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# **General Assembly Compensation Commission Briefing Material**

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**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

**December 2, 2013**



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**Exhibit 1**  
**Summary of the Pension Provisions in the**  
**General Assembly Compensation Commission**  
**Current Resolution**

**Effective from January 12, 2011, Until Superseded by Any Succeeding Resolution**

**Item 3A**

Participation	Optional enrollment allowed at any time with one opportunity to purchase earlier service.
Vesting	After eight years of creditable service.
Member Contribution	5.0% of annual salary, up to 22 years and three months.
Retirement Allowance	3.0% of salary of active legislator for each year of service.
Maximum Allowance	66.67% of salary payable to an active legislator.
Cost-of-living Adjustment	Benefit recalculated based on salary increases for active legislators.
Eligibility	
Normal Retirement	Age 60 with at least eight years of service.
Early Retirement	Age 50 with at least eight years of service, actuarially reduced 6.0% for each year under age 60 (maximum reduction 60.0%).
Survivor's Allowance/Death Benefit	
Non-vested, Active Legislator	Surviving spouse, or designated beneficiary if no surviving spouse, receives lump-sum payment of one year's salary, if any, plus return of member's contributions (with interest).
Vested Active or Former Legislator	If there is no spouse and the member has designated multiple beneficiaries, then the beneficiaries share equally the lump-sum payment noted above.

Surviving spouse, or designated beneficiary if no surviving spouse, may elect either the lump-sum payment noted above or a monthly benefit of 50% of allowance accrued at member's death. Payment to surviving spouse begins at member's death. Payment to designated beneficiary begins at age 60, or actuarially reduced at age 50.

If there is no spouse and the member has designated multiple beneficiaries, then the beneficiaries share equally the lump-sum payment noted above.

#### Retired Legislator

Surviving spouse, or designated beneficiary if no surviving spouse, receives a monthly benefit of 50.0% of allowance accrued at member's death. Payment to surviving spouse begins at member's death. Payment to designated beneficiary begins at age 60, or actuarially reduced at age 50.

If there is no spouse and the retiree has designated multiple beneficiaries, then the beneficiaries share equally the balance of the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement.

#### Optional Allowances

***Option A (100% Survivor Benefit):*** Provides reduced allowance to retiree. 100% of benefit paid to spouse or designated beneficiary for life.

***Option B (10-year Certain Benefit):*** Guarantees a reduced allowance to the retiree for a minimum of 10 years. The retiree receives an allowance for lifetime. Should the retiree die before receiving this payment for 10 years, the spouse or designated beneficiary will receive the benefit until 10 years from the date of the retiree's death.

***Option C (Special Option):*** Allows the retiree to personalize a reduced benefit. At the retiree's death, the spouse or designated beneficiary will receive a specific percentage of the retiree's reduced allowance, which was established by the retiree at the time of retirement. The spouse or designated beneficiary receives the payments for life.

Disability Benefit	If totally disabled, a vested member receives a normal retirement allowance regardless of age.
Less Than Eight Years Service	A legislator who leaves office with less than eight years of service may (1) withdraw member contributions; (2) pay member and State contributions to accumulate eight years; <u>or</u> (3) transfer legislative service to another State system in which the member participates. A legislator who resigns to become a State judge is entitled to a retirement allowance regardless of years of legislative service.

**Item 3B – Fringe Benefits – Retired Legislators**

Qualify for State health insurance benefits and a subsidy equal to 1/16 of the full State subsidy for each year of service.

May participate in benefit programs available to retired State employees (*i.e.*, deferred compensation programs and credit union services).

**Item 4 – Forfeiture of Benefits**

An individual who is a member or retiree of the plan will forfeit all legislative retirement benefits in the plan if the individual is convicted of a crime committed during the individual’s term of office and the crime is a felony or serious misdemeanor relating to the individual’s public duties as a legislator. The convicted member or retiree is entitled to a return of employee contributions, plus interest, less any benefits already paid to a retiree. The benefits will be restored if the conviction is overturned.

