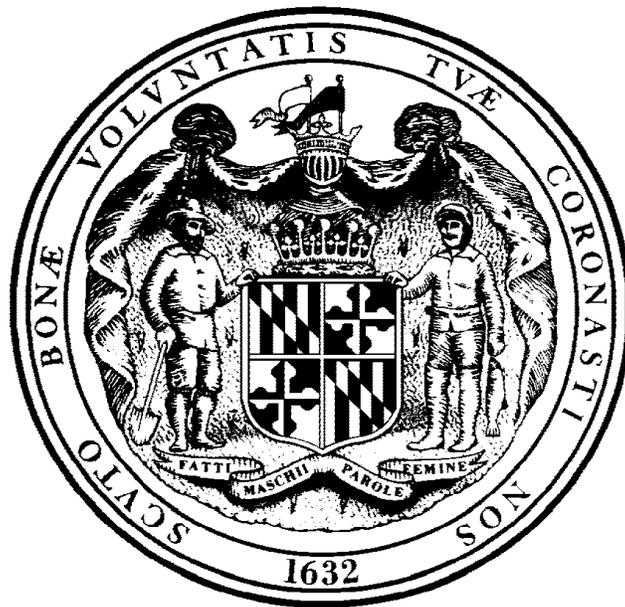


REPORT OF THE GENERAL ASSEMBLY COMPENSATION COMMISSION



ANNAPOLIS, MARYLAND
JANUARY 2018

General Assembly Compensation Commission

Member

Lisa First-Willis, **Chair**
Laurence C. Daniels
Lyn A. Dippel
Joshua C. Greene
Robert A. Liberto
Wendell G. Rakosky
Gene M. Ransom III
Brenda Brown Rever
Joe Rubino

Appointed By

Governor
Governor
Governor
Speaker
Governor
Governor
President
President
Speaker

Staff

Simon G. Powell
Dana K. Tagalicod
Laura M. Vykol

Support Staff

Maria S. Hartlein

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 • Washington Area: 301-970-5400

Other Areas: 1-800-492-7122, Extension 5400

TTY: 410-946-5401 • 301-970-5401

TTY users may also use the Maryland Relay Service
to contact the General Assembly.

Email: libr@mlis.state.md.us

Home Page: <http://mgaleg.maryland.gov>

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, creed, marital status, national origin, race, religion, gender, gender identity, sexual orientation, or disability in the admission or access to its programs, services, or activities. The Department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the Department of Justice Regulations. Requests for assistance should be directed to the Information Officer at the telephone numbers shown above.



GENERAL ASSEMBLY COMPENSATION COMMISSION

January 16, 2018

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate

The Honorable Michael E. Busch
Speaker of the House of Delegates

Gentlemen:

On behalf of the members of the General Assembly Compensation Commission, it is my privilege to transmit to you the commission's thirteenth quadrennial analysis of legislative compensation and allowances, an effort mandated by Article III, Section 15, of the Constitution of Maryland.

The commission's Resolution, to be considered at the 2018 legislative session, makes no changes to legislative salaries for the term beginning in 2019. The only changes from the 2014 Resolution that currently govern legislative compensation are as follows:

- for out-of-state travel, authorizing the Presiding Officers to allow the reimbursement of lodging at the published conference rate if higher than the appropriate federal General Services Administration rate;
- altering the age at which a designated beneficiary (other than a surviving spouse) can receive a retirement allowance or death benefit from 60 to 62 and, for early retirement, from 50 to 55, for members who have no creditable service before January 14, 2015;
- increasing the age that a child of a member, who dies while serving in the General Assembly, may receive a death benefit from 18 to 26, and adding the provision that this benefit could be paid to a disabled child regardless of age;
- removing an arcane reference that requires a legislator to die contemporaneously with the legislator's spouse in order for a child to receive a death benefit;

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
January 16, 2018
Page 2

- authorizing the naming of a nonprofit organization as a beneficiary to receive a lump-sum death benefit;
- beginning with the next legislative term, removing the ability of legislators to purchase service credit in order to vest in the Legislative Pension Plan;
- clarifying for those members who have previously purchased service credit in order to vest in the Legislative Pension Plan when they may receive retirement benefits; and
- providing up to three years of service credit in the Legislative Pension Plan for military service.

Almost all of these changes align provisions of the Legislative Pension Plan with those in other plans in the State Retirement and Pension System.

In addition to these recommendations, the commission has been asked to provide input on whether it had concerns with allowing legislative service to count toward eligibility to claim military service credit, if a former legislator sought that credit in another plan in the State Retirement and Pension System. The commission did not feel that it had sufficient information to comment on this specific issue. However, it is clear in our action to allow service credit in the Legislative Pension Plan for military service that we want to recognize a member's military service.

Finally, in the course of our meetings, the commission identified three areas where we felt additional information would be helpful in order to make better decisions. First, there is a paucity of data on how much time members spent on legislative duties. The work of the legislature is clearly more than just that performed in the 90-day session. However, there is little sense of the actual time devoted by members to their legislative responsibilities. Second, the commission would benefit from understanding from current and former members of any barriers to legislative service that relate to areas over which the commission has purview. Finally, the commission considered a proposal to allow the transfer of service credit from other plans in the State Retirement and Pension System into the Legislative Pension Plan. The commission ultimately felt that it did not have sufficient data to fully understand the implications of any such proposal and asked the State Retirement Agency and the Department of Legislative Services to more fully investigate this issue for the consideration of the next commission.

It is our hope that you can facilitate the collection of this information for the benefit of the next commission.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
January 16, 2018
Page 3

The members of the compensation commission have enjoyed the opportunity to serve and would be pleased to meet with you and members of the General Assembly to discuss the commission's findings and proposals.

Respectfully,

A handwritten signature in black ink, appearing to read "Lisa First-Willis". The signature is written in a cursive, flowing style.

Lisa First-Willis
Chair

LFW/SGP/msh

**General Assembly of Maryland
General Assembly Compensation Commission
2017 Membership Roster**

Lisa First-Willis, **Chair**

Laurence C. Daniels

Lyn A. Dippel

Joshua C. Greene

Robert A. Liberto

Wendell G. Rakosky

Gene M. Ransom III

Brenda Brown Rever

Joe Rubino

Committee Staff

Simon G. Powell

Dana K. Tagalicod

Laura M. Vykol

Support Staff

Maria S. Hartlein

Contents

Transmittal Letter.....	iii
Executive Summary	xi
Chapter 1. Introduction	1
Chapter 2. Compensation Principles, Background Materials, and Decisions.....	5
Chapter 3. Section-by-section Summary of the 2018 Resolution.....	21
Chapter 4. 2018 Resolution of the General Assembly Compensation Commission	27
Exhibits	51
Appendix 1. Minutes.....	119
Appendix 2. Correspondence Received by the General Assembly Compensation Commission....	125
Appendix 3. Decision Document.....	133
Appendix 4. Additional Follow-up Materials from the December 18, 2018 Meeting	145

Executive Summary

Pursuant to Article III, Section 15, of the Constitution of Maryland, the General Assembly Compensation Commission submits its recommendations for legislative compensation and allowances during the 2019-2022 term of office. This report summarizes the compensation principles and information guiding the commission's determinations and presents the recommendations. As required by the Constitution of Maryland, these recommendations have been incorporated in a resolution adopted by the commission (2018 Resolution).

The recommendations presented in the report have been guided primarily by the overarching principle that the Maryland legislature is part time, continues to be representative of a wide range of occupations and professions, and has this broad-based range of experience that has long been considered an integral element of what the General Assembly of Maryland represents. At the same time, much is expected of a legislator in terms of time and dedication of effort, ability to manage and determine appropriate action on multiple and complex issues, and a willingness to communicate regularly with constituents. This time commitment may come at a cost to the development of another career and the ability to easily plan for long-term goals.

The commission believed that the current salary level was appropriate for the time taken by a legislator to fulfil their duties and responsibilities and recommended no change to legislative salaries.

Most of the changes being recommended by the commission relate to the Legislative Pension Plan. In making its decisions about the plan, the commission's philosophy was, where appropriate, to align the provisions of the Legislative Pension Plan with those in other plans in the State Retirement and Pension System.

Specific changes include:

- for out-of-state travel, authorizing the Presiding Officers to allow the reimbursement of lodging at the published conference rate if higher than the appropriate federal General Services Administration rate;
- altering the age at which a designated beneficiary (other than a surviving spouse) can receive a retirement allowance or death benefit from 60 to 62 and, for early retirement, from 50 to 55, for members who have no creditable service before January 14, 2015;
- increasing the age that a child of a member, who dies while serving in the General Assembly, may receive a death benefit from 18 to 26 and adding the provision that this benefit could be paid to a disabled child regardless of age;
- removing an arcane reference that requires a legislator to die contemporaneously with the legislator's spouse in order for a child to receive a death benefit;

- authorizing the naming of a nonprofit organization as a beneficiary to receive a lump-sum death benefit;
- beginning with the next legislative term, removing the ability of legislators to purchase service credit in order to vest in the Legislative Pension Plan;
- clarifying, for those members who have previously purchased service credit in order to vest in the Legislative Pension Plan, when those members may begin to receive retirement benefits; and
- providing up to three years of service credit in the Legislative Pension Plan for military service.

Outside of these changes, the commission recommends that all other aspects of the 2014 Resolution currently governing legislative compensation be retained.

Chapter 1. Introduction

Prior to 1971, the State's constitution established legislative salaries. Related allowances, including expense reimbursements and retirement benefits, were specified in statute. The salary could be changed only through a constitutional amendment ratified by the people in a general election. With the exception of a salary increase to \$2,400 in 1964, the voters defeated all the constitutional amendments relating to legislative salaries proposed from 1958 to 1971.

Believing that higher and more regularly adjusted legislative compensation would assist in the modernization of the General Assembly, the 1967-1968 Constitutional Convention included a provision in the proposed new Constitution of Maryland giving the legislature the power to establish legislative compensation. After the voters rejected the proposed constitution in 1968, a study group appointed to recommend amendments to the existing constitution proposed the creation of a legislative compensation commission.

A constitutional amendment, approved by the voters in 1970, created the nine-member General Assembly Compensation Commission and specified that the commission submit salary and allowance recommendations to the legislature every four years. The commission includes five persons appointed by the Governor, two persons appointed by the President of the Senate, and two persons appointed by the Speaker of the House of Delegates. Appointees serve a four-year term. The appointments should be made by the Governor and the Presiding Officers four years in advance of the session at which the commission's recommendations are submitted. This schedule seeks to provide the commission with greater independence. Members of the General Assembly and State and local government officers and employees are not eligible for appointment to the commission.

In 1976, the compensation commission provisions of the Constitution of Maryland were changed to require uniformity of legislative compensation. The modification requires that all members, except officers of the Senate and the House of Delegates, receive the same rates of compensation and retirement benefits. The 1976 amendment negated a policy, established by the 1974 commission, which had required members of the General Assembly employed by the State or local governments to receive reduced compensation.

The constitutional provisions, Article III, Section 15, (**Exhibit 1**) provide that:

- the compensation commission shall submit its compensation, allowances, and pension recommendations to the General Assembly by formal resolution within 15 days after the beginning of the last regular General Assembly session in a four-year term of office. In 2018, the commission must submit its resolution proposing compensation and allowances for the 2019-2022 General Assembly term by January 24, 2018;

- rates of compensation and pensions shall be uniform for all members of the General Assembly, except that the officers of the Senate and the House of Delegates (traditionally, the President of the Senate and the Speaker of the House) may receive higher compensation;
- compensation allowances may not be less than the dollar amounts prior to the establishment of the first compensation commission in 1970;
- through a joint resolution, the General Assembly may reduce or reject but may not increase any item in the resolution;
- the commission's resolution, with any reductions concurred in by joint resolution of the General Assembly, has the force of law and takes effect at the beginning of the next General Assembly; and
- the provisions of each resolution govern until superseded by a subsequent resolution.

