

## Message from the CEO

I hope you have had an enjoyable summer and are looking forward to a spectacular fall!

MainePERS has been busy with several initiatives to serve you better. This includes launching a new Benefit Estimator to assist with retirement planning, as well as expanding educational seminars to include a session for new and mid-career members wanting to learn more about their pension plan. Most significantly, this fall both active members and retirees will have the option to register for a new Member Portal that will offer online access to their MainePERS account information.

September is also a time to notify retirees about the annual cost-of-living adjustment (COLA) and provide an overview of new laws from the recent Legislative Session affecting MainePERS and its members.

More details on all of these topics and more are included in this edition of the MainePERSpective.

Best regards,



Dr. Rebecca M. Wyke  
Chief Executive Officer

## 2023 Annual Cost-of-Living Adjustment

On August 10, 2023, the MainePERS Board of Trustees adopted the 2023 cost-of-living adjustment (COLA) up to the limits allowed by statute and rule. The COLA is based on the Consumer Price Index – Urban Consumers (CPI-U), an index compiled by the U.S. Department of Labor's Bureau of Labor Statistics. Although the June 30, 2023 CPI-U rate was 3.0%, the COLA for each plan is subject to limits that vary by plan.

Beginning with the September pension payment, **eligible State, Teacher, Judicial, and Legislative plan retirees** will receive the 3% COLA on their benefit up to \$24,911.84 (which is the 2023 base), or a maximum increase of \$62.28/month. The 2023 COLA base will increase by 3%, to \$25,659.20, which will be the COLA base in 2024. The total amount that will be paid to the approximately 38,300 eligible benefit recipients in these plans during the next 12 months resulting from the 2023 COLA is expected to be approximately \$20,125,000.

**Eligible Participating Local District – Consolidated Plan (PLD) retirees** will receive a 2.5% COLA on their current benefit. The total amount that will be paid to the approximately 9,100 eligible benefit recipients in this plan during the next 12 months resulting from the 2023 COLA is expected to be approximately \$4,340,000.

To find out more about eligibility requirements and how your plan implements the annual COLA please visit [www.mainebers.org/retirement/cola/](http://www.mainebers.org/retirement/cola/). You may also call our office at 800-451-9800 and speak with one of our Member Service Representatives.

## One-Time Retroactive COLA Payment for Eligible Retirees in State-Sponsored Plans

*Additional payment retroactive to September 2022*

The recently passed Maine State Government budget (Public Law Chapter 412, Part HHHHH) included a one-time Cost-of-Living Adjustment (COLA) payment for eligible retirees who receive monthly payments through State-sponsored retirement plans (state employees, teachers, judges, and legislators).

Eligible retirees will receive a payment equaling 3% of their yearly benefit for the period ending August 31, 2022 up to a maximum of 3% of the 2022 COLA base, \$24,186.25. The 3% does not apply to any benefit received in excess of this COLA base amount.

This one-time payment applies to retirees who were eligible for a cost-of-living adjustment in September 2022. It is a one-time payment and will not be included in the calculation of future benefit adjustments.

This law becomes effective in late October, therefore the additional one-time payment will be part of the retiree payroll processed in November. It may appear as a separate payment, and retirees may receive an advice of deposit specific to this one-time payment.

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**DISABILITY SERVICES**

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 Maine Relay: 711

**Temporary Change in Public Business Hours**

MainePERS has temporarily revised its business hours to Monday through Thursday from 8:00 a.m. to 4:00 p.m.

Member Services Representatives look forward to assisting you by telephone, email and in person lobby services on Monday through Thursday from 8:00 a.m. to 4:00 p.m.



Published by  
 Maine Public Employees  
 Retirement System  
 (MainePERS).

## MainePERS Member Portal Update

In the coming weeks MainePERS will begin sending invitations to register for the new online Member Portal.

The MainePERS Member Portal is being launched in phases over the next several months to groups of active and retired members. It is possible that you may receive this invitation before or after other members you know, such as your friends and neighbors, or even your spouse. This gradual process is intended to ensure adequate support is available for those registering and accessing the portal for the first time as each group is invited to participate.

Participation in the portal is optional. You may continue to contact MainePERS via telephone, email, postal mail, or in person if you prefer. However, registering for the portal provides you with secure and convenient access to your MainePERS account information, including member statements, tax documentation, and beneficiary and group life insurance designations.

Providing you with secure access to your information is important, so multi-layered features will safeguard the online portal and member data. This includes portal infrastructure security and cybersecurity monitoring, as well as multifactor authentication (MFA) for user access.

MainePERS is excited to offer this new service to our active and retired members.

## Introductory Education Sessions Expanded to PLD Plan Members

*Sessions for State and Teacher Plan members launched this spring*

Beginning this fall, Participating Local District (PLD) Plan participants will have an opportunity to take part in an introductory education session focused on new and mid-career PLD plan members. The Intro to PLD Plan will be open to those wanting to find out more about their pension plan and how it can fit into long-term retirement planning. Additional details about the information sessions will be available at the web location listed below.

Similar introductory education sessions tailored to new and mid-career State and Teacher Plan members are currently available -- Intro to State Plan and Intro to Teacher Plan. All the Intro Sessions are 60-minute presentations covering topics that include how your retirement benefit is calculated, how service credit accrues, eligibility/vesting, and common MainePERS terms.

MainePERS continues to provide the Ready to Retire sessions for State, Teacher, and PLD Plan members who are eligible and intend to retire within the next year and who have received a retirement estimate within the past year. Topics covered in these sessions include how each benefit payment option works, how benefits are paid, and other common retirement questions.