Source: Department of Legislative Services

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**Exhibit 2**  
**Major Components of the 2011 Pension Reform in Maryland**

**Overview**

- During the 2011 session, the General Assembly passed comprehensive pension reform that affected pension benefits for almost all current and future State employees. The reforms did not affect individuals who were already retired.
- Pension reform was necessary to address two issues with regard to public employee pensions: the long-term sustainability of the State's pension plans and the affordability of the State's contributions to those plans.
- Pension reform made changes to various elements of the following State pension plans: the Employees' Pension System, the Teachers' Pension System, the State Police Retirement System, the Law Enforcement Officers' Pension System, and the Correctional Officers' Retirement System.
- Pension reform did not make changes to the Legislative Pension Plan for members of the General Assembly, the pension plan for the Governor, or the Judges' Retirement System because the salary and benefits for these individuals is set through a compensation commission process.
- However, the legislation that enacted the 2011 pension reform included a provision that requires the compensation commissions for the General Assembly, the Governor, and the Judiciary to take into account the sustainability of the pension systems and include specific recommendations in their reports concerning appropriate benefit and member contribution levels.
- During the 2012 session, legislation was passed that made changes to the contribution rate and the vesting period for certain members of the Judges' Retirement System.
- As described below, pension reform made changes to employee contributions, benefit multipliers, eligibility requirements, average final compensation, cost-of-living adjustments, and retiree health eligibility. (For additional information, see Exhibit 3.)

**Employee Contributions**

- Pension reform increased the percentage of the amount of an employee's salary that the employee must contribute in certain pension plans.

- Employees in the Employees' Pension System, the Teachers' Pension System, and the Law Enforcement Officers' Pension System pay an increased contribution rate as of July 1, 2011.
- Employees in the Judges' Retirement System pay an increased contribution rate as of July 1, 2012.
- The employee contribution rate remained the same for the State Police Retirement System, the Correctional Officers' Retirement System, the Legislative Pension Plan, and the Governor's Pension Plan.

### **Benefit Multipliers**

- Pension reform decreased the benefit multiplier for employees hired on or after July 1, 2011, in the Employees' Pension System and the Teachers' Pension System.
- These employees have a benefit multiplier of 1.5% of salary whereas employees in those systems that were hired on or before June 30, 2011, have a benefit multiplier of 1.8%.
- The benefit multiplier remained the same for all other systems.

### **Eligibility Requirements**

- Pension reform increased certain eligibility requirements to receive a retirement allowance from certain State pension plans.
- The time period required for an employee to vest in the pension system was increased in the Employees' Pension System, the Teachers' Pension System, the State Police Retirement System, the Law Enforcement Officers' Pension System, the Correctional Officers' Retirement System, and the Judges' Retirement System.
- Vesting requirements remained the same in the Legislative Pension Plan and the Governor's Pension Plan.
- The age at which employees are eligible to retire with a normal service retirement allowance or an early retirement allowance was increased in the Employees' Pension System, the Teachers' Pension System, and the State Police Retirement System.
- Retirement age requirements remained the same in the Correctional Officers' Retirement System, the Legislative Pension Plan, the Governor's Pension Plan, and the Judges' Retirement System.

## **Average Final Compensation**

- Pension reform increased the number of consecutive years over which certain employees' average final compensation (AFC) is calculated.
- The AFC used to calculate retirement allowances for members of the Employees' Pension System, the Teachers' Pension System, the State Police Retirement System, the Law Enforcement Officers' Pension System, and the Correctional Officers' Retirement System who are hired on or after July 1, 2011, will be based on the five consecutive years that provide the highest average compensation, rather than three years. (For members of the State Police Retirement System and the Correctional Officers' Retirement System, the five years do not need to be consecutive.)
- Since an employee tends to earn less in earlier years of employment, requiring the AFC to be calculated using a longer time period will typically result in a lower AFC.

## **Cost-of-living Adjustments**

- Pension reform decreased the amount of cost-of-living adjustments (COLA) for future retirees of all systems except for the Legislative Pension Plan, the Judges' Retirement System, and the Governor's Pension Plan.
- All active employees of the other State systems now have COLAs that are linked to the performance of the State's pension system investments.
- For service credits earned after June 30, 2011, the COLA will be linked to the performance of the investment portfolio. If the portfolio earns its actuarial target rate, the COLA is subject to a 2.5% cap. If the portfolio does not earn the target rate, the COLA is subject to a 1.0% cap.
- In addition, the maximum amount of an annual COLA that a future retiree may receive was reduced from the previous 3.0% cap to a 2.5% cap.

