**An Act to Eliminate the Cap on Retirement Benefits for State Employees and Teachers to Which a Cost-of-living Adjustment Is Made**

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

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

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

**SUMMARY**

This bill provides that cost-of-living increases for retired state employees and teachers and their beneficiaries apply to a retiree's entire retirement benefit instead of only to the first $24,186.25 of the retirement benefit.