The Constitution of Maryland, as interpreted by the Attorney General, gives the commission exclusive jurisdiction over salaries, meal and lodging expense allowances, travel allowances, employee benefit programs, and the legislative retirement system. This exclusive jurisdiction extends only to payments made to the legislators themselves. Most prior commissions have not dealt with legislative district office accounts that fund Annapolis and district office space, equipment, utility, communication, and legislators' staff assistance costs. The annual legislative budget process establishes the district office account funding levels.

As shown in **Exhibit 2**, there is no uniformity among the states as to how legislative compensation is determined. Since 1964, 19 states have established compensation commissions, although the authority of those commissions varies – in 5 states the commission sets the salary; in 7 states, including Maryland, the commission sets the salary unless the recommendations are vetoed; in Arizona the commission's recommendations must be approved by voters; and in 6 states the commission's recommendations are simply advisory. In 5 other states, salary changes are tied to a designated index (for example, the consumer price index).

It is interesting to note that in those states that have a compensation commission that either sets pay or sets pay unless vetoed, the average raise in legislative salaries is significantly higher than in those states without a compensation commission or in which the compensation commission is advisory. Although politics can intercede even in those states with a compensation commission that can set salaries or set salaries unless vetoed, it is clear that compensation commissions can more easily overcome the political difficulties associated with voting to increase one's own salary.

The General Assembly Compensation Commission Resolutions of 1971, 1974, 1978, 1982, 1986, 1990, 1994, 1998, and 2002 took effect as submitted, unchanged by the legislature. In each year, joint legislative resolutions reducing or rejecting items in the commission's resolution failed to pass both houses. In 2006, changes proposed by the commission were rejected by the legislature leaving compensation and other allowances unchanged from the 2002 Resolution. In 2010, changes proposed by the commission were also rejected by the legislature. However, the legislature added a provision concerning the forfeiture of retirement benefits. In 2014, the General Assembly Compensation Commission Resolution took effect as submitted.

Exhibit 3 sets forth the process and time line by which a resolution takes effect. **Exhibit 4** summarizes the commission's preceding resolutions from 1971 to 2006. **Exhibit 5** provides a more detailed comparison of the final resolution adopted to govern compensation in 2010 and the adopted General Assembly Compensation Commission Resolution for 2014. The 2014 Resolution made significant recommendations, including increased salaries to reflect the previous eight years of no salary increases; revisions to the retirement benefit in the light of significant State employee pension changes in 2011; and various other changes to allowable expenses. The 2014 Resolution forms the basis for discussions of the current Compensation Commission.

Activities in 2017 and 2018

The commission met twice, once in December 2017 and again in January 2018. The following summarizes the various meetings and activities of the commission:

- **December 18, 2017** – At its organizational meeting, the commission scheduled a future meeting, which would include the opportunity for public testimony and discussed the nature of the commission's work. The commission was briefed by staff on applicable constitutional requirements and other legal issues, the legislative process pertaining to the commission's resolution, elements of the current resolution, the recommendations of the 2014 commission and the outcome of those recommendations, and the composition and workload of the Maryland legislature.

The commission heard from staff on all aspects of legislative compensation: information on legislative salaries nationally and in Maryland; expense allowances for Maryland legislators; other benefits available to Maryland legislators including district office accounts; and information on the Legislative Pension Plan including a comparison to pension plans in other states.

The commission also considered pension issues raised by the State Retirement Agency, the Chairs of the Joint Committee on Pensions, and staff concerning the purchase of air time, death benefits, credit for military service, the transfer of service credit from other State Retirement and Pension Systems into the Legislative Pension Plan, and forfeiture of benefits.

- **January 16, 2018** – At its decision meeting, the commission first took public testimony, considered correspondence from the Secretary of the Department of Budget and Management, and then debated and voted on compensation issues and requested that the staff prepare a final report incorporating the commission’s recommendations and the Resolution to be introduced at the 2018 session of the General Assembly of Maryland.

Minutes from the December, 18, 2018 meeting are found in **Appendix 1**. Correspondence from the State Retirement Agency, the chairs of the Joint Committee on Pensions, and the Secretary of Budget and Management are included in **Appendix 2**. The decision document is provided in **Appendix 3**. Additional material requested by the commission at the December 18, 2018 meeting are included in the decision document or in **Appendix 4** as appropriate.

The discussions of the decision meeting are incorporated into the text of the final report.

Chapter 2. Compensation Principles, Background Materials, and Decisions

The Commission's Framework for Decision Making

The Part-time Status of Legislators

The key consideration in determining compensation for the Maryland legislature is the characterization of the body as a part-time institution. Although interim work requires a substantial commitment of time and effort throughout the year, the formal session of the legislature is 90 days.

There is no formal measurement of the time worked by a Maryland State legislator. The legislative session is 90 consecutive days and establishes a base of working time; but for many legislators, their legislative responsibilities go far beyond the session. Indeed, much is expected of a legislator in terms of time and dedication of effort, ability to manage and determine appropriate action on multiple and complex issues, and a willingness to communicate regularly with constituents. This time commitment may come at a cost to the development of another career and the ability to easily plan for long-term financial goals.

In terms of the amount of legislation considered during session, the most recent term has generally followed a typical pattern in that the amount of legislation introduced, considered, and subsequently passed is generally lowest in the first year of a term and then subsequently increases (**Exhibit 6**). The number of bills introduced in the past two sessions has been particularly high. While bill numbers themselves are a little misleading in that there are numerous cross-files (the same legislation introduced in both chambers) and bill re-introductions (failed legislation from prior years), the higher volume certainly plays into longer hearing days during the session. However, as noted above, a legislator's responsibilities go beyond just those of session.

The National Conference of State Legislatures (NCSL) distinguishes between legislatures as follows:

- Full-time legislatures, where the legislative calendar and workload (time in session, constituent service, interim committee work, and election campaigns) requires a legislator to commit the equivalent of 80% or more of a full-time job to legislative duties. Legislative salaries and legislative staff support tend to reflect this commitment.
- Traditional or citizen legislatures, where the time commitment to legislative duties is less than 50% of a full-time job and salaries are likewise relatively modest.
- "Hybrid" legislatures, where the time commitment falls between the full-time and citizen categories. Legislative salaries are set likewise, but it would be expected that the member

might need to earn additional outside income.¹ Hybrid legislatures are further distinguished by those that lean closer to full-time and those that lean more to part-time.

As shown in **Exhibit 7**, Maryland is categorized by NCSL as a hybrid legislature. However, it is important to note that the data on time spent on legislative work used as the basis for the exhibit is somewhat old (compiled in 2002).

Nonetheless, while the classification system to characterize State legislators used by NCSL is subjective, it appears reasonable when set against other measures. For example, **Exhibits 8** and **9** detail staffing levels at state legislatures. Generally speaking, states with full-time legislatures and larger states tend to have more permanent staff per legislator and a higher overall staffing level (including session-only staff). Maryland falls around the national average in both measures.

Another distinction of legislative type has been between “professional” and “citizen” legislatures. In many ways, these measures are often simply another way of describing “full-time” and “part-time” legislatures as noted above, but the distinction is worth noting. Of interest here is the work of a political scientist, Peverill Squire, at the University of Missouri who is well known for his studies on state legislatures. **Exhibit 10** outlines the attributes that Squire and a colleague associate with a professional and citizen legislature. The exhibit also offers the arguments that can be made to describe the benefits of each type of legislature. The same author assesses the relative professionalism of state legislatures using the U.S. Congress as a benchmark of a “professionalized” legislature. The criteria used included the length of the legislative session, salaries, and available legislative staff – all criteria similar to that used in a less sophisticated way by NCSL in its delineation of state legislatures. Unsurprisingly, the end result, as shown in **Exhibit 11**, looks very similar to that shown in Exhibit 6. Of the 10 states identified by NCSL as full-time or hybrid leaning to full-time, 9 are ranked by Squire in the top 10 in terms of professionalism.

Historically, Maryland’s legislature has proudly worn the mantle of a citizen legislature. Only 12% of Maryland’s State legislators describe themselves as full-time, as shown in **Exhibit 12**. As seen in the exhibit, the Maryland legislature retains a reasonably diverse membership in terms of professional backgrounds, bringing different perspectives and experiences to the lawmaking process.

In establishing the legislative compensation package, previous commissions have been mindful not to set compensation that would change the direction of the legislature (be it described as hybrid versus full-time or citizen versus professional) in either way. This can be seen as trying to balance the desire to attract persons with experience and ability who otherwise might or could not run for office and providing a salary high enough to enable individuals to periodically leave their professions or businesses for legislative work but not being so high that it would promote a

¹ National Conference of State Legislatures. *The Politics of Pay. State Legislatures.* (July/August 2014).

preponderance of full-time legislators. Similarly, the salary and benefit package should not be so low as to limit candidates to those with independent incomes or retirees.

There is no practical way to measure the influence of legislative compensation on an individual's decision to serve. Suffice it to say that there has been no noticeable shift in the composition of the legislature in terms of professional backgrounds. Neither has there been a marked change in the level of candidacy for office, and there remains significant interest in serving as represented in the level of competition for seats and the level of turnover in recent elections (**Exhibit 13**). As shown in the exhibit, the most influential driver of turnover remains redistricting with higher levels of turnover typically seen after a decennial reapportionment (1974, 1982, 1994, 2002, and 2014).

Tenure of the current legislators would also indicate that legislative salary and benefits play little role in members seeking reelection. **Exhibit 14** details the total legislative service for current senators. Only 4 senators have less than two terms of legislative service, with the average length of legislative service totaling almost 16 years, or four terms. The average length of service in the Senate is boosted primarily by the extent of prior service in the House of Delegates (34 senators having some prior House of Delegates service). **Exhibit 15** provides the same data for current members of the House of Delegates. The average length of legislative service is somewhat lower, slightly less than 8 years, or two terms. This drop in average tenure reflects the fact that 68 House of Delegates members have less than one full term of service, a function primarily of significant turnover in the 2014 elections and to a lesser extent the appointment of previously incumbent legislators to the current Administration.

Legislative Salaries

The commission reviewed a variety of salary data in order to judge the adequacy of legislative salaries. The first point of comparison was to compare Maryland's legislative salaries with other states, although as noted in the discussion above, the duties, responsibilities, and compensation of legislators in other states are partially a function of institutional characteristics. **Exhibit 16** sets out comparative data as to 2017 salaries and session lengths.

Given the institutional variations and the lack of information documenting the time that legislators across the states devote to legislative business, it is difficult to precisely compare Maryland's legislative compensation with that of other states. Nonetheless, the comparison to other states shows that Maryland's legislative salary is the twelfth highest in the nation, third only to Hawaii and New Jersey in terms of non-full-time or full-time leaning legislatures. As shown in **Exhibit 17**, which sets forth comparative salary data for state legislators across the country over recent years, the relative salary for members of the General Assembly of Maryland, in 2017, increased by one place from 2013.

The data from Exhibit 17 shows that 16 states saw a legislative salary increase between 2013 and 2017 (California, Pennsylvania, Massachusetts, Hawaii, Wisconsin, Maryland,

Washington, Delaware, Minnesota, Arkansas, Indiana, Oregon, Tennessee, Idaho, Rhode Island, and Maine). This was in contrast to the 2009 through 2013 period where only 8 states saw increases and 5 states experienced reductions. As noted in the exhibit, Maryland legislative salaries increased by 11.8% between 2013 and 2017, the seventh highest increase among the states. As noted earlier, this increase was the first since 2006.