## **Retiree Health Eligibility**

- For all systems except the Legislative Pension Plan and the Judges' Retirement System, pension reform increased the number of years employees must work in order to qualify for a State retiree health insurance subsidy and increased the number of years an employee must work to receive the maximum State subsidy.

- Employees hired on or before June 30, 2011, must have 5 years of service to qualify for a State retiree health insurance subsidy of 1/16 per year and must have 16 years of service to qualify for the full subsidy; however, employees hired on or after July 1, 2011 must have 10 years of service to qualify for a State retiree health insurance subsidy of 1/25 per year and must have 25 years of service to qualify for the full subsidy.

Source: Department of Legislative Services

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**Exhibit 3**

**Comparison of Maryland State Retirement and Pension Plans**

<b>Participation</b>	<b>General Assembly</b>	<b>Governor</b>	<b>Judges</b>	<b>Employees and Teachers Pension Systems<sup>1</sup></b>	<b>State Police</b>	<b>Law Enforcement Officers' System</b>	<b>Correctional Officers' System</b>
<b>Vesting</b>	Optional	Automatic	Condition of employment	Condition of employment	Condition of employment	Condition of employment	Condition of employment
Hired on or Before 6/30/11	8 years of service	One full term	Immediate	5 years of service	5 years of service	5 years of service	5 years of service
Hired on or After 7/1/11; or Judges Hired on or After 7/1/12	No change	No change	5 years of service	10 years of service	10 years of service	10 years of service	10 years of service
<b>Employee Contributions<sup>2</sup></b>	5.0% of salary, for 22 years, 3 months	None	8.0% of salary, for 16 years (was 6.0%)	7.0% of salary (was 5.0%)	8.0% of salary	7.0% of salary (was 4.0%)	5.0% of salary
<b>Service Retirement Conditions</b>	Age 60; or age 50 with 8 years, reduced benefit	Age 55	Age 60	Age 62 or 30 years of service; or age 55 with 15 years, reduced benefit	Age 50 or 22 years of service	Age 50 or 25 years of service	20 years of service, with at least the last 5 years as a correctional officer
Hired on or Before 6/30/11	No change	No change	Age 60 with 5 years of service	Age 65 with 10 years of service or Rule of 90 <sup>3</sup> ; or age 60 with 15 years, reduced benefit	Age 50 or 25 years of service	No change	No change
Hired on or After 7/1/11; or Judges Hired on or After 7/1/12	No change	No change	Age 60 with 5 years of service	Age 65 with 10 years of service or Rule of 90 <sup>3</sup> ; or age 60 with 15 years, reduced benefit	Age 50 or 25 years of service	No change	No change

	<u>General Assembly</u>	<u>Governor</u>	<u>Judges</u>	<u>Teachers Pension Systems<sup>1</sup></u>	<u>State Police</u>	<u>Law Enforcement Officers' System</u>	<u>Correctional Officers' System</u>
<b>Allowance</b>							
Hired on or Before 6/30/11	3.0% of current legislative salary per year of service	1/3 of current annual salary for one term; or 1/2 of current annual salary for two terms	2/3 of active judge salary at 16 years	1.2% of salary for years of service prior to 7/1/98; plus 1.8% of salary for years of service on or after 7/1/98 (calculated on highest 3 consecutive years of salary)	2.55% per year of service (calculated on highest 3 years of salary)	2.0% per year if subject to the LEOPS modified pension benefit; otherwise 2.3% for first 30 years and 1.0% for each year thereafter (calculated on highest 3 consecutive years of salary)	1.8% per year of service (calculated on highest 3 years of salary)
Hired on or After 7/1/11	No change	No change	No change	1.5% of salary (calculated on highest 5 consecutive years of salary)	Calculated on highest 5 years of salary	Calculated on highest 5 consecutive years of salary	Calculated on highest 5 years of salary
<b>Post Retirement Adjustments<sup>4</sup></b>							
Service Credit Earned on or Before 6/30/11	Based on salary of active legislators	Limited to 3.0% of initial benefit	Based on salary of active judges	Limited to 3.0% of initial benefit	Unlimited annual cost-of-living adjustment (COLA)	Limited to 3.0% of initial benefit	Unlimited annual COLA
Service Credit Earned on or After 7/1/11	No change	No change	No change	Limited to 2.5% in any year the system earns the assumed rate of return; otherwise limited to 1.0%	Limited to 2.5% in any year the system earns the assumed rate of return; otherwise limited to 1.0%	Limited to 2.5% in any year the system earns the assumed rate of return; otherwise limited to 1.0%	Limited to 2.5% in any year the system earns the assumed rate of return; otherwise limited to 1.0%

