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## **An Act To Authorize the Board of Trustees of the Maine State Retirement System To Provide a Cost-of-living Adjustment to Retired Employees of Participating Local Districts**

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

**Whereas,** annual increases in cost-of-living benefits for retirees of participating local districts in the Maine State Retirement System are limited to 4%; and

**Whereas,** the Consumer Price Index for the designated months was 4.30%; and

**Whereas,** an increase must be approved now in order to be effective retroactively to September 2006, when the 4% increase in the annual retirement allowance took effect; 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. Annual retirement allowance.** Notwithstanding the Maine Revised Statutes, Title 5, section 18407, subsection 4, paragraph A, the annual adjustment in the retirement allowances paid to retirees or the beneficiaries of retirees from participating local districts that participate in the Maine State Retirement System consolidated plan for participating local districts under Title 5, chapter 427 is increased to 4.30%. The Board of Trustees of the Maine State Retirement System is authorized to administer this additional payment consistent with its rules and procedures. This additional one-time .30% increase must be added to retirement allowances for the purposes of any cost-of-living adjustments payable to retirees of participating local districts in the consolidated plan who were eligible for a cost-of-living adjustment in September 2006.

**Sec. 2. Applicability to participating local districts not part of the consolidated plan.** Participating local districts that do not participate in the Maine State Retirement System consolidated plan for participating local districts under the Maine Revised Statutes, Title 5, chapter 427 may provide for the increase described in section 1 in retirement allowances being paid to retirees or beneficiaries of retirees eligible for the cost-of-living adjustment in September 2006 by supplying the Board of Trustees of the Maine State Retirement System with a certified copy of its action and a statement of agreement of payment of the costs associated with the additional benefits.

**Sec. 3. Retroactivity.** This Act applies retroactively to September 1, 2006.

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

## **SUMMARY**

Cost-of-living adjustments to retirement allowances for retirees of participating local districts under the Maine State Retirement System are currently limited to a maximum of 4%. The Consumer Price Index adjustment for September 2006 was 4.3%. This bill authorizes the Board of Trustees of the Maine State Retirement System to implement a one-time additional increase of .30% for retirees of participating local districts who were eligible for a cost-of-living adjustment in September 2006. The additional .30% increase will be paid retroactively to September 2006.