A different kind of state-by-state comparison is by budget size. Among those states with budgets comparable in size to Maryland's (see **Exhibit 18**), Maryland's legislative salaries ranked the highest.

Another point of comparison is to compare State legislative salaries and salary increases with other State and local officials as well as State employees. **Exhibit 19**, for example, shows a summary of State employee and legislator salary changes since fiscal 2003 and indicates that State employees received four general salary increases, or cost-of-living adjustments, and three merit increases in the last eight fiscal years, while legislators have received four increases, all in the past four years. Additional detail on State employee compensation is provided in **Exhibit 20**.

The salaries of selected Maryland State officials, including constitutional officers, cabinet secretaries, and judges are set forth in **Exhibit 21** for fiscal 2011 through 2018. It shows that, like the salaries of legislators, the salaries of constitutional officers were similarly frozen between 2011 and 2015 before increases began in 2016. Salaries of deputy constitutional officers, judges, and most cabinet heads were flat in fiscal 2011 through 2013 because of the State's fiscal situation before increasing thereafter, although none saw the percentage increases enjoyed by the constitutional officers.

Looking at compensation at the local level, salaries for six county councils/county commissioners in fiscal 2018 are higher than that of State legislators in 2017 (Baltimore City and Baltimore, Charles, Howard, Montgomery, Prince George's, and Montgomery counties), with Montgomery and Prince George's counties' salaries more than double the State legislative salary (**Exhibit 22**). State legislative salaries will actually overtake that of Charles County effective January 1, 2018. Legislative salaries in the six most populous counties and the Baltimore City Council have increased at widely varying rates, both long-term since fiscal 2006 and in the past four years (**Exhibit 23**). As would be expected, salaries for the chief executive of those seven jurisdictions, plus the executives in Cecil, Frederick, and Wicomico counties, easily outstrip State legislative salaries (see **Exhibit 24**). The chief executives in Howard, Montgomery, and Prince George's counties earn more than the Governor. The county executive of Baltimore and the mayor of Baltimore City enjoy salaries only slightly below that of the Governor based on the Governor's salary effective January 1, 2018.

Finally, in **Exhibit 25**, calendar 2016 median household income and per capita personal income levels for each Maryland jurisdiction are presented. The average per capita personal income statewide was \$58,052, more than the calendar 2016 legislative salary of \$46,915. The legislative salary is above the average per capita income in nine jurisdictions. Conversely, it is

only 58% of that in the wealthiest jurisdiction (Montgomery County). A legislative salary is also well below the calendar 2016 statewide average median household income of \$78,945 (although still higher than the median household income in three jurisdictions), underscoring the notion that a Maryland legislative salary will typically need to be supplemented in some way by the individual member or a household family member in most parts of the State.

One interesting recent study by the online analytical group 538.com, based on 2014 data and citing work by numerous political scientists on the issue of legislative pay, compared legislative salaries combined with per diems to median household income by state. Unsurprisingly, as shown in **Exhibit 26**, there is significant variation by state, and again unsurprisingly, similar groupings of states to those already noted above emerge. Maryland tends to be somewhat lower ranked in this chart because while the combined State legislative salary and per diem are in the top quintile, the State's median household income was the highest in the nation.

Salary Recommendations

The commission considered the recent funding history for legislative salaries and noted that the 2014 commission had provided significant salary increases in the current term. It was noted that those increases were intended to catch-up from eight years with no salary increases. However, the discussion also acknowledged that the increases had been significant at a time of relatively low inflation. Members referred back to the material presented in the December 18, 2017 meeting, and the point was made that legislative salaries are high for a part-time legislature, and even without an increase in the next term, it is unlikely that this will significantly lower State legislative salaries in comparison to other states.

The commission voted unanimously to retain legislative salaries at the current level for the following term. However, the commission asked that in the transmittal letter to the Presiding Officers that it would be helpful to the deliberations of the next commission for them to facilitate the gathering of data on the amount of time legislators spend on legislative work as well as to identify barriers to potential service by younger members.

Expense Reimbursements

Other states' comparisons have less relevance for per diem expense reimbursements, which should be a function of actual costs rather than institutional characteristics or legislative workloads. Nevertheless, it is worth noting that most states have some kind of per diem or expense reimbursement allowance, and most, like Maryland, tie those reimbursements to some external measure such as federal per diem rates.

In-state Travel

The current resolution establishes guidelines for the reimbursement of expenses incurred for food and lodging while engaged in specified legislative activities in Maryland. Legislators receive a meal allowance in the same combined amount that is allowed State employees under the standard State travel regulations (\$47 per day in fiscal 2018). One difference is that State employees must submit appropriate receipts in order to be reimbursed, legislators do not. Lodging reimbursements must be supported by receipts and are subject to the limits specified by the federal General Services Administration (GSA). For example, the GSA limit for Annapolis was \$101 per day for the 2017 session. Legislators may be reimbursed for expenses incurred in traveling between a member's home and place of session, meeting, or legislative function at the standard mileage rate set for State employees under the State travel regulations (54.5 cents per mile effective January 1, 2018).

These in-state expenses have been tied to these various external standards for some considerable time – mileage since 1975, lodging since 1995, and meals since 2003.

The resolution also provides that legislators are entitled to a \$750 nonvouchered annual payment for travel within a member's district. This payment was introduced in 1987 and remained unchanged until the 2014 Resolution when it was increased to \$750.

Exhibit 27 provides data for fiscal 2014 through 2017 for regular session and interim expenses for lodging, meals, and mileage. As shown, there has been little change in overall expenditures over the period. In general, just over three-quarters of legislators regularly utilize lodging in Annapolis during session, 11% do not submit any claims for lodging, and 13% submit occasionally (see **Exhibit 28**).

Exhibit 29 illustrates patterns of meal allowance submissions by legislators during the 2014 through 2017 sessions. This continues the pattern since the meal reimbursement was tied to the State Standard Travel Regulations in 2003 – most legislators consistently request 100% of the daily limit for the entire session.

Out-of-state Travel

Under the current resolution, any legislator who wishes to be reimbursed for actual expenses incurred for registration fees, meals, lodging, and travel in attending a function outside the State must seek prior approval of the President of the Senate and the Speaker of the House with reimbursement other than registration fees tied to rates established by GSA. This provision replaced previous provision whereby the Presiding Officers developed guidelines for out-of-state travel, established a maximum reimbursement amount for meal and lodging expenses, and provided for an exception.

Exhibit 30 provides data on the extent of out-of-state travel from fiscal 2014 to 2017 (transportation and registration costs are included to provide an overall sense of expenditures,

although these costs are not part of the commission's jurisdiction). **Exhibit 31** provides more longitudinal data. Overall, expenses can fluctuate widely from year to year and are primarily influenced by the location of various annual conferences that are frequently attended by legislators (e.g., the NCSL, the Southern Legislative Conference, and the Council of State Governments), as well as the willingness of the Presiding Officers to authorize out-of-state travel. However, as shown in Exhibit 31, although out-of-state travel costs have increased somewhat in the past two years, the extent of out-of-state travel is still far below that seen prior to the most recent recession.

Expense Recommendations

The commission felt that the current structure for expenses reimbursement, a structure which, for the most part, ties expenses to relevant State or federal expense regulations, was appropriate. The commission considered only one change to the current resolution in the area of out-of-state travel. Specifically, it was recommended to allow the Presiding Officers to approve reimbursement for a conference lodging rate that was higher than the relevant GSA lodging rate. This issue occasionally arises when a conference is held at a specific location, and the difference between the conference rate and the GSA rate deters attendance. Since the Presiding Officers have to approve attendance at any out-of-state conference for which a legislator is seeking reimbursement, and the fact that these travel expenses are a matter of public record, this additional step should not be cumbersome or problematic. The commission voted unanimously to approve this change.

Other Benefits Available to Active Legislators

The 2014 Resolution permits legislators to participate in benefit programs generally available to all State employees including health insurance, prescription drug plan, dental insurance, accidental death/dismemberment, term life insurance, tax sheltered spending accounts, deferred compensation programs (although no State match is available to members), workers' compensation coverage, and credit union services. Participation is in the same manner as the participation of State employees and includes payroll deductions directly relating to these programs. However, legislators may not receive State employee death benefits or paid leave and may not participate in the State's unemployment insurance program. As shown in **Exhibit 32**, the majority of legislators participate in the various health-related benefit plans, with slightly more (73%) participating in the health insurance plan versus prescription plan (70%) and dental plan (66%).

Among the other benefits enjoyed by legislators is the ability to continue to participate in the State Health Plan after they leave office. Participation requires the former legislator to pay the full cost of the health insurance and a 2% administrative charge. These benefits, more commonly known as COBRA – Consolidated Omnibus Budget Reconciliation Act – coverage, are generally available for 18 months after termination of employment (with certain exceptions). Prior to the

2014 Resolution, COBRA benefits were available to legislators without any time limit or until the former legislator declined to participate, became eligible for health insurance through another employer, or retired. The 2014 Resolution aligned participation in the State health program for former legislators to the coverage provided to former State employees. Exceptions were made for former legislators participating in the State health program prior to the effective date of the resolution as well as legislators who were serving at the effective date of the resolution but did not serve in the next term immediately following the effective date of the resolution. For these members, the prior COBRA provision applied.

Comparing the specific benefits enjoyed by Maryland's legislators to those in other states is difficult. However, a number of broad points can be made.

- For **health insurance**, legislators in 17 states, including Maryland, receive the same health insurance as state employees. In terms of cost-sharing, 28 states split the cost of health insurance in some manner between the state and the legislator; 5 states offer health insurance with the legislator paying the full cost of the premium; and 4 states pay the full amount of a legislator's health insurance premium. In 4 states, no health insurance is offered to legislators. In Maryland, for example, for Preferred Provider Organization plans, the State pays 80% of premium cost and the legislator pays 20%.
- For **dental insurance**, legislators in 15 states, including Maryland, receive the same dental insurance as state employees. In terms of cost-sharing, 16 states, including Maryland, provide dental insurance at the cost of the legislator; 19 states split the premium cost of dental insurance between the state and the legislator; and 2 states pay the full cost of the dental insurance premium. In 5 states, no dental insurance is offered to legislators.
- For **vision insurance**, legislators in 7 states, including Maryland, receive vision insurance through the regular health insurance plan. In terms of cost-sharing, 15 states require legislators to pay the full premium cost for vision insurance. In 8 states, no vision insurance is offered.
- For **disability insurance**, legislators in 22 states, including Maryland, receive the same disability insurance offered to state employees. In terms of cost-sharing, legislators in 13 states, including Maryland, must pay for the full cost of the premium; 8 states pay a portion of a legislator's disability insurance premium; and 7 states pay the full premium cost. In 18 states, no disability insurance is offered.
- For **life insurance**, legislators in 31 states, including Maryland, are offered the same life insurance benefits as state employees. In terms of cost-sharing, 20 states cover the full cost of at least a basic level of life insurance benefit for legislators. The amount of coverage the state pays for varies significantly, and every state that provides for a basic level of coverage gives the legislator the option to purchase additional life insurance at their own expense. In 13 states, a portion of the cost of a legislator's life insurance benefit

is covered; while in 10 states, including Maryland, life insurance is offered at the full cost of the legislator. In 6 states, no life insurance benefit is offered.

Other Benefit Recommendations

The commission did not consider or make any changes to the other benefits currently offered to legislators.

