

DATE: April 4, 2023

TO: Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Members, Joint Standing Committee on Labor and Housing

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

SUBJECT: Testimony on L.D. 1230 – Resolve, Directing the Maine Public Employees Retirement System to Study the Creation of an Interstate Compact Concerning the Windfall Elimination Provision and the Government Pension Offset

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. My name is Kathy Morin, and I am the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System.

MainePERS is neither for nor against L.D. 1230. We are here to provide information and offer any assistance the Committee might need regarding this bill.

We know that the topic of the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) is important because we receive numerous inquiries each year about the impact they have on plan members.

L.D. 1230 requires MainePERS to study the creation of an interstate compact with other states impacted by the Social Security offset provisions and to submit a report of recommendations by December 6, 2023. The 130th Legislature considered an identical bill, L.D. 341, which was enacted as Resolve, Chapter 84, and which required the submission of a report of recommendations by January 1, 2022. MainePERS submitted the report on December 29, 2021, a copy of which is included with this testimony. The 130th Legislature also enacted Resolves, Chapters 66 and 72, both of which addressed specific aspects of plan design and Social Security coverage for certain Maine public employees. The February 2022 report responsive to that legislation was previously provided to the Committee. Both reports are also available on the System's website.

Extensive work was completed in response to the aforementioned enacted Resolves. MainePERS does not believe that another study of these issues would result in any additional or different recommendations than those already reported in the 2021 and 2022 reports.

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