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Appropriations Committee

Subcommittees

Capital Budget

Education and Economic Development

Chair, Oversight Committee on Pensions



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The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 1138

State Retirement and Pension System – Cost of Living Adjustments – Clarification

Testimony of Delegate Cathi Forbes

Appropriations

March 3, 2026

What this bill does

For the calendar year 2025, this bill clarifies the method to calculate the Consumer Price Index as defined under § 29-401(d) of the State Personnel and Pensions Article.

Why this bill is necessary

Each year we use the annual Consumer Price Index as reported by the U.S. Department of Labor, Bureau of Labor Statistics to set the cost-of-living increases for our retirees in the state pension system.

Because of the federal shut-down, the Bureau of Labor Statistics did not publish a Consumer Price Index Value for October. Without this data point for October, it is not possible to accurately calculate the annual Consumer Price Index for the calendar year that is required to determine the cost-of-living rate used to adjust an allowance effective July 1, 2026 and July 1, 2027.

HB 1138 provides a method to determine an October 2025 Index Value that would make it possible to determine the cost-of-living rate for FY 2027 and 2028.

Which Method did we choose:

The missing October 2025 Index Value will be determined by adding the CPI Values for September 2025 and November 2025 and divide by two. The result will be used for the October 2025 Index Value.

Why you should vote for this bill

This will ensure that the cost-of-living increases for our state retirees are fair.

I ask for a favorable report. Thank you.