Pension Plan

The 2014 Resolution made a number of significant changes to the Legislative Pension Plan, reflecting the fact that State employee pension benefits were significantly changed in 2011 as well as to comply with federal tax regulations.

Current Benefit

Under the current resolution, participation in the Legislative Pension Plan is now mandatory (prior to the 2014 Resolution, membership was optional although participation was virtually universal). A member must accumulate 8 years of service credit in order to vest in the pension plan and thus be eligible to receive benefits. The member contribution rate is 7% of the member's salary for up to 22 years and three months. Legislative service beyond this time period does not earn additional retirement benefits. In addition, the member does not make any further contributions beyond this time period.

To receive a normal service retirement allowance from the plan, in addition to accumulating eight years of service credit, a member with no creditable service prior to January 14, 2015, must also be age 62. For members with creditable service prior to that date, the retirement age is 60. A member with no creditable service prior to January 14, 2015, may retire as early as age 55, but benefits will be reduced by 6.0% for each year that the member is less than age 62 (a maximum reduction of 42.0%). A member with creditable service prior to January 14, 2015, may retire as early as age 50, but benefits will be reduced by 6.0% for each year that the member is less than age 60 (a maximum reduction of 60.0%). In either case, the retirement allowance at full retirement age equals 3.0% of the salary of an active legislator in a similar position for each year of service. The maximum allowance is 66.66% of the salary payable to an active legislator. Following retirement, post-retirement allowance increases are based upon increases in the salary of an active legislator.

There is a death benefit for legislators with less than eight years of service that provides to the surviving spouse, or designated beneficiary if there is no surviving spouse, a lump-sum payment of one year's salary plus a return of member contributions with 4% interest. There is also a death benefit for legislators with eight or more years of service (vested members) or former

vested members who are not yet receiving a benefit. In that case, the surviving spouse, or designated beneficiary if there is no surviving spouse, may elect (1) the lump-sum payment of one year's salary plus a return of member contributions with 4% interest; or (2) a monthly benefit of 50% of the allowance accrued at the member's death. Payment to the surviving spouse begins at the member's death. Payment to the designated beneficiary begins at age 60 (or actuarially reduced at age 50). Finally, the surviving spouse, or designated beneficiary if no surviving spouse, of a retired legislator receives a monthly survivor benefit of 50% of the allowance accrued at the member's death. Payment to the surviving spouse begins at the member's death, while payment to a designated beneficiary begins at age 60 (or actuarially reduced at age 50).

It should be noted that, although the prior compensation commission did alter the ages at which legislators may retire, it did not make a similar change to when death benefits could be paid. Those ages continue to align with the retiree ages prior to January 14, 2015.

Exhibit 33 compares the Legislative Pension Plan to the pension plans available to judges, the State Police and other law enforcement officers, the Governor, State employees, and teachers. The exhibit also details the key eligibility, retirement conditions, contributions, and service credit changes that have impacted the plans in recent years. One significant impact of these changes is to treat members of the same systems differently based on the date of initial membership.

Exhibit 34 examines demographic data regarding the membership in the Legislative Pension Plan, specifically the number, average age, and years of creditable service of active legislators in the plan. This exhibit shows that there are 188 active legislators participating in the plan, of whom approximately 47% have served eight years or more in office and, therefore, are vested. This percentage is much lower than noted four years ago due to significant turnover at the 2014 election.

Exhibit 35 presents the number, average age, average years of service, and average monthly benefit of retired legislators. The statistics show that the average monthly benefit for retirees under the 2010 Resolution (shown as the 2002 plan) is \$1,606; for beneficiaries, the average monthly benefit is \$858. On average, these retirees had served as legislators for 14 years.

Legislative Pensions in Other States

Most states have legislative pension plans. Although direct comparisons are difficult to make, these other plans offer perspective in evaluating Maryland's Legislative Pension Plan, which appears to provide relatively generous retirement benefits.

Exhibit 36 includes a state-by-state comparison of the retirement benefits accruing to legislators and the contributions or cost that a legislator must pay to be a member of the retirement plan. As indicated in Exhibit 36, in terms of plan ranking, Maryland's Legislative Pension Plan ranks twelfth. However, in terms of rankings by state, Maryland ranks ninth as three states with a higher ranking (Pennsylvania, Illinois, and Hawaii) are double-counted as they have pre-reform and reform plans that have a higher benefit than Maryland. Of the states with

higher benefits than Maryland, four are considered full-time or full-time leaning legislatures (Illinois, Pennsylvania, New York, and Massachusetts). Of part-time legislatures in the survey, Maryland ranks fifth. Compared to legislative salaries, the most striking anomaly is Texas where salaries are negligible but the retirement benefit is comparatively high.

As a percentage of salary, Maryland provides a retiree with 12 years of service a benefit equal to 36% of the salary of a current legislator, and a retiree with 20 years of service a benefit equal to 60% of the salary of a current legislator. For a 20-year legislator, eight states offer benefits that equate to a higher percentage of salary than Maryland.

In terms of relative contribution rates, **Exhibit 37** details that Maryland's current legislator contribution rate of 7% ranks eleventh amongst those states in the survey (six states have no contribution rate and Nevada has the highest contribution rate, 15%). The Legislative Pension Plan has a relatively generous benefit multiplier of 3%, which ranks tenth among legislative pension plans and ninth among states (**Exhibit 38**). Other points of comparison between the Legislative Pension Plan and those in other states are detailed in **Exhibit 39**.

Pension Plan Recommendations

The commission affirmed the basic structure of the current Legislative Pension Plan. In considering changes to the plan, the guiding principle adopted was that, to the maximum extent possible, changes should be consistent with other plans in the State Retirement and Pension system. The changes to the Legislative Pension Plan considered by the commission were as follows:

- Altering the age at which a designated beneficiary (other than a surviving spouse) can receive a retirement allowance or death benefit from 60 to 62 and, for early retirement, from 50 to 55, for members who have no creditable service before January 14, 2015. The 2014 Resolution made a change to the age at which a retiree can claim a benefit: specifically, increasing the eligible age to 62 or 55 for early retirement for members with no service prior to January 14, 2015. However, no change was made to the age at which a designated beneficiary (other than a surviving spouse) may receive an allowance or death benefit, retaining 60 and 50, respectively. Given the significant changes made to the Legislative Pension Plan by the 2014 Resolution, this lack of alignment was an oversight. Aligning the ages to the retirement age for members would also be consistent with all other plans in the State Retirement and Pension System. The commission voted unanimously to make the change.
- Increasing the age up to which a child of a member who dies while serving in the General Assembly may receive a death benefit. Under the current resolution, that benefit is allowed for children under age 18. Recent legislation impacting all other plans in the State Retirement and Pension System increased the age up to which a child could receive a

benefit to 26 and added the provision that this benefit could be paid to a disabled child regardless of age. It was noted that this change reflected that, under federal law, children may stay on a parent's health plan until they reach age 26. By making this change, not only would the child receive a benefit until they were 26 (or older if disabled), they would also be able to access health benefits if they were receiving an annuity. The commission again unanimously agreed to align the Legislative Pension Plan with the other plans.

- Removing an arcane reference that requires a legislator to die contemporaneously with the legislator's spouse in order for a child to receive a death benefit. Again, no other plans in the State Retirement and Pension System have this restriction. The commission agreed unanimously to remove this reference.
- Authorizing the naming of a nonprofit organization as a beneficiary to receive a lump-sum death benefit. Currently, the Legislative Pension Plan does not allow a member to name a nonprofit organization as a beneficiary. This is allowed by other plans in the State Retirement and Pension System. Given that this is allowed by the other plans, the commission again unanimously agreed to adopt the provision in the Legislative Pension Plan.
- Discontinuing, beginning in 2019, the ability of legislators to purchase service credit in order to vest. The commission had significant discussion on this issue in the December 18, 2017 meeting, and the same concerns were reiterated at the decision meeting: that the practice was at odds with other plans in the State Retirement and Pension System; that the original policy rationale for allowing the purchase of credit had been made moot by Internal Revenue Service (IRS) guidelines; and that the potential for a member (elected or otherwise) to serve a very short period in office and still buy time to be eligible for a pension and other retiree benefits should be eliminated. The commission voted unanimously to eliminate the purchase of service credit beginning in 2019. This would still allow the purchase of service credit by current members, although they would have to be mindful of IRS regulations.
- Clarifying, for those members who have previously purchased service credit in order to vest, when they may receive retirement benefits. The commission was asked by the State Retirement Agency (SRA) to affirm the current practice it uses to determine when a former member who is otherwise eligible to retire and who has purchased service credit can actually receive a benefit. Specifically, SRA requires a member to wait for the amount of time equivalent to the amount of service credit purchased. The current resolution is silent on this matter. The commission agreed that it was inappropriate for a member to immediately claim a retirement benefit simply by virtue of purchasing service and unanimously agreed to adopt a clarifying provision.
- Providing credit for military service. The commission, as with its counterparts in 2010 and 2014, took up the issue of providing a service credit for military service. The commission

was generally supportive of the idea. Members thought a provision might encourage former members of the military to run for legislative office and also noted that a similar provision exists in other plans in the State Retirement and Pension System. One concern was how to ensure that the same military service was not being counted toward another retirement benefit. In statute, this is not allowed in other plans, although SRA acknowledged that implementing this service credit provision can prove difficult. On balance, the commission agreed that military service credit should be offered in the Legislative Pension Plan. As the vesting period for the Legislative Pension Plan is shorter than the for State employees, for example, the commission unanimously agreed to allow up to three years of military service credit.

The commission considered two other pension-related issues. First, to allow the transfer of service credit from other plans in the State Retirement and Pension System into the Legislative Pension Plan. While this kind of transfer is allowed by other plans in the State Retirement and Pension System, there is no provision in the Legislative Pension Plan. The commission ultimately felt that it did not have sufficient data to fully understand the implications of any such proposal and asked SRA and the Department of Legislative Services to more fully investigate this issue for the consideration of the next commission. Second, the commission had been asked to provide input on whether it had concerns with allowing legislative service to count toward eligibility to claim military service credit if a former legislator sought that credit in another plan in the State Retirement and Pension System. The commission did not feel that it had sufficient information to comment on this specific issue, but noted its action to provide a military service credit in the Legislative Pension Plan.

Other Benefits Available to Retired Legislators

Retired legislators may participate in State benefit programs available to retired State employees. Except for spending accounts and workers' compensation coverage, these programs are the same as those for active legislators.

Retired legislators qualify for the State health program subsidy if vested (8 years of service). For retired legislators with creditable service before January 14, 2015, the amount of the subsidy is one-sixteenth of the full State subsidy for each year of service. This means that upon reaching the normal retirement age, a former legislator with 8 years of service is eligible to receive 50% of the State subsidy for health insurance. Those with 16 or more years qualify for 100% of the subsidy. For legislators with no creditable service prior to January 14, 2015, the 2014 Resolution altered the calculation of the State subsidy of retiree health benefit from one-sixteenth of the full State subsidy to one-twentieth of the full State subsidy for each year of service. This change reflected a similar change that was made to the same subsidy for State employees in 2011.

Other Retiree Benefit Recommendations

The commission did not consider or make any changes to the other benefits currently offered to retired legislators.

Forfeiture of Benefits

The current Resolution governing legislative compensation includes a provision on forfeiture of benefits that was added by the General Assembly in the 2010 Resolution and affirmed by the 2014 commission. Since that time, legislation was enacted concerning the forfeiture of benefits for Constitutional Officers. The forfeiture provision for Constitutional Officers is different in that the qualifying crime is narrower in scope, it provides for a judicial process that allows for less than 100% forfeiture of benefits, and includes an innocent party provision, *i.e.*, allowing a court to provide some benefits to an innocent party, including previously agreed to domestic relations orders.

