

DATE: March 28, 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. 733 – An Act to Require Annual Itemized Statement of Benefits for Public Employees and Retirees

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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. 733. We are here to provide information and offer any assistance the Committee might need regarding this bill.

MainePERS agrees that it is important for members and retirees to have all information necessary to make important financial decisions. We are continuously expanding the ways in which we serve members in this regard. MainePERS currently offers an introductory seminar for new members and a pre-retirement seminar for members preparing to retire. For active members, MainePERS provides an annual account statement including key member information. We provide retirees with an annual 1099-R showing their benefits received during the prior year. We recently launched a benefit estimator on our website that members can use to get an estimate of retirement benefits. The website also includes links to various financial planning and retirement savings resources, many of which provide retirement planning calculators to assist individuals in determining their financial needs into retirement. We are also working on a member self-service portal that will grow over time to provide members with more direct access to their retirement account information.

However, certain requirements of L.D. 733 would be burdensome and expensive for MainePERS to implement. The legislation requires MainePERS to provide specific information to either public employers or retirees beginning January 1, 2024. MainePERS does not currently have much of the information the bill would require us to provide to either the public employers or the retirees. For example, MainePERS does not receive employer contributions by individual member, does not allocate employer contributions to specific member accounts, and does not have information on other benefits a retiree might receive. Additionally, obtaining and providing this information or other information required by L.D. 733 to the

public employers or the retirees could not be accomplished by January 1, 2024 due to extensive changes that would be required to our processes and to our line-of-business software.

As recently discussed with the Committee, we have surveyed members and retirees as part of our effort to determine the information and resources that would be most helpful to them both during their working lives and into retirement. Many of the already implemented items discussed above result from that valuable feedback. MainePERS is committed to continuing to improve the services and information available to its members and retirees and will continue to seek input as we advance our ability to make additional improvements.

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