	<u>General Assembly</u>	<u>Governor</u>	<u>Judges</u>	<u>Employees and Teachers Pension Systems<sup>1</sup></u>	<u>State Police</u>	<u>Law Enforcement Officers' System</u>	<u>Correctional Officers' System</u>
<b>Ordinary Disability Retirement</b>							
Conditions	Active legislator must have 8 years of service and be certified disabled by the BOT medical board	Not applicable	Incapacitated for duty	Incapacitated for duty after 5 years eligibility service	Incapacitated for duty after 5 years eligibility service	Incapacitated for duty after 5 years eligibility service	Incapacitated for duty after 5 years eligibility service
Allowance	3.0% of current legislative salary per year of service	Not applicable	Service retirement with minimum of 33.3% of salary	Service retirement projected to age 62	Service retirement with minimum of 35.0% of salary	Service retirement projected to age 50	Service retirement with minimum of 25.0% of salary
<b>Accidental Disability Retirement</b>							
Conditions	Not applicable	Not applicable	Not applicable	Permanently and totally disabled by accident in the performance of duty	Permanently and totally disabled by accident in the performance of duty	Permanently and totally disabled by accident in the performance of duty	Permanently and totally disabled by accident in the performance of duty
Allowance	Not applicable	Not applicable	Not applicable	2/3 of salary plus annuity based on member contributions	2/3 of salary plus annuity based on member contributions	2/3 of salary plus annuity based on member contributions	2/3 of salary plus annuity based on member contributions

BOT: Board of Trustees for the State Retirement and Pension System  
LEOPS: Law Enforcement Officers' Pension System

<sup>1</sup> The Employees' and Teachers' Retirement Systems are not shown because the systems closed to new members as of December 31, 1979.

<sup>2</sup> Employee contributions for judges were increased to 8% as of July 1, 2012; contributions for employees and teachers were increased to 7% as of July 1, 2011; and contributions for LEOPS members were increased to 6% as of July 1, 2011 and 7% as of July 1, 2012.

<sup>3</sup> Rule of 90: The sum of an employee's age and years of service must equal 90 or more.

<sup>4</sup> Other post-retirement adjustment formulas apply to retirees who retired on or before June 30, 2011, retirees of the Employees' and Teachers' Retirement Systems, and retirees who chose various selection options.

