



131st MAINE LEGISLATURE

LD 1096

LR 208(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Labor and Housing

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$182,000,000	\$0	\$0	\$0
Appropriations/Allocations				
General Fund	\$182,000,000	\$0	\$0	\$0

Fiscal Detail and Notes

This legislation will increase the cost-of-living adjustment (COLA) awarded to eligible retirees in State-sponsored plans in fiscal year 2022-23 only from 3% to 5%. Pursuant to the Constitution of Maine, Article IX, Section 18-A, unfunded liabilities may not be created except those that result from experience losses. This bill includes a one-time General Fund appropriation of \$182,000,000 to the Retirement Allowance Fund within the Maine Public Employees Retirement System for an increase in the unfunded actuarial liability as a result of providing an additional 2% cumulative COLA for eligible retirees effective September 2022.

This provision may also result in an increase in the normal cost component of the employer retirement rate beginning in the 2026-2027 biennium.