



Message from the CEO

With the coming of September, we begin to look forward to the crisp weather and brilliant colors that autumn brings. September is also the time when the annual cost-of-living adjustment (COLA) is determined for eligible retirees. We are pleased to provide that information in this newsletter.

The fall **MainePERSpective** also includes an overview of new laws from the recent Legislative Session affecting MainePERS and its members, an investment update, a list of handy resources, among other information.

Hoping you enjoy the fall season!

Best regards,



Dr. Rebecca M. Wyke
Chief Executive Officer

2025 Annual Cost-of-Living Adjustment

On August 14, 2025, the MainePERS Board of Trustees adopted the 2025 cost-of-living adjustment (COLA) up to the limits allowed by statute and rule. The COLA is based upon the Consumer Price Index – Urban Consumers (CPI-U) rate, an index compiled by the U.S. Department of Labor’s Bureau of Labor Statistics. The June 30, 2025 CPI-U rate was 2.7%.

Beginning with the September pension payment, eligible State, Teacher, Judicial, and Legislative plan retirees will receive a 2.7% COLA on their benefit up to \$26,428.98 (which is the 2025 base), or a maximum increase of \$59.47/month. The 2025 COLA base will increase by 2.7%, to \$27,142.56, which will be the COLA base in 2026. The total amount that will be paid to the approximately 39,500 eligible benefit recipients in these plans during the next 12 months as a result of the 2025 COLA is expected to be approximately \$20,200,000.

The 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 9,600 eligible benefit recipients in this plan during the next 12 months as a result of the 2025 COLA is expected to be approximately \$4,900,000.

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

MainePERS Board of Trustees Transitions

Welcome and Congratulations to Incoming Trustee



Nick Fuller Googins

Nick Fuller Googins is the new electee of the Maine Education Association on the MainePERS Board effective September 2025. Nick is an elementary-school teacher and an author. He is also a member of the Maine Writers & Publishers Alliance.

Thank you to Nathan Burnett

MainePERS extends its deepest thanks to outgoing Trustee Nathan Burnett for his service and contributions to the retirement system, its members, and retirees.

Additional information about the MainePERS Board of Trustees is available at www.mainebers.org.

BOARD OF TRUSTEES

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CHIEF EXECUTIVE OFFICER

Dr. Rebecca M. Wyke

RETIREMENT SERVICES

(207) 512-3158

EMPLOYER SERVICES

(207) 512-3200

GROUP LIFE INSURANCE

(207) 512-3244

DISABILITY SERVICES

(207) 512-3170

Mailing Address

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 Toll-Free: 1-800-451-9800
 Fax: (207) 512-3101
 Maine Relay: 711

Public Business Hours

The MainePERS lobby is open
 Monday through Thursday
 from 8:00 a.m. to 4:00 p.m.

Member Services Representatives
 are available to assist you by
 telephone, email and in person
 Monday through Thursday
 from 8:00 a.m. to 4:00 p.m.



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Investment Update

The U.S. economy and markets performed well during the year ended June 30, 2025. The Federal Reserve appears to have successfully achieved a “soft landing,” managing to bring inflation under control without causing a recession. The inflation rate ended the year below 3% while the economy displayed both healthy growth and low unemployment. However, housing markets remained challenging as elevated prices and mortgage rates discouraged buyers.

One of the largest sources of uncertainty during the year involved the new administration’s use of tariffs. While changes to tariff policy were expected, the size and breadth of changes caught markets by surprise and led to a 15% drop in global stock prices between mid-February and early April. Markets recovered as subsequent negotiations led to meaningful tariff modification and implementation delays, and markets had fully recovered by June. However, high levels of tariff-related uncertainty remain, and as a result, the outlook for 2026 remains cloudy.

The System’s portfolio benefited from a second consecutive year of strong performance in both stock and bond markets. While the numbers are not yet finalized, we estimate that the overall Fund earned 9.4% for the fiscal year, exceeding the previous year’s 8.0% return as well as the System’s 6.5% actuarial target return. It is important to emphasize 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 25
 Preliminary Earnings – 9.4%

6/30/25
 Preliminary Trust Fund Balance – \$21B

Administration

Funding levels as of June 30, 2024:

State/Teacher Plan – 86.3%
 PLD Consolidated Plan – 89.8%
 Judicial Plan – 108.8%
 Legislative Plan – 148.5%



Recent Maine Law Change to Pension Income Tax Deduction

Individuals who receive MainePERS benefits and file their taxes in the State of Maine may qualify for a pension income deduction for all or part of their MainePERS benefit. The amount of the pension income deduction available is based on the maximum annual Social Security benefit for someone retiring that year at full retirement age reduced by any Social Security or railroad retirement benefits received.