Source: Department of Legislative Services, September 2013

**Exhibit 4**  
**State-by-state Comparison of Legislative Retirement Benefits**  
**Ranked by Annual 20-year Benefit**

Ranking	State	Salary	Legislator Contribution Rate	12-year Benefit			20-year Benefit			Annual Benefit Formula
				Annual	Monthly	% of Salary	Annual	Monthly	% of Salary	
1	Illinois*	\$ 67,836	11.50%	\$30,526	\$2,544	45.00%	\$57,661	\$4,805	85.00%	3.00 - 5.00% Capped at 85.00% of FAS
2	Texas	7,200	8.00%	34,501	2,875	479.18%	57,502	4,792	798.64%	2.30%
3	Pennsylvania*	83,801	6.25%	30,168	2,514	36.00%	50,281	4,190	60.00%	3.00%
4	PA* Reform	83,801	9.30%	25,140	2,095	30.00%	41,901	3,492	50.00%	2.50%
5	IL* Reform	67,836	11.50%	30,526	2,544	45.00%	40,702	3,392	60.00%	3.00 - 5.00% Capped at 60.00% of FAS
6	Hawaii	46,273	0.00%	19,435	1,620	42.00%	32,391	2,699	70.00%	3.50%
7	New York*	79,500	3.00%	15,932	1,328	20.04%	31,800	2,650	40.00%	1.50 - 2.00%
8	Oklahoma	38,400	10.00%	18,432	1,536	48.00%	30,720	2,560	80.00%	4.00%
9	Massachusetts*	60,033	9.00%	18,010	1,501	30.00%	30,017	2,501	50.00%	2.50%
10	New Jersey*	49,000	5.00%	17,640	1,470	36.00%	29,400	2,450	60.00%	3.00%
11	HI Reform	46,273	0.00%	16,658	1,388	36.00%	27,764	2,314	60.00%	3.00%
12	Ohio*	60,584	10.00%	15,994	1,333	26.40%	26,657	2,221	44.00%	2.20 - 2.50%
13	Maryland	43,500	5.00%	15,660	1,305	36.00%	26,100	2,175	60.00%	3.00%
14	Indiana <sup>(1)</sup>	22,616	0.00%	22,616	1,885	100.00%	22,616	1,885	100.00%	1/12 of FAS
15	New Mexico	-	\$600/year	13,548	1,129	0.00%	22,580	1,882	0.00%	\$1,129 x yrs. of service
16	Alaska <sup>(1)</sup>	50,400	6.75%	12,348	1,029	24.50%	21,420	1,785	42.50%	2.00 - 2.50%
17	Wisconsin* Reform	49,943	2.60%	11,387	949	22.80%	19,872	1,656	39.79%	1.60% - 2.165%
18	Arizona	24,000	7.00%	11,520	960	48.00%	19,200	1,600	80.00%	4.00% Capped at 80.00% of FAS
19	Florida*	29,697	3.00%	10,691	891	36.00%	17,818	1,485	60.00%	3.00%
20	Washington	42,106	3.33%	10,105	842	24.00%	16,842	1,404	40.00%	1.00 - 2.00%
21	Minnesota <sup>(1)</sup>	31,141	9.00%	10,090	841	32.40%	16,816	1,401	54.00%	2.70%
22	Delaware	44,041	3.00%	9,777	815	22.20%	16,758	1,396	38.05%	1.85 - 2.00%
23	Tennessee	19,009	5.43%	10,080	840	53.03%	16,500	1,375	86.80%	\$70/month x yrs. of service
24	OK Reform	38,400	3.50%	9,216	768	24.00%	15,360	1,280	40.00%	2.00%
25	Colorado	30,000	8.00%	9,000	750	30.00%	15,000	1,250	50.00%	2.50%

<u>Ranking</u>	<u>State</u>	<u>Salary</u>	<u>Legislator Contribution Rate</u>	<u>12-year Benefit</u>			<u>20-year Benefit</u>			<u>Annual Benefit Formula</u>
				<u>Annual</u>	<u>Monthly</u>	<u>% of Salary</u>	<u>Annual</u>	<u>Monthly</u>	<u>% of Salary</u>	
26	<i>AZ Reform</i>	24,000	13.00%	8,640	720	36.00%	14,400	1,200	60.00%	3.00% Capped at 75.00% of FAS
27	Rhode Island <sup>(2)</sup>	14,640	—	7,200	600	49.18%	12,000	1,000	81.97%	\$600/month x yrs. of service
28	Maine	23,513	7.65%	7,054	588	30.00%	11,757	980	50.00%	2.50%
29	South Carolina	12,000	10.00%	6,941	578	57.84%	11,568	964	96.40%	4.82%
30	North Carolina	13,951	7.00%	6,730	561	48.24%	11,217	935	80.40%	4.02%
31	Iowa	25,000	3.70%	6,000	500	24.00%	10,000	833	40.00%	2.00%
32	Georgia	17,342	3.75%	5,184	432	29.89%	8,640	720	49.82%	\$36/month x yrs. of service
33	West Virginia	20,000	4.50%	4,800	400	24.00%	8,000	667	40.00%	2.00%
34	Connecticut	28,000	2.00%	4,469	372	15.96%	7,448	621	26.60%	0.05 - 1.33%
35	Oregon	22,260	0.00%	4,407	334	18.00%	6,678	557	30.00%	1.50%
36	Idaho	16,438	6.97%	3,945	329	24.00%	6,575	548	40.00%	2.00%
37	Arkansas	15,869	5.00%	3,809	317	24.00%	6,348	529	40.00%	2.00%
38	Virginia	18,000	8.91%	3,672	306	20.40%	6,120	510	34.00%	1.70%
39	Mississippi	10,000	7.25%	3,600	300	36.00%	6,000	500	60.00%	1.00 - 2.00%
40	Utah <sup>(1)</sup>	n/a	0.00%	3,571	298	n/a	5,952	496	n/a	\$24.80/month x yrs. of service
41	Missouri	35,915	0.00%	1,496	125	4.17%	2,494	208	6.94%	(monthly pay/24) x yrs. of service
42	Nevada	n/a	15.00%	300	25	n/a	500	42	n/a	\$25 x yrs. of service