The commission acknowledged that the legislative forfeiture provision, which the legislature imposed on itself, was more stringent than that passed for constitutional officers. However, there was little sentiment to change the current forfeiture provisions except in one area: a provision for innocent parties. The commission eloquently debated the need to protect innocent parties, especially if those parties themselves have been found to be victims. There was tremendous sympathy for potential innocent parties; however, discussion also centered on the need to hold elected officials to the highest standard as well as the broader policy question of whether a benefit should be attributed to the member only or to their broader beneficiaries.

The commission took two votes: first, to make some provision for innocent parties. This motion was defeated 8-1 with Ms. Brenda B. Rever being in favor. Second, the commission voted to retain the existing forfeiture provision. This motion was agreed to unanimously with the acknowledgement of the concerns that the commission had about the potential impact on innocent parties.

Summary of Legislative Benefits

Exhibit 40 summarizes the salary and fringe benefit value for current legislators effective January 1, 2018, assuming that the member takes advantage of certain health benefits with a certain amount of coverage. This value varies only for those members with over 22 years and three months of service when retirement contributions are no longer deducted. As shown in the exhibit, the fringe benefit value adds over \$23,000 to the value of the salary and fringe benefit total.

Exhibit 41 summarizes the retirement allowance and fringe benefit value for an active legislator on retirement based on the salary in effect on January 1, 2018, and assuming that the retired member takes advantage of certain health benefits with a certain amount of coverage. In this exhibit, the total retirement benefit varies by length of service (although the basic allowance calculation is the same for a legislator with equal service regardless of when legislative service began), and by whether the legislator had creditable service prior to January 14, 2015. Those members with creditable service prior to that date have a higher retiree health insurance subsidy until 20 years of service, which results in a significantly higher total retirement benefit.

Exhibit 42 summarizes the salary and fringe benefit value and the value of the retirement benefit for a legislator and State employee with certain lengths of service and also under the two different frameworks determining those retirement benefits (for legislators the 2010 Resolution versus the 2014 Resolution and for State employees pre- and post-2011 pension reforms). As is clear from the exhibit, legislators and State employees earning the same salary and opting for the same health insurance coverage receive the same salary and fringe benefit value. Where the distinction between the two is stark is the retirement benefit. Not only is the legislative retirement allowance more generous (based on the higher multiplier), accessing that benefit is also easier.

District Office Accounts

The commission does not have jurisdiction over district office accounts or other items that legislators do not receive as individuals. However, for informational purposes, material regarding the amount and use of district office expenses (**Exhibit 43**), a history of district office account allowances since 1971 (**Exhibit 44**), and information on staff assistance for members of the legislature (**Exhibit 45**) is provided.

Chapter 3. Section-by-section Summary of the 2018 Resolution

Salaries

Item 1A – Members

2019	\$50,330
2020	50,330
2021	50,330
2022	50,330

Item 1B – President/Speaker

2019	\$65,371
2020	65,371
2021	65,371
2022	65,371

Expenses

Item 2A

Lodging (In-state)

Vouchered lodging reimbursement in Annapolis is subject to limits specified by the U.S. General Services Administration (GSA) rate for Annapolis (currently \$101 per diem). If approved by the Presiding Officers, in-state lodging outside of Annapolis may be reimbursed at the appropriate local GSA rate.

Meals (In-state)

Reimbursed in accordance with standard State travel regulations (\$47 total in fiscal 2018); no meal receipts required.

Item 2B

Mileage (In-state)

Reimbursed in accordance with standard State travel regulations (54.5 cents per mile effective January 1, 2018).

Item 2C

In-district travel

\$750 annual payment.

Item 2D

Out-of-state travel

Subject to the most current published federal General Services Administration (GSA) daily per diem rates for meals and lodging except that if the published conference rate exceeds the GSA rate, the presiding officers may approve the higher published conference rate.

Item 2E – Fringe Benefits – Current Legislators

Former legislators currently participating in the State health benefits program and current legislators who do not serve in the next term will be able to continue to participate in the program and remain eligible until they (1) decline to participate; (2) become eligible for health coverage through another employer; or (3) retire. For legislators joining the General Assembly on or after January 14, 2015, participation in the State health benefits program for former legislators will be aligned with that provided to former State employees.

In either case, departing legislators must pay full cost of the insurance plus a 2% administrative charge.

May participate in certain benefit programs available to State employees (*i.e.*, insurance programs, tax sheltered accounts, deferred compensation programs, credit union services, deductions for charitable contributions, workers' compensation coverage, and payroll deductions relating to these programs). May not participate in the State's unemployment insurance program or receive death benefits and paid leave.

Pension and Retirement Provisions

Item 3A

Participation	Mandatory enrollment.
Vesting	After 8 years of creditable service.
Member Contribution	7.0% 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 <i>(Members with creditable service before January 14, 2015)</i>	
Normal Retirement	Age 60 with at least 8 years of service.
Early Retirement	Age 50 with at least 8 years of service, actuarially reduced 6.0% for each year under age 60 (maximum reduction 60.0%).
<i>(Members with No Creditable Service Before January 14, 2015)</i>	
Normal Retirement	Age 62 with at least 8 years of service.
Early Retirement	Age 55 with at least 8 years of service, actuarially reduced 6.0% for each year under age 62 (maximum reduction 42.0%).
Survivor's Allowance/Death Benefit	
Nonvested, 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 Vested Former Legislator	<p>If there is no spouse and the member has designated multiple beneficiaries, then the beneficiaries share equally the lump-sum payment noted above.</p> <p>Surviving spouse, or designated beneficiary if no surviving spouse, may elect either the lump-sum payment noted above or 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. For members with no creditable service before January 14, 2015, payment to designated beneficiary begins at age 62 or actuarially reduced at age 55.</p> <p>If there is no spouse and the member has designated multiple beneficiaries, then the beneficiaries share equally the lump-sum payment noted above.</p>
Retired Legislator	<p>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. For members with no creditable service before January 14, 2015, payment to designated beneficiary begins at age 62 or actuarially reduced at age 55.</p> <p>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.</p>
Children	<p>If a member dies while in office, provides a lump-sum payment or survivor's allowance to children up to age 26 or to a disabled child regardless of age.</p>
Beneficiaries	<p>Broadens the definition of beneficiary in order to allow the designation of nonprofit organizations to receive a lump-sum death benefit.</p>

Basic Allowance	Provides maximum benefit to retiree based on creditable service. At the retiree's death, the spouse or designated beneficiary receives 50.0% of the retiree's benefit for life.
Optional Allowance	Provides reduced allowance to retiree. One hundred percent of benefit paid to spouse or designated beneficiary for life. Unless the beneficiary is the retiree's spouse or disabled child, a designated beneficiary may not be more than 10 years younger than the retiree.
Disability Benefit	If totally disabled, a vested member receives a normal retirement allowance regardless of age.

(Members with Creditable Service Before January 9, 2019)

Less Than Eight Years of Service	A legislator who leaves office with less than 8 years of service may (1) withdraw member contributions; or (2) pay member and State contributions to accumulate 8 years; or (3) transfer legislative service to another State system in which the member participates. A legislator may not receive a benefit or allowance before the number of years purchased has elapsed. A legislator who resigns to become a State judge is entitled to a retirement allowance regardless of years of legislative service.
----------------------------------	---

(Members with No Creditable Service Before January 9, 2019)

Less Than Eight Years of Service	A legislator who leaves office with less than 8 years of service may (1) withdraw member contributions; or (2) 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.
Military Service Credit	A member with at least 8 years of services is entitled to receive credit for military service of up to 3 years.

Item 3B – Fringe Benefits – Retired Legislators

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

Former legislators receiving a retirement allowance who have creditable service before January 14, 2015, qualify for State health insurance benefits and a subsidy equal to one-sixteenth of the full State subsidy for each year of service.

Former legislators receiving a retirement allowance who have no creditable service before January 14, 2015, qualify for State health insurance benefits and a subsidy equal to one-twentieth of the full State subsidy for each year of service.

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 (1) a felony; or (2) a 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.

**Chapter 4. 2018 Resolution
of the General Assembly Compensation Commission**

**2018 Resolution of the
General Assembly Compensation Commission
Determining the Compensation and Allowances of the
Members of the General Assembly**

The General Assembly Compensation Commission, pursuant to Article III, § 15 of the Maryland Constitution, adopts the following resolution determining the compensation and allowances of members of the General Assembly.

RESOLVED, That, from and after January 9, 2019, the members of the General Assembly shall be entitled to receive compensation and allowances in accordance with the items contained in this Resolution and no other compensation or allowances of any kind whatsoever.

Item 1A

Each member of the General Assembly, except the President of the Senate and the Speaker of the House of Delegates, shall receive an annual salary as follows, payable in twelve monthly installments each year:

- (1) Fifty thousand three hundred thirty dollars (\$50,330) during calendar year 2019;
- (2) Fifty thousand three hundred thirty dollars (\$50,330) during calendar year 2020;
- (3) Fifty thousand three hundred thirty dollars (\$50,330) during calendar year 2021;
and
- (4) Fifty thousand three hundred thirty dollars (\$50,330) for the period that includes calendar year 2022 and that portion of January 2023 preceding the commencement of the next term of office.

Item 1B

The President of the Senate and the Speaker of the House of Delegates shall each receive an annual salary as follows, payable in twelve monthly installments each year:

- (1) Sixty-five thousand three hundred seventy-one dollars (\$65,371) during calendar year 2019;
- (2) Sixty-five thousand three hundred seventy-one dollars (\$65,371) during calendar year 2020;
- (3) Sixty-five thousand three hundred seventy-one dollars (\$65,371) during calendar year 2021; and

(4) Sixty-five thousand three hundred seventy-one dollars (\$65,371) for the period that includes calendar year 2022 and that portion of January 2023 preceding the commencement of the next term of office.

Item 2A

Each member of the General Assembly, upon presentation of an expense voucher, shall be entitled to a per diem allowance for meals and reimbursed for expenses actually incurred for lodging due to (i) attendance at regular, extended, or extraordinary sessions of the General Assembly of Maryland or scheduled committee or subcommittee meetings thereof; (ii) attendance at meetings of the Legislative Policy Committee or scheduled committee or subcommittee meetings thereof, including legislative committees created by statute; (iii) attendance at scheduled meetings of a commission, committee, joint executive/legislative committee, or task force or subcommittee thereof to which the legislator has been appointed by the Governor, the President of the Senate, or the Speaker of the House of Delegates; (iv) attendance at bill signings; or (v) attendance at official functions in Annapolis or outside Annapolis directly related to duties as a member of the General Assembly as may be approved by the President of the Senate or the Speaker of the House of Delegates. The President of the Senate and the Speaker of the House of Delegates shall establish guidelines and procedures for the determination and payment of expenses for meals and lodging, in accordance with the following policies:

(1) Requests for payment of the per diem meal allowance need not be supported by receipts;

(2) Requests for reimbursement for expenses incurred for lodging must be supported by receipts or by a billing from the facility providing the lodging and payment may be made directly to the facility;

(3) In no event shall a member be paid for meal expenses that exceed the total amount for meal expenses per day as provided in the Standard Travel Regulations of the State of Maryland, as amended from time to time by the Board of Public Works; and

(4) In no event shall a member be reimbursed for lodging expenses that exceed the most current published federal General Services Administration daily per diem rates for lodging:

(i) In Annapolis, Maryland, if the lodging occurred in Annapolis, Maryland; or

(ii) At the appropriate local rate, if the lodging occurred outside Annapolis, Maryland.