Session dates and an online registration is available on the MainePERS website as follows:

Teacher Plan members at [www.mainebers.org/while-working/teachers/teacher-retirement-planning-sessions/](http://www.mainebers.org/while-working/teachers/teacher-retirement-planning-sessions/),

State Plan members at [www.mainebers.org/while-working/state-employees/state-retirement-planning-sessions/](http://www.mainebers.org/while-working/state-employees/state-retirement-planning-sessions/),

and

PLD Plan members at [www.mainebers.org/while-working/pld-employees/pld-retirement-planning-sessions/](http://www.mainebers.org/while-working/pld-employees/pld-retirement-planning-sessions/).

## Legislative Update

For those who follow pension bills in the Legislature, below is a summary of laws that were considered during the First Regular and Special Sessions of the 131st Legislature, including the status of those awaiting further action. The full text of enacted laws and carried over proposals can be found on the Maine State Legislature's website at [legislature.maine.gov/](https://legislature.maine.gov/). When the 131st Second Regular Session begins in January, updates on pension related information will be provided on our website, [mainepers.org](https://mainepers.org).

### New Laws Approved in 2023:

<i>Public Law</i>	<i>L.D.</i>	<i>What the Law Does</i>	<i>Effective Date</i>
<b>3</b>	206	Provided 1% one-time COLA to eligible retirees of State-sponsored plans	February 21, 2023
<b>208</b>	106	Permits deferral to normal retirement age of any portion of benefit that would otherwise be subject to an early retirement reduction	October 25, 2023
<b>246</b>	313	Permits an employee or employer to pay the cost to transfer special plan service to a different special plan by which the member is covered	October 25, 2023
<b>412</b>	258	State Budget that includes the following pension changes: <ul style="list-style-type: none"> <li>Provides a 3% one-time COLA to eligible retirees of State-sponsored Plans</li> <li>Moves certain employees of Maine Crime Laboratory/Computer Crimes Unit into a 25 year/no age requirement special plan effective August 1, 2024</li> <li>Provides for a recalculation of benefits for certain retired State employees and teachers who retired in 2011 or 2012</li> <li>Increases the pension deduction for tax years beginning on or after January 1, 2024</li> </ul>	October 25, 2023
<b>436</b>	483	Provides retroactive special plan coverage for certain Department of Corrections employees	July 1, 2024

<i>Resolve</i>	<i>L.D.</i>	<i>What the Resolve Does</i>	<i>Effective Date</i>
<b>23</b>	1230	Directs MainePERS to study the creation and adoption of an interstate compact with other states impacted by the Social Security government pension offset and windfall elimination provision.	October 25, 2023

### Proposals Awaiting Further Action:

<i>Category</i>	<i>L.D.</i>	<i>What the Proposal Does</i>	<i>Effective Date</i>
<b>Cost-of-living</b>	70	Increases the portion of retirement benefit to which cost-of-living adjustments apply	Carry Over
	1096	Provides an additional cumulative 2% COLA effective September 2022	Carry Over
<b>Special Plans</b>	550	Changes special plan coverage for Corrections Officers	Carry Over
	610	Includes employees in the Medical Examiners Officer in the 1998 Special Plan	Carry Over
	1424	Provides retroactive special plan coverage for certain Department of Corrections Employees	Carry Over
	1760	Includes Crisis Workers in the 1998 Special Plan	Carry Over
	1761	Includes certain mental health workers in the 1998 Special Plan	Carry Over
<b>Benefits</b>	185	Allows certain teachers to retire with a reduced early retirement reduction	Carry Over
	426	Expands periods of military service covered by definition of "federally recognized periods of conflict"	Carry Over
	1152	Requires MainePERS to offer Long-Term Disability Insurance and requires employers to pay for the coverage	Carry Over

## Investment Update

The past fiscal year had an inauspicious start, with the economy facing a number of headwinds. Inflation had reached levels not seen since the 1980's, and the Federal Reserve (Fed) had begun increasing interest rates in order to cool the economy. By the end of the calendar year, the Fed had raised rates an additional four times, and most economists considered the likelihood of a recession during 2023 to be a near-certainty.

It seemed these predictions would come true in early 2023, as two of the largest bank failures in U.S. history took place and the Fed continued to increase interest rates. However, the U.S. economy proved remarkably resilient in the face of these shocks, and there is now reason to hope that the Federal Reserve will be successful in its attempt to lead the economy to a "soft landing."

The System's portfolio benefited as recession fears faded and returns on both stocks and bonds ended the fiscal year on a strong note. While the numbers are not yet final, we estimate that the overall Fund earned 4.7% for the fiscal year.

It is important to note that MainePERS pension benefits are protected by law and plan design features and—as defined benefit plans—members are guaranteed their benefits regardless of investment performance.



### Investments

FY 23

Preliminary Earnings – 4.7%

6/30/23

Preliminary Trust Fund Balance – \$18.7B

### Administration

Funding levels as of June 30, 2022:

State/Teacher Plan – 83.9%

PLD Consolidated Plan – 91.2%

Judicial Plan – 108.4%

Legislative Plan – 143.8%

## It's Never Too Early to Start Planning for Retirement



Visit the MainePERS Benefit Estimator ([www.maineopers.org/while-working/maineopers-benefit-estimator/](http://www.maineopers.org/while-working/maineopers-benefit-estimator/)) to project your service retirement benefit as part of your long-term retirement planning.

Additional financial planning and retirement savings resources are available on the MainePERS website ([www.maineopers.org/forms-resources/financial-planning-retirement-savings/](http://www.maineopers.org/forms-resources/financial-planning-retirement-savings/)), including information and calculators for the Windfall Elimination Provision and Government Pension Offset.

MaineStart is another retirement savings option to consider, if offered by your employer. For more details about this defined contribution plan visit [mainestart.org](http://mainestart.org).