FAS: final average salary

\* Denotes state with full-time legislature.

<sup>(1)</sup> The following states offer a defined benefit plan to legislators elected before a certain date, but legislators elected after a certain date are offered only a defined contribution plan: Alaska, Indiana, Michigan\*, Minnesota, and Utah.

<sup>(2)</sup> Rhode Island offers a defined benefit plan to legislators elected before January 1995 but does not offer any type of retirement benefits for legislators elected after that date.

The following states offer a defined benefit plan to all legislators or to legislators elected before a certain date, but sufficient information was not available to determine a benefit: California\*, Kansas, Kentucky, Louisiana, Michigan\*, and Montana.

The following states do not provide any type of retirement plan to legislators: Alabama, Nebraska, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming.

Source: National Conference of State Legislatures; Department of Legislative Services

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**Exhibit 5**  
**State-by-state Comparison of Legislator Contribution Rate**

<u>Ranking</u>	<u>State</u>	<u>Rate</u>
1	Nevada	15.00%
2	<i>AZ Reform</i>	13.00%
3	Illinois*	11.50%
4	Ohio*	10.00%
4	Oklahoma	10.00%
4	South Carolina	10.00%
5	<i>PA* Reform</i>	9.30%
6	Massachusetts*	9.00%
6	Minnesota <sup>(1)</sup>	9.00%
7	Virginia	8.91%
8	Colorado	8.00%
8	Texas	8.00%
9	Maine	7.65%
10	Mississippi	7.25%
11	Arizona	7.00%
11	North Carolina	7.00%
12	Idaho	6.97%
13	Alaska <sup>(1)</sup>	6.75%
14	Pennsylvania*	6.25%
15	Tennessee	5.43%
<b>16</b>	<b>Maryland</b>	<b>5.00%</b>
16	Arkansas	5.00%
16	New Jersey*	5.00%
17	West Virginia	4.50%
18	Georgia	3.75%
19	Iowa	3.70%
20	<i>OK Reform</i>	3.50%
21	Washington	3.33%
22	Delaware	3.00%
22	Florida*	3.00%
22	New York*	3.00%
23	<i>Wisconsin* Reform</i>	2.60%

<u>Ranking</u>	<u>State</u>	<u>Rate</u>
24	Connecticut	2.00%
25	Hawaii	0.00%
25	Indiana <sup>(1)</sup>	0.00%
25	Missouri	0.00%
25	Oregon	0.00%
25	Utah <sup>(1)</sup>	0.00%

\* Denotes state with full-time legislature.

<sup>(1)</sup> These states offer a defined benefit plan to legislators elected before a certain date, but legislators elected after a certain date are offered only a defined contribution plan.

Source: National Conference of State Legislatures; Department of Legislative Services

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**Exhibit 6**  
**State-by-state Comparison of Benefit Multiplier**