Item 2B

Each member shall be reimbursed for expenses actually incurred in traveling between the member's home and the place of a session or meeting or function described in Item 2A at the rate provided in the Standard Travel Regulations of the State of Maryland, as amended from time to

time by the Board of Public Works, if the travel is by automobile. If a member travels by other means, the member will be reimbursed for actual costs, but not exceeding the mileage rate provided by the Standard Travel Regulations of the State of Maryland.

Item 2C

Each legislator shall be paid a seven hundred fifty dollar (\$750) lump sum nonvouchered within district transportation allowance at the beginning of each calendar year of the term 2015, 2016, 2017, and 2018.

Item 2D

(1) Each member who wishes to be reimbursed for expenses actually incurred for registration fees, meals, lodging and travel in attending a meeting, conference or other function outside the State that the member believes is directly related to, or will substantially enhance the performance of, the member's duties as a legislator shall request and obtain in writing the prior approval of the President of the Senate and the Speaker of the House of Delegates. The request for approval shall indicate the basis for the request for reimbursement, the estimated amount of reimbursable expenses and such other information as may be reasonably necessary to determine the appropriateness of reimbursement. The President of the Senate and the Speaker of the House of Delegates shall develop guidelines for reimbursement of out-of-state travel and other expenses. In developing these guidelines the President of the Senate and the Speaker of the House of Delegates may utilize the provisions of the Standard Travel Regulations of the State of Maryland to the degree applicable, except that the policies in paragraph (2) of this Item 2D shall be observed.

(2) (i) The amount of any reimbursement for registration fees, as well as attendance at the particular function, must be approved in advance by the President of the Senate and the Speaker of the House of Delegates.

(ii) 1. The maximum amount of reimbursement available for actual expenses incurred for meals and lodging on any trip shall be determined by the joint action of the President of the Senate and the Speaker of the House of Delegates in connection with approval of each request, and, except as provided in subsubparagraph 2. of this subparagraph, in no other event shall a member be reimbursed for meals and lodging expenses combined that exceed the most current published federal General Services Administration daily per diem rates for meals and lodging.

2. In the event that the published conference rate for lodging exceeds the General Services Administration daily per diem rate for lodging, the President of the Senate and the Speaker of the House of Delegates may approve the published conference rate.

(iii) Copies of all requests for approval, all written approvals and disapprovals, and all requests for actual reimbursement shall be maintained in a central file in the Finance and Administrative Services Office of the Department of Legislative Services and kept available for public inspection upon request for a period of at least five (5) years.

Item 2E

(1) Legislators may participate in benefit programs generally available to State employees, including health programs, insurance programs, tax sheltered accounts, deferred compensation programs, credit union services, deductions for charitable purposes, workers' compensation coverage, and payroll deductions relating to these programs. Participation in these programs shall be in the same manner as the participation of State employees. Additional benefits programs authorized for State employees during a legislative term of office may not be made available to legislators until the beginning of the next term, at which time they shall be fully available unless prohibited elsewhere in this Resolution. Legislators may not receive State employee death benefits, paid leave, or payroll deductions other than those associated with the items authorized by this Resolution. Legislators may not participate in the State's unemployment insurance program, including those former legislators who have been unseated by the elective process.

(2) (i) A legislator who leaves the General Assembly before January 14, 2015, may continue to participate in the State health program until the former legislator declines to participate in the program, becomes eligible for health insurance coverage through another employer, or retires.

(ii) A legislator who leaves the General Assembly on or after January 14, 2015, may continue to participate in the State health program in the same manner as State employees, in accordance with the most current State of Maryland Health Benefits Guide.

(iii) Former legislators electing to participate in the State health insurance program must pay the full cost of the insurance, which includes the individual's contribution and the State subsidy and an administrative charge not exceeding 2%.

Item 3A

1. Definitions.

(a) In general. In this Item 3A of this Resolution, the following words have the meanings indicated.

(b) Accumulated contributions.

(1) "Accumulated contributions" means the amounts credited to a member's individual account in the annuity savings fund of the Employees' Retirement System for the Legislative Pension Plan.

(2) "Accumulated contributions" includes member contributions plus regular interest.

(c) Allowance. “Allowance” means a benefit that is payable in equal monthly installments for the life of the recipient, except as otherwise provided for an optional form of a benefit under § 12 of this Item 3A.

(d) Beneficiary. “Beneficiary” means a person other than a retiree in receipt of a benefit under this Item 3A.

(e) Board of Trustees. “Board of Trustees” means the Board of Trustees for the State Retirement and Pension System established under § 21-103 of the State Personnel and Pensions Article.

(f) Creditable service. “Creditable service” means the service credit described in § 6(a) of this Item 3A.

(g) Designated beneficiary. “Designated beneficiary” means a person named as the beneficiary by a participant in an acknowledged written designation filed with the Board of Trustees.

(h) Eligible presiding officer. “Eligible presiding officer” means a legislator who served as a presiding officer:

- (1) At the time of termination of the legislator’s term of service; or
- (2) For at least 1 year during the legislator’s term of service.

(i) Medical board. “Medical board” means a board of physicians established under § 21-126 of the State Personnel and Pensions Article.

(j) Member. “Member” means:

(1) A legislator who is a member of the Legislative Pension Plan during the legislator’s term of office; and

(2) A former legislator who:

(i) Was a member of the Legislative Pension Plan during the legislator’s term of office;

(ii) Has not withdrawn the member’s accumulated contributions; and

(iii) Is not currently receiving a retirement allowance.

(k) Member contribution. “Member contribution” means:

(1) A contribution that is deducted from a member's salary as required by § 5 of this Item 3A; and

(2) An employer pickup contribution.

(l) Participant. "Participant" means a member or a retiree.

(m) Presiding officer. "Presiding officer" means the President of the Senate or the Speaker of the House of Delegates.

(n) Regular interest. "Regular interest" means interest at the rate being paid by the Board of Trustees to members of the Employees' Retirement System compounded annually.

(o) Resolution. "Resolution" means the Resolution of the General Assembly Compensation Commission effective January 9, 2019.

(p) Retiree. "Retiree" means an individual who is eligible for retirement and has applied to receive a retirement allowance.

(q) Retirement allowance. "Retirement allowance" means the allowance payable to a retiree.

(r) State system. "State system" means a retirement or pension system other than the Legislative Pension Plan that is included in the State Retirement and Pension System under § 21-102 of the State Personnel and Pensions Article.

(s) Statutory pension plan. "Statutory pension plan" means the pension plan established as of July 1, 1966, for an individual appointed or elected to the General Assembly before January 1, 1971, who elected to participate in the plan in accordance with the provisions of former Article 73B, § 11(13), which were transferred to the Session Laws by Chapter 131, § 5(3) of the Acts of 1992.

(t) Survivor allowance. "Survivor allowance" means the allowance payable by the Board of Trustees on the death of a participant.

(u) Year of service. "Year of service" means a year or fraction thereof during which a member serves as a legislator in the General Assembly and for which contributions are made at the prescribed rate.

2. Legislative Pension Plan – Established.

The Legislative Pension Plan is established as of January 13, 1971.

3. Administration; Funding.

(a) Administration. The Board of Trustees shall:

(1) Administer the Legislative Pension Plan in accordance with the provisions of this Item 3A;

(2) Credit the assets of the Legislative Pension Plan to the annuity savings fund, the accumulation fund, and the expense fund of the Employees' Retirement System according to the purpose for which they are held pursuant to the provisions of Title 21, Subtitle 3 of the State Personnel and Pensions Article; and

(3) Manage and invest the funds of the Legislative Pension Plan in accordance with the provisions of Title 21 of the State Personnel and Pensions Article.

(b) Funding.

(1) Each fiscal year, on behalf of the members of the Legislative Pension Plan, the State shall ascertain and pay to the accumulation fund of the Employees' Retirement System for the Legislative Pension Plan the amount determined by the actuary pursuant to the provisions of §§ 21-304 and 21-308 of the State Personnel and Pensions Article that is an amount sufficient to fund the benefits payable on a sound actuarial basis.

(2) For the purpose of making the calculations required under this subsection, the Legislative Pension Plan shall be combined with the Employees' Retirement System and the Employees' Pension System.

(3) Each fiscal year, at a minimum, the State shall pay at least an amount that is sufficient to provide the benefits payable under this Item 3A during the fiscal year.

4. Membership.

Membership in the Legislative Pension Plan is mandatory for each member of the General Assembly during the 2019–2022 term of office.

5. Member contributions.

(a) In general. Except as provided in subsection (b) of this section, each member of the Legislative Pension Plan shall contribute an amount equal to 7% of the member's annual salary.

(b) Exceptions.

(1) Subject to paragraph (2) of this subsection, a member does not make any further contributions after 22 years and 3 months of creditable service.

(2) If the member elects to receive a retirement allowance under § 8(e)(2) of this Item 3A, a member shall contribute an amount equal to 7% of the member's annual salary until the member accrues the maximum retirement allowance payable under § 8(e)(2) of this Item 3A.

(c) Payment of member contributions. The member contribution shall be deducted proportionately from the member's salary each pay period and credited to the member's individual account in the annuity savings fund of the Employees' Retirement System for the Legislative Pension Plan.

6. Service credit.

(a) Creditable service. Creditable service at retirement on which the allowance of a retiree is based shall consist of the sum of:

- (1) Membership service credit;
- (2) Service credit purchased under this section; and
- (3) Military service credit received in accordance with § 22 of this Item 3A.

(b) Membership service credit.

(1) A legislator shall earn membership service credit for each year of service the legislator makes contributions at the prescribed rate and is a member of the Legislative Pension Plan or the statutory pension plan.

(2) Years of service need not be consecutive.

(3) On or after January 8, 1975, a member shall receive 1 year of membership service credit if:

(i) The member is employed on a full-time basis by the State or a political subdivision of the State in nonlegislative employment;

(ii) The member is compensated by the State or a political subdivision of the State for the nonlegislative employment;

(iii) The member has taken a leave of absence from the nonlegislative employment while serving as a legislator; and

(iv) The member is not receiving credit in another retirement system supported wholly or in part by the State for the period of the member's absence from the nonlegislative employment.

- (c) One-time purchase of service credit.

A member who is serving in the General Assembly shall have one opportunity to purchase service credit for all previous legislative service, including legislative service from previous terms of office, by paying to the Board of Trustees an amount equal to 5% of the salary payable to the legislator during the years of service to be purchased plus regular interest thereon.

- (d) Purchase of credit if less than 8 years of creditable service.

(1) A member who has creditable service in the Legislative Pension Plan before January 9, 2019, may purchase service credit in the Legislative Pension Plan so that the amount of the creditable service of the member aggregates not more than 8 years if the member:

- (i) Is no longer an active member of the Legislative Pension Plan;
- (ii) Has less than 8 years of creditable service in the Legislative Pension Plan; and

- (iii) Pays to the Board of Trustees an amount equal to the sum of:

1. 7% of the annual salary payable to a legislator during the years of service to be purchased; and

2. The contributions payable by the State with respect to the salary of a legislator during the years of service to be purchased.

(2) A member purchasing service credit under paragraph (1) of this subsection may not begin receiving a retirement allowance from the Legislative Pension Plan until the number of years the member purchased have elapsed.

7. Service retirement allowance – No service prior to January 1, 1971.

(a) Application of section. This section applies only to a member who has no creditable service before January 1, 1971.

