

DATE: January 19, 2022

TO: Senator Craig Hickman, Chair
Representative Mike Sylvester, Chair
Members, Joint Standing Committee on Labor and Housing

FROM: Kathy J. Morin, Manager, Actuarial and Legislative Affairs

SUBJECT: Testimony on L.D. 1753 – An Act Regarding the Retirement of Law Enforcement Officers under the Participating Local District Retirement Program

Senator Hickman, Representative Sylvester, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Manager of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1753. We are here to provide information and offer any assistance the Committee might need regarding this bill.

In addition to the State-sponsored plans, MainePERS administers a retirement program for participating local districts (PLD), which includes public entities that have chosen to provide retirement plans to their employees through MainePERS. There are approximately 310 such entities that participate in the PLD Consolidated Retirement Plan. Employers in this plan elect, by action of the appropriate governing body, the specific regular and/or special plan by which to cover their employees, and each employer and its employees pay the retirement plan cost for the elected plan. In general, the more favorable special plans are more expensive than the regular plan. The State does not provide any funding toward this plan.

Our understanding of the intent of L.D. 1753 is to require PLD employers to offer a special plan to law enforcement officers that permits retirement after 25 years of service, at any age. PLD employers may currently elect to provide a retirement plan that permits retirement after 25 years of service, at any age, but they are not required to do so. Those decisions are at a local level since the employer and employees must pay the costs of those benefits.

Under current law, amendments to retirement benefit statutes that impact the participating local district plan do not become part of the that plan unless adopted through rulemaking based on a recommendation of the PLD Advisory Committee. This Committee is established

in statute with its voting membership evenly split between plan employers and employees. If L.D. 1753 is enacted, it will be presented to the Advisory Committee for their consideration.

Thank you for your consideration of this testimony. I would be happy to answer your questions and will be available at your work session.