

DATE: January, 20, 2026

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

FROM: Bill Brown, Director, Actuarial and Legislative Affairs

SUBJECT: Testimony on LD 2022, An Act to Clarify the Setting of Group Life Insurance Coverage Under the Maine Public Employees Retirement System

Good afternoon, Chairs Tipping and Roeder and the other distinguished members of the Joint Standing Committee on Labor. I am Bill Brown, the Director of Actuarial and Legislative Affairs for the Maine Public Employees Retirement System (MainePERS).

MainePERS is in support of LD 2022, An Act to Clarify the Setting of Group Life Insurance Coverage Under the Maine Public Employees Retirement System. We also thank Representative Roeder for bringing LD 2022 forward on our behalf.

In addition to administering defined benefit retirement programs, MainePERS also administers a Group Life Insurance (GLI) program. This program was established by the State Legislature to provide group life insurance benefits to all State employees and Teachers, members of the Judiciary and the Legislature, as well as Elected and Appointed Officers of the State, that are eligible for membership in the Maine State Retirement System. Group Life Insurance benefits are also provided to the employees of participating local districts (PLDs) where the PLD elects to participate in the Group Life Insurance program. The System manages the Group Life Insurance program under a contract with a licensed insurance company.

The amount of GLI coverage for which a member is initially eligible is based on their annual base compensation, rounded up to the nearest \$1,000. Current law sets that amount based on "gross compensation" as reported on the member's W-2. Since the W-2 does not have a box for gross compensation, this has created confusion and inconsistency among employers, who are required to report changes in coverage levels each April 1.

LD 2022 seeks to both simplify the process for employers and accurately represent the gross compensation of members. This bill replaces the W-2 information with "earnable compensation," which is defined in statute, (5 M.R.A. §17001(13) and already reported by employers to MainePERS for retirement benefit purposes. This will streamline employer reporting and result in more consistency in setting coverage levels.

We do not anticipate a fiscal note for this legislation. Any potential increased costs will be reflected in future rates.

I appreciate your consideration of this testimony and I am happy to answer any questions you may have. I will also be available at your work session.