(b) Eligibility for retirement. Except as provided in subsection (c) of this section, a member may retire if on or before the date of retirement, the member:

- (1) Is not currently serving in the General Assembly;
- (2) Has at least 8 years of creditable service;
- (3) (i) Has creditable service before January 14, 2015, and has attained age 60; or

(ii) Has no creditable service before January 14, 2015, and has attained age 62; and

(4) Completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Exception for member who joins the Judges' Retirement System. A member who resigns from the General Assembly prior to the expiration of the member's term of office to accept a position requiring membership in the Judges' Retirement System is entitled to a retirement allowance under this Item 3A regardless of years of service.

(d) Service retirement allowance – In general. Except as provided in subsection (e) of this section, on retirement, a member shall receive a service retirement allowance equal to 3% of the salary payable to a current legislator in the General Assembly multiplied times the number of years of creditable service of the member, but in no event shall the retirement allowance exceed two-thirds of the salary payable to a current legislator in the General Assembly.

(e) Same – Eligible presiding officer. If the member served as an eligible presiding officer, the Board of Trustees shall use the salary payable to the current presiding officer to calculate the member's retirement allowance, but in no event shall the retirement allowance exceed two-thirds of the salary payable to a current presiding officer in the General Assembly.

8. Service retirement allowance – Service before January 1, 1971.

(a) Application of section. This section applies only to a member who has creditable service before January 1, 1971.

(b) Eligibility for retirement. Except as provided in subsection (c) of this section, a member may retire if on or before the date of retirement, the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service;

(3) (i) Elects to receive a service retirement allowance under subsection (d) of this section and has attained age 60; or

(ii) Elects to receive a retirement allowance under subsection (e) of this section and has attained age 55; and

(4) Completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Exception for member who joins the Judges' Retirement System. A member who resigns from the General Assembly prior to the expiration of the member's term of office to accept

a position requiring membership in the Judges' Retirement System is entitled to a retirement allowance under this Item 3A regardless of years of service.

(d) Service retirement allowance – In general. Except as provided in subsection (e) of this section, on retirement, a member shall receive a retirement allowance computed as set forth in § 7(d) of this Item 3A for all years of creditable service.

(e) Same – Alternate elections.

(1) Instead of the service retirement allowance provided in subsection (d) of this section, at retirement, a member may elect to receive a service retirement allowance to be paid as provided in either paragraph (2) or (3) of this subsection, but subject to the limitations set forth in paragraph (4) of this subsection.

(2) A member may elect to receive a service retirement allowance equal to the sum of:

(i) The benefit payable with respect to the member's creditable service prior to January 1, 1971, computed at the rates and otherwise in accordance with the statutory pension plan, commencing at the time provided in the statutory pension plan and based on the member's highest annual earnable compensation as a member of the General Assembly prior to January 1, 1971; and

(ii) The benefit payable with respect to the member's creditable service after January 1, 1971, computed as set forth in § 7(d) of this Item 3A and commencing at age 60.

(3) A member may elect to receive a service retirement allowance computed with respect to all of the member's creditable service, computed at the rates and otherwise in accordance with the statutory pension plan, commencing at the time provided in the statutory pension plan and based upon the member's highest annual earnable compensation as a member of the General Assembly prior to January 1, 1971.

(4) (i) Unless the member served as an eligible presiding officer, the service retirement allowance payable under paragraph (2) of this subsection may not exceed two-thirds of the salary payable to a current legislator in the General Assembly. If the member served as an eligible presiding officer, the service retirement allowance may not exceed two-thirds of the salary currently payable to a presiding officer.

(ii) A member may receive the service retirement allowance payable under paragraph (3) of this subsection if the member files a written notice of the election with the Board of Trustees.

9. Reduced service retirement allowance.

(a) Eligibility for retirement. A member may retire with a reduced service retirement allowance if the member:

- (1) Is not currently serving in the General Assembly;
- (2) Has at least 8 years of creditable service;
- (3)
 - (i) Has creditable service before January 14, 2015, and is at least 50 years of age but has not attained 60 years of age; or
 - (ii) Has no creditable service before January 14, 2015, and is at least 55 years of age but has not attained 62 years of age; and
- (4) Completes and submits an application for retirement to the Board of Trustees:
 - (i) Stating the date on which the member desires to retire; and
 - (ii) Electing to receive a reduced service retirement allowance instead of the service retirement allowance payable under § 7 or § 8 of this Item 3A.

(b) Reduced service retirement allowance. On retirement under this section, a member shall receive a reduced service retirement allowance equal to the service retirement allowance or portion thereof computed under § 7 or § 8(d) or (e)(2)(ii) of this Item 3A on the basis of the member's creditable service and current annual salary, reduced by 0.5% for each month by which the member's early retirement date precedes the date the member:

- (1) Attains age 60, if the member has creditable service before January 14, 2015; or
- (2) Attains age 62, if the member has no creditable service before January 14, 2015.

10. Disability retirement allowance.

(a) Definition. In this section, "disabled" means the member is mentally or physically incapacitated for the further performance of duty as a legislator and the incapacity is likely to be permanent.

(b) Eligibility for disability retirement. A member who is currently serving in the General Assembly is eligible to receive a disability retirement allowance if:

- (1) The member has at least 8 years of creditable service regardless of age;

(2) The medical board has certified that the member is disabled; and

(3) The member completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Disability retirement allowance. A member shall receive a disability retirement allowance computed as set forth in § 7(d) of this Item 3A for all years of creditable service.

11. Survivor allowance payable on death of retiree.

(a) Survivor allowance.

(1) On the death of a retiree, the Board of Trustees shall pay a survivor allowance equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and continuing to receive a retirement allowance.

(2) The survivor allowance shall be paid in accordance with subsection (b) of this section.

(b) (1) If the retiree has a surviving spouse, the survivor allowance shall be paid to the retiree's surviving spouse for life, commencing on the date of the retiree's death.

(2) If the retiree does not have a surviving spouse and the retiree has creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

(i) On the retiree's death, if the designated beneficiary is then at least age 60;

(ii) When the designated beneficiary attains age 60, if the designated beneficiary has not attained 60 years of age on the retiree's death; or

(iii) At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (c)(1) of this section.

(3) If the retiree does not have a surviving spouse and the retiree has no creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

(i) On the retiree's death, if the designated beneficiary is then at least age 62;

(ii) When the designated beneficiary attains age 62, if the designated beneficiary has not attained 62 years of age on the retiree's death; or

(iii) At any time after the designated beneficiary attains age 55 but before the designated beneficiary attains age 62, if the designated beneficiary makes the election set forth in subsection (c)(2) of this section.

(c) Election to receive reduced survivor allowance.

(1) (i) This paragraph applies only to the designated beneficiary of a retiree who has creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

(2) (i) This paragraph applies only to the designated beneficiary of a retiree who has no creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 62, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 55 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 62.

(d) Lump-sum death benefit.

(1) (i) This paragraph applies only to a designated beneficiary that is not an individual.

(ii) If a retiree dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment to the retiree's designated beneficiary.

(2) If a retiree has designated more than one beneficiary and dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance

computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment to the retiree's designated beneficiaries in equal shares.

(3) Benefits will not be paid under this subsection if the retiree has a surviving spouse at the time of death.

12. Optional Allowances.

(a) In general. Instead of the retirement allowance and survivor allowance provided under this Item 3A, at retirement, a member may elect an optional allowance set forth in subsection (c) of this section.

(b) Optional requirement.

(1) The optional allowance shall be certified by the actuary for the Board of Trustees to be of equivalent actuarial value to the allowance payable to the retiree and the retiree's beneficiary.

(2) For an optional form of allowance providing for payment to a designated beneficiary for life, the designated beneficiary must be an individual.

(3) If a member elects the optional allowance under subsection (c) of this section and designates a beneficiary other than the member's spouse or disabled child as defined under § 72(m)(7) of the Internal Revenue Code, a member may not designate a beneficiary who is more than 10 years younger than the member.

(c) Description of the optional allowance.

The optional allowance is a level payment plan. Under the optional allowance, when the retiree dies, the Board of Trustees shall pay the retiree's reduced allowance:

(1) To the retiree's surviving spouse for life; or

(2) If there is no surviving spouse, to the retiree's designated beneficiary for the designated beneficiary's life.

13. Designated beneficiary.

(a) Right to designate beneficiary. A participant may name a designated beneficiary or beneficiaries to receive the benefits payable on the death of a participant under this Item 3A if the participant's spouse is not living at the time of the participant's death.

(b) Benefits for life. For a survivor benefit providing for payment under this Item 3A to a designated beneficiary for life, the designated beneficiary must be an individual.

(c) Designation of beneficiary void. If a participant dies and is survived by a spouse, the participant's designation of a beneficiary or beneficiaries shall be void and of no effect.

(d) Change of designated beneficiary. A participant may change the designated beneficiary by:

- (1) Completing an acknowledged written designation form; and
- (2) Filing the designation of beneficiary form with the Board of Trustees.

(e) Recomputation of allowance. If a retiree changes a designated beneficiary, the Board of Trustees shall recompute the allowance based on the value of the balance in the retiree's reserves when the change is made.

14. Adjustment of allowances.

(a) Application of section. This section does not apply to all or any portion of a retirement allowance or a survivor allowance that is computed in accordance with the statutory pension plan.

(b) Adjustment of allowances – In general. Except as provided in § 8 of this Item 3A, as of the date the salary of a current legislator in the General Assembly is increased, the Board of Trustees shall recompute a retirement allowance or a survivor allowance under this Item 3A on the basis of the service retirement allowance as provided under this Item 3A and the annual salary payable to a current legislator in the General Assembly.

(c) Same – Eligible presiding officer.

(1) This subsection applies to a retiree who served as an eligible presiding officer or a beneficiary of an eligible presiding officer.

(2) As of the date the salary of a current presiding officer is increased, the Board of Trustees shall recompute a retirement allowance or a survivor allowance under this Item 3A on the basis of the annual salary payable to a current presiding officer.

15. Effect of employment of retiree.

(a) Subject to subsection (b) of this section, beginning January 9, 1991, a retiree who is receiving a retirement allowance may accept employment with the State as an employee or an elected or appointed official without any reduction in the retiree's retirement allowance.

(b) If a retiree who is receiving a retirement allowance becomes a member of the General Assembly:

- (1) The retiree's retirement shall be canceled;
- (2) The retirement allowance payments shall terminate after the last day of the month preceding the date of return to service as a legislator;
- (3) All previous creditable service shall be restored to the account of the member; and
- (4) The member shall be credited with membership service credit during the period the retiree is a member of the General Assembly.

16. Benefit – Death of member with at least 8 years of service.

(a) Application of section. This section applies only on the death of a member who has at least 8 years of creditable service.

(b) Lump-sum death benefit.

(1) Except as provided in subsection (c) of this section, on the death of a member, the Board of Trustees shall pay to the member's surviving spouse, or if there is no surviving spouse, to the member's designated beneficiary or beneficiaries a lump-sum death benefit consisting of the sum of:

- (i) The member's accumulated contributions; and
- (ii) An amount equal to the member's annual salary, if any, at the time of death.

(2) If a member has designated more than one beneficiary, the lump-sum death benefit provided in paragraph (1) of this subsection shall be divided equally among the beneficiaries.

(c) Election to receive survivor allowance.

(1) Instead of the lump-sum death benefit payable under subsection (b) of this section, the member's surviving spouse or, if the member is not survived by a spouse, the designated beneficiary may elect to receive a survivor allowance equal to one-half the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance. The Board of Trustees shall pay the survivor allowance in accordance with paragraph (2) of this subsection.

(2) (i) If the member has a surviving spouse, the survivor allowance shall be paid to the member's surviving spouse for life, commencing on the date of the member's death.

(ii) If the member does not have a surviving spouse and the member has creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

1. On the member's death, if the designated beneficiary is then at least age 60;

2. When the designated beneficiary attains age 60, if the designated beneficiary has not attained 60 years of age on the member's death; or

3. At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (d)(1) of this section.

(iii) If the member does not have a surviving spouse and the member has no creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

1. On the member's death, if the designated beneficiary is then at least age 62;

2. When the designated beneficiary attains age 62, if the designated beneficiary has not attained 62 years of age on the member's death; or

3. At any time after the designated beneficiary attains age 55 but before the designated beneficiary attains age 62, if the designated beneficiary makes the election set forth in subsection (d)(2) of this section.

(3) If a member has designated a beneficiary that is not an individual or more than one beneficiary, the multiple beneficiaries may not elect to receive the survivor allowance provided in paragraph (1) of this subsection.

(d) Election to receive reduced survivor allowance.

(1) (i) This paragraph applies only to the designated beneficiary of a retiree who has creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

(2) (i) This paragraph applies only to the designated beneficiary of a retiree who has no creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 62, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 55 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 62.

(e) Death benefit for children.

(1) This section applies only to a member who dies while serving as a legislator in the General Assembly.

(2) Except as provided in paragraph (3) of this subsection, the Board of Trustees shall pay the lump-sum death benefit payable under subsection (b) of this section in equal shares to each child who has not attained the age of 26 or who is disabled as defined under § 72(m)(7) of the Internal Revenue Code, if on the member's death, the member:

(i) Is not survived by a spouse; and

(ii) Is survived by a child or children under the age of 26 years or disabled as defined under § 72(m)(7) of the Internal Revenue Code.

(3) (i) Instead of the lump-sum death benefit payable under paragraph (2) of this subsection, the member's children who have not attained age 26 or who are disabled as defined under § 72(m)(7) of the Internal Revenue Code may elect to receive the survivor allowance that would have been paid to the surviving spouse under subsection (c)(1) of this section had the member's spouse survived the member. The survivor allowance is payable to the member's children as of the date of the member's death.

(ii) If the Board of Trustees pays the survivor allowance to more than one child, the Board of Trustees shall divide the allowance equally among the children who are under the age of 26 years or who are disabled as defined under § 72(m)(7) of the Internal Revenue Code.

(iii) The survivor allowance shall be payable to each child until that child attains age 26 or is no longer disabled.

17. Benefit – Death of member with less than 8 years of service.

(a) Application of section. This section applies only on the death of a member who:

(1) Is currently serving in the General Assembly; and

(2) Has less than 8 years of creditable service.

(b) Lump-sum death benefit.

(1) (i) On the death of a member, the Board of Trustees shall pay a lump-sum death benefit consisting of the sum of the member's accumulated contributions and an amount equal to the member's annual salary at the time of death.

(ii) The Board of Trustees shall pay the lump-sum death benefit in accordance with paragraphs (2) through (4) of this subsection.

(2) If the member has a surviving spouse, the lump-sum death benefit provided in paragraph (1) of this subsection shall be paid to the surviving spouse.

(3) If the member has no surviving spouse, but has a surviving child or children under the age of 26 years or disabled as defined under § 72(m)(7) of the Internal Revenue Code, the lump-sum death benefit provided in paragraph (1) of this subsection shall be paid in equal shares to each child who has not attained the age of 26 or who is disabled.

(4) (i) If the member has no surviving spouse and no surviving children under the age of 26 years or disabled as defined under § 72(m)(7) of the Internal Revenue Code, the lump-sum death benefit provided in paragraph (1) of this subsection shall be paid to the member's designated beneficiary or beneficiaries.

(ii) If a member has designated more than one beneficiary, the lump-sum death benefit shall be divided equally among the beneficiaries.

18. Death of member – No beneficiary.

On the death of a member who is not survived by a spouse, a designated beneficiary, or a child who is eligible to receive a benefit under § 16 or § 17 of this Item 3A, the Board of Trustees shall pay the member's accumulated contributions to the estate of the member.

19. Termination of rights in Plan.

At any time after termination of service as a legislator but prior to receiving a retirement allowance, a member may elect to withdraw the member's accumulated contributions by completing an application for refund of contributions and submitting the application to the Board of Trustees. A member who withdraws accumulated contributions does not have any further rights under the Legislative Pension Plan.

20. Transfer of credit.

(a) In general. Except as provided in subsection (b) of this section, creditable service earned as a member of the Legislative Pension Plan qualifies for benefits under the Legislative Pension Plan and no other system or plan administered by the Board of Trustees.

(b) Exception. Prior to retirement, a member may elect to transfer creditable service in the Legislative Pension Plan and the member's accumulated contributions to the State system in which the member participates, if the member:

(1) Has less than 8 years of creditable service in the Legislative Pension Plan; or

(2) Earned the creditable service for years of service in the Legislative Pension Plan if any of the years of service occurred on or before January 8, 1975.

(c) Effect of transfer of creditable service. A member who is eligible to transfer creditable service to another State system and who makes the election to transfer shall withdraw the member's accumulated contributions.

21. Miscellaneous Provisions.

(a) Receipt of retirement allowance from another State system. A retiree who is receiving a retirement allowance from another State system may receive a retirement allowance from the Legislative Pension Plan if the years of service in the Legislative Pension Plan do not overlap with the years of service in the State system.

(b) Average final compensation. As of January 8, 1975, the annual salary payable to a member while serving as a legislator may not be added to the earnable compensation payable by the State or a political subdivision of the State to determine the member's average final compensation in a State system in which the member participates.

(c) Applicability. Except as otherwise provided herein, this Item 3A (including the calculation for the retirement allowance and the survivor's allowance) applies to:

(1) A legislator who is a member of the Legislative Pension Plan during the legislator's term of office;

(2) A former legislator who:

(a) Was a member of the Legislative Pension Plan during the legislator's term of office;

(b) Has not withdrawn the member's accumulated contributions; and

(c) Is not currently receiving a retirement allowance; and

(3) A retiree.

22. Military Credit.

(a) A member is entitled to receive creditable service for military service only on the attainment of 8 years of membership service credit earned through service as a legislator in the Legislative Pension Plan.

(b) Military service credit under this section may not exceed 3 years.

(c) Service credit purchased under § 6 of this Item 3A may not be counted towards eligibility to receive military service credit.

(d) Notwithstanding any provisions in Title 38 of the State Personnel and Pensions Article to the contrary, and except as otherwise specified in this section, Title 38 of the State Personnel and Pensions Article and Code of Maryland Regulations 22.05.04 shall apply to the Legislative Pension Plan for the purpose of authorizing a member to receive military service credit in the Legislative Pension Plan.

(e) A member who has previously received military service credit in a State system may not rescind any portion of the military service credit in order to become eligible to receive military service credit under this section.

Item 3B

(a) Former legislators regularly receiving a retirement allowance may participate in benefit programs available to retired State employees, including health programs, deferred compensation programs, and credit union services. Should additional benefit programs be authorized for retired State employees, such benefits may be made available to retired legislators with the approval of the presiding officers. Except as provided in subsections (b) and (c) of this section, participation in these programs shall be in the same manner as the participation of retired State employees.

(b) Former legislators receiving a retirement allowance who have creditable service before January 14, 2015, and have at least eight (8) years' service shall qualify for a State health program subsidy equal to one-sixteenth (1/16) of the full State subsidy for each year of service.

(c) Former legislators receiving a retirement allowance who have no creditable service before January 14, 2015, and have at least eight (8) years' service shall qualify for a State health program subsidy equal to one-twentieth (1/20) of the full State subsidy for each year of service.

Item 4

(a) Benefits provided under Item 3A of this Resolution may not be paid and are not payable to any member of the Legislative Pension Plan or the member's beneficiary if:

(1) The member is convicted of or enters a plea of nolo contendere to any crime that is committed during the member's term of office; and

(2) The crime is:

(i) A felony; or

(ii) A misdemeanor related to the member's public duties and responsibilities and involves moral turpitude for which the penalty may be incarceration in any penal institution.

(b) A retiree of the Legislative Pension Plan and the retiree's beneficiary are subject to a forfeiture of benefits under subsection (a) of this item if the retiree is receiving benefits under Item 3A of this Resolution at the time the retiree is convicted of a crime described in subsection (a) of this item.

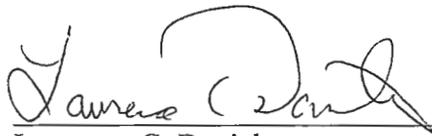
(c) If a member or retiree is subject to a forfeiture of benefits under subsections (a) or (b) of this section, the member, retiree, or beneficiary of a member or retiree is only entitled to a return of the member's or retiree's accumulated contributions, plus interest, less any benefit payments already made under Item 3A of this Resolution.

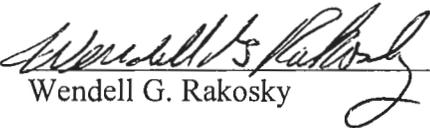
(d) If the conviction of the member is reversed or overturned, the member's benefits that are payable under Item 3A of this Resolution shall be restored.

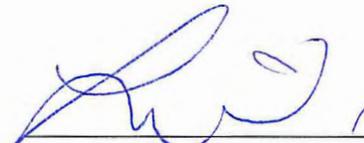
FURTHER RESOLVED, That all desk orders, journal entries, regulations, rules, or resolutions, including the Resolutions of this Commission dated January 25, 1971; January 24, 1974; January 19, 1978; January 7, 1982; December 17, 1985; January 10, 1990; January 20, 1994; January 7, 1998; January 11, 2002; January 11, 2006; January 12, 2010; January 7, 2014; and any other provisions of law in any way inconsistent with the express or implied language of this Resolution relating to compensation and allowances in any form for members of the General Assembly of Maryland are hereby repealed.

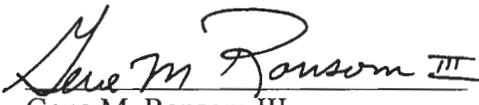
IN WITNESS WHEREOF, We have hereunto subscribed our names on this sixteenth day of January 2018.”

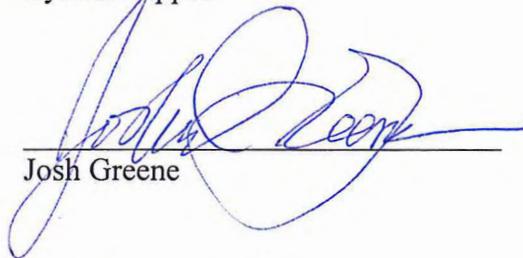

Lisa First-Willis, Chair

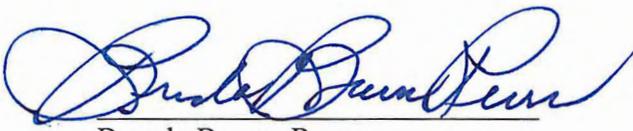

Laurence C. Daniels

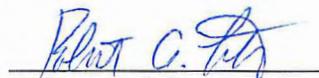

Wendell G. Rakosky

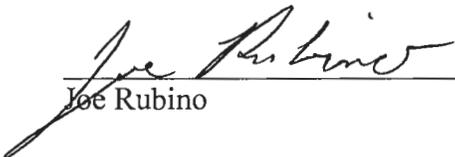

Lyn A. Dippel


Gene M. Ransom III


Josh Greene


Brenda Brown Rever


Robert A. Liberto


Joe Rubino

Exhibits

