

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 477

(Frederick County Delegation)

Environmental Matters

Budget and Taxation

Frederick County - County Commissioners - Retirement Benefits

This bill authorizes the Frederick County Commissioners to establish that its members may receive benefits provided in the county retirement program or to establish criteria and benefits specific to the commissioners, provided that no criterion or benefit exceeds those provided by State law to members of the General Assembly or increases the compensation of a commissioner during his or her current term.

The bill takes effect June 1, 2009.

Fiscal Summary

State Effect: None.

Local Effect: Frederick County expenditures increase beginning in FY 2011 in accordance with any benefits enhancements adopted for the county commissioners.

Small Business Effect: None.

Analysis

Current Law: The Frederick County Board of County Commissioners consists of five elected members who serve four-year terms. Commissioners are entitled to an annual salary of \$45,000; reimbursement for expenses incurred while performing board duties, as provided in the county budget; and fringe benefits regularly provided to county employees.

Background: The annual salary for members of the General Assembly during the 2007-2010 term is \$43,500; Presiding Officers receive \$56,500. State legislators are also entitled to reimbursement of meals and lodging expenses, subject to the standard State travel regulations, when attending regular, extended, or special sessions of the General Assembly or conducting official business related to their position.

State legislators may also participate in benefits programs generally available to other State employees, including subsidized medical, dental, and prescription insurance coverage. They may also elect to participate in the legislative pension plan. Participating members contribute 5% of their annual salary. If they serve at least eight years in the General Assembly, they are eligible to receive a full retirement allowance upon reaching age 60. The retirement allowance is equal to 3% of the annual salary of a current legislator for each year of service up to 22 years and three months.

Local Expenditures: Frederick County advises that the current county share of pension expenditures is 15.7% of commissioners' salaries, which amounts to \$35,325 annually for all five commissioners. Based on an actuarial analysis, the county estimates that a pension plan equivalent to the retirement plan for members of the General Assembly would be 30% of commissioners' salaries, or \$67,500. Thus, under the assumptions of the analysis, annual county expenditures may increase by up to \$32,175. Given that the next term of office for commissioners will begin December 1, 2010, any increase in expenditures for commissioner pensions would begin five months into fiscal 2011.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Frederick County, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2009
ncs/mwc

Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510