For individual taxpayers, the maximum deduction for tax year 2025 is \$48,216. A new law phases out this deduction starting at adjusted gross incomes greater than \$125,000 for single tax return filers, \$187,000 for head-of-household filers, and \$250,000 for joint filers. This phase out applies for tax year 2025. Additional information is available at: www.mainebers.org/retirement/benefit-payment-and-tax-information/, see Question 11.

Please note, a new Form W-4ME must be filed with MainePERS if you would like to change your state withholding. This form may be found at www.mainebers.org/forms/retiree-forms/. If you have a tax preparer or advisor, they should be able to address any questions about the Maine pension income deduction. Questions also may be directed to Maine Revenue Services at 207-626-8475.

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 132nd Legislature, including the status of those awaiting further action. The full text of enacted laws can be found on the Maine State Legislature's website at legislature.maine.gov. When the 132nd Second Regular Session begins in January, updates on pension-related legislation will be provided on our website, mainepers.org.

New Laws Approved in 2025:

Public Law	L.D.	What the Law Does	Effective Date
12	240	Permits deferral to normal retirement age of any portion of benefit that would otherwise be subject to an early retirement reduction	June 20, 2025
206	1025	Permits members to purchase up to five years of service as a non-military federal employee at actuarial cost	September 24, 2025
221	1947	System bill making pension changes including: <ul style="list-style-type: none"> Reduces the time terminated members must wait to receive refunds 	September 24, 2025
270	1638	Eliminates the offset of MainePERS disability retirement benefits by Social Security benefits for the same condition as of January 1, 2024	September 24, 2025
388	210	A State budget bill that includes the following pension changes: <ul style="list-style-type: none"> Moves certain employees of the Department of Health and Human Services to the 1998 Special Plan as of October 1, 2025 Establishes a phase out of the pension deduction for tax years beginning on or after January 1, 2025 	September 24, 2025

Resolve	L.D.	What the Resolve Does	Effective Date
109	89	Authorizes MainePERS to finally adopt its rule on employer reporting and payments.	September 24, 2025

Proposals Awaiting Further Action:

Category	L.D.	What the Proposal Does	Status
Divestment	1383	Prohibits the State from investing public funds or entering procurement contracts with companies, persons or institutions involved with entities found by certain international bodies to have committed certain violations of human rights	Carry Over
Cost-of-Living	900	Increases the portion of retirement benefit to which cost-of-living adjustments apply and increases the COLA cap to 5%	Carry Over
	1003	Creates an account to accumulate funds to increase the portion of retirement benefit to which COLA applies	Carry Over
	1021	Applies COLA to the entire retirement benefit for certain law enforcement retirees at the age of 65	Carry Over
	1040	Applies COLA to the entire retirement benefit for retirees before June 30, 2011	Carry Over
	1872	Creates an account to accumulate funds to increase the portion of retirement benefit to which COLA applies	Carry Over
Special Plans	137	Includes certain employees in the Medical Examiners Office in the 1998 Special Plan	Carry Over
	794	Includes Judicial Marshals in the 1998 Special Plan	Carry Over
	1236	Adds certain employees of the Department of Veterans and Emergency Management to the 25 year/no age plan	Carry Over
Benefits	462	Expands periods of military service covered by definition of "federally recognized periods of conflict"	Carry Over
	1611	Decrease the required employee contributions for the State Employee and Teacher Retirement Program from 7.65% to 6.2%	Carry Over



Legislative Reports

MainePERS provides the Maine Legislature with a number of reports, presentations, and updates as required by statute or in response to legislative requests. These reports may be viewed and downloaded from the MainePERS website at www.mainebers.org/reports/reports-and-presentations/.

Handy Resources

The MainePERS website (www.mainebers.org) provides access to several handy resources including the following:

Member Portal

Access your account information, including annual member statements and 1099-R forms, as well as update your contact information.

www.mainebers.org/memberportal

Online Educational Sessions

Signup for an online session offering information about your specific plan

State Plan Educational Sessions

(Intro, Ready to Retire, Special Plan)

www.mainebers.org/statesessions

Teacher Plan Educational Sessions

(Intro and Ready to Retire)

www.mainebers.org/teachersessions

PLD Plan Educational Sessions

(Intro, Ready to Retire, Special Plan)

www.mainebers.org/pldsessions

Benefit Estimator

A tool to help with retirement planning

www.mainebers.org/estimator

Videos Available to View Anytime

Videos for anyone considering retiring

www.mainebers.org/retirevideos

Videos for retirees covered by group life insurance

www.mainebers.org/gli

Retiree Health and Dental Insurance

Contacts for some common plan administrators

www.mainebers.org/retirement/health-insurance

