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## **An Act To Ensure Benefits for State Retirees**

**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 do not decrease; 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**Sec. 1. 4 MRSA §1358, sub-§1, ¶A,** as repealed and replaced by PL 1985, c. 693, §11, is amended to read: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 board shall automatically ~~adjust~~increase allowances, beginning in September 1985, and each September thereafter, by any percentage ~~change~~increase 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**Sec. 2. 4 MRSA §1358, sub-§1, ¶D,** as repealed and replaced by PL 1985, c. 693, §11, is repealed.

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

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

**Sec. 4. 5 MRSA §17806, sub-§1, ¶C,** as enacted by PL 1985, c. 801, §§5 and 7, is repealed.

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

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

**Sec. 6. 5 MRSA §18407, sub-§4, ¶C,** as enacted by PL 1985, c. 801, §§5 and 7, is repealed.

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

### **SUMMARY**

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