

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

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

1 **Sec. 6. 5 MRSA §18407, sub-§4, ¶C**, as enacted by PL 1985, c. 801, §§5 and 7,
2 is repealed.

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

5 **SUMMARY**

6 This bill ensures that the cost-of-living adjustment to retirement benefits based on
7 any percentage change in the Consumer Price Index does not affect the benefits of state
8 retirees unless that change is an increase in the Consumer Price Index.

FISCAL NOTE REQUIRED
 (See attached)



124th MAINE LEGISLATURE

LD

LR 2029(01)

An Act To Ensure Benefits for State Retirees

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Mitchell of Kennebec

Committee: Not Referred

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Loss of potential savings - All Funds

Fiscal Detail and Notes

This legislation may result in the loss of the potential actuarial gains in those years when the consumer price index declines and retirement benefit amounts would be reduced. As a result, the State may not realize a decline in future contribution rates.