<u>Ranking</u>	<u>State</u>	<u>Benefit Multiplier</u>
1	South Carolina	4.82%
2	North Carolina	4.02%
3	Oklahoma	4.00%
4	Arizona	4.00% Capped at 80.00% of Final Average Salary (FAS)
5	Hawaii	3.50%
6	Illinois*	3.00 - 5.00% Capped at 85.00% of FAS
7	<i>IL* Reform</i>	3.00 - 5.00% Capped at 60.00% of FAS
<b>8</b>	<b>Maryland</b>	<b>3.00%</b>
8	Florida*	3.00%
8	<i>HI Reform</i>	3.00%
8	New Jersey*	3.00%
8	Pennsylvania*	3.00%
9	<i>AZ Reform</i>	3.00% Capped at 75.00% of FAS
10	Minnesota <sup>(1)</sup>	2.70%
11	Colorado	2.50%
11	Maine	2.50%
11	Massachusetts*	2.50%
11	<i>PA* Reform</i>	2.50%
12	Texas	2.30%
13	Ohio*	2.20 - 2.50%
14	Alaska <sup>(1)</sup>	2.00 - 2.50%
15	Arkansas	2.00%
15	Idaho	2.00%
15	Iowa	2.00%
15	<i>OK Reform</i>	2.00%
15	West Virginia	2.00%
16	Delaware	1.85 - 2.00%
17	<i>Wisconsin* Reform</i>	1.60% - 2.165%
18	New York*	1.50 - 2.00%
19	Mississippi	1.00 - 2.00%
19	Washington	1.00 - 2.00%
20	Virginia	1.70%
21	Oregon	1.50%
22	Connecticut	0.05 - 1.33%

\* Denotes state with full-time legislature.

<sup>(1)</sup> These states offer a defined benefit plan to legislators elected before a certain date, but legislators elected after a certain date are offered only a defined contribution plan.

Source: National Conference of State Legislatures; Department of Legislative Services

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**Exhibit 7**  
**Comparison of Maryland's Retirement Eligibility Criteria with Other States**

**States That Require the Same Retirement Age and Years of Service**

**Maryland – age 60 with 8 years of service**  
New Jersey – age 60 with 8 years of service  
South Carolina – age 60 with 8 years of service  
Texas – age 60 with 8 years of service

**States That Require a Lower Retirement Age and Years of Service**

Missouri – age 55 with 6 years of service  
Hawaii – age 55 with 5 years of service  
Virginia – age 55 with 5 years of service  
Tennessee – age 55 with 4 years of service  
Pennsylvania – age 55 with 3 years of service

**States That Require a Higher Retirement Age and Years of Service**

Delaware – age 65 with 10 years of service  
Arkansas – age 65 with 10 years of service  
Arizona – age 62 with 10 years of service

**Number of States That Require a Higher Retirement Age**

Must be at least age 67 – 1 state  
Must be at least age 65 – 14 states  
Must be at least age 62 – 5 states

**States That Require More Years of Service**

Arizona – 10 years of service  
Arkansas – 10 years of service  
Delaware – 10 years of service  
Maine – 10 years of service

Source: Department of Legislative Services

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**Exhibit 8**  
**Accrued Retirement Service Credits of Active Maryland Legislators**

	Years of Creditable Service						
	0 - 4	4 - 8	8 - 12	12 - 16	16 - 20	20 - 22.25	22.25+
Number of Members	33	37	44	15	23	5	28
Average Age	46.9	50.2	55.6	56.9	63.6	70	69.3
Maximum Retirement Benefit	n/a	n/a	24 - 36%	36 - 48%	48 - 60%	60 - 66.67%	66.67%

	Years of Creditable Service					
	Up to 8	8 - 12	12 - 16	16 - 20	20 - 22.25	22.25+
Full Service Retirement <sup>1</sup>	13	16	5	17	5	25
Reduced Service Retirement <sup>2</sup>	17	18	7	4	0	3
Vested Allowance	2	38	6	0	0	1

<sup>1</sup> Full Service Retirement payable at age 60 with a minimum of eight years of service.

<sup>2</sup> Reduced Service Retirement payable as early as age 50.

Source: State Retirement Agency; Department of Legislative Services, September 2013

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**Exhibit 9**  
**Retirement Status of Retired Maryland Legislators by Plan**

	<u>Number</u>	<u>Average Age</u>	<u>Average Monthly Benefit</u>	<u>Average Years of Service</u>
<b>2002 Plan</b>				
Retiree	174	73.8	\$1,447.78	14.3
Beneficiary	57	83.2	766.91	n/a
<b>Bifurcated Plan</b>				
Retiree	0	n/a	n/a	n/a
Beneficiary	2	98.5	\$314.98	n/a
<b>1966 Plan</b>				
Retiree	9	82.2	\$775.78	13.1
Beneficiary	13	88.8	352.33	n/a

Source: State Retirement Agency; Department of Legislative Services, September 2013

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