

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1096

H.P. 691

House of Representatives, March 9, 2023

**An Act to Help Retired Teachers and State Employees Keep Pace
with Inflation by Matching the Cost-of-living Adjustment for Social
Security Benefits**

Reference to the Committee on Labor and Housing suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative DODGE of Belfast.
Cosponsored by Representative SHAGOURY of Hallowell, Senators: DAUGHTRY of
Cumberland, HICKMAN of Kennebec and
Representatives: BRIDGEO of Augusta, CLUCHEY of Bowdoinham, CROCKETT of
Portland, FAULKINGHAM of Winter Harbor, LaROCHELLE of Augusta, PLUECKER of
Warren, WARREN of Scarborough.

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

2 **Sec. 1. 5 MRSA §17001, sub-§9, ¶A**, as amended by PL 2001, c. 181, §3, is further
3 amended to read:

4 A. The Consumer Price Index for ~~All Urban Consumers, CPI-U~~ Urban Wage Earners
5 and Clerical Workers, CPI-W, for the Northeast Region, as compiled by the Bureau of
6 Labor Statistics, United States Department of Labor; or

7 **Sec. 2. 5 MRSA §17806, sub-§1, ¶A**, as amended by PL 2021, c. 635, Pt. NN, §1,
8 is further amended to read:

9 A. Except as provided in paragraphs A-1, A-2 and A-3, whenever there is a percentage
10 increase in the Consumer Price Index from July 1st to June 30th, the board shall
11 automatically make an equal percentage increase in retirement benefits, beginning in
12 September, ~~up to a maximum annual increase of 3%.~~ Effective July 1, 2011, the
13 increase applies to that portion of the retirement benefit up to \$20,000, which amount
14 must be indexed in subsequent years by the same percentage adjustments granted under
15 this section. Effective July 1, 2022, the increase applies to that portion of the retirement
16 benefit up to \$24,186.25, which amount must be indexed in subsequent years by the
17 same percentage adjustments granted under this section.

18 **Sec. 3. 5 MRSA §17806, sub-§1, ¶B**, as amended by PL 2011, c. 380, Pt. T, §11
19 and affected by §26, is repealed.

20 **SUMMARY**

21 This bill changes the index used to calculate the cost-of-living adjustment for state
22 employee and teacher retirement benefits to the same index that is used to calculate the
23 cost-of-living adjustment for benefits under the United States Social Security Act. This
24 bill also removes the 3% cap on the cost-of-living adjustment for state employee and
25 teacher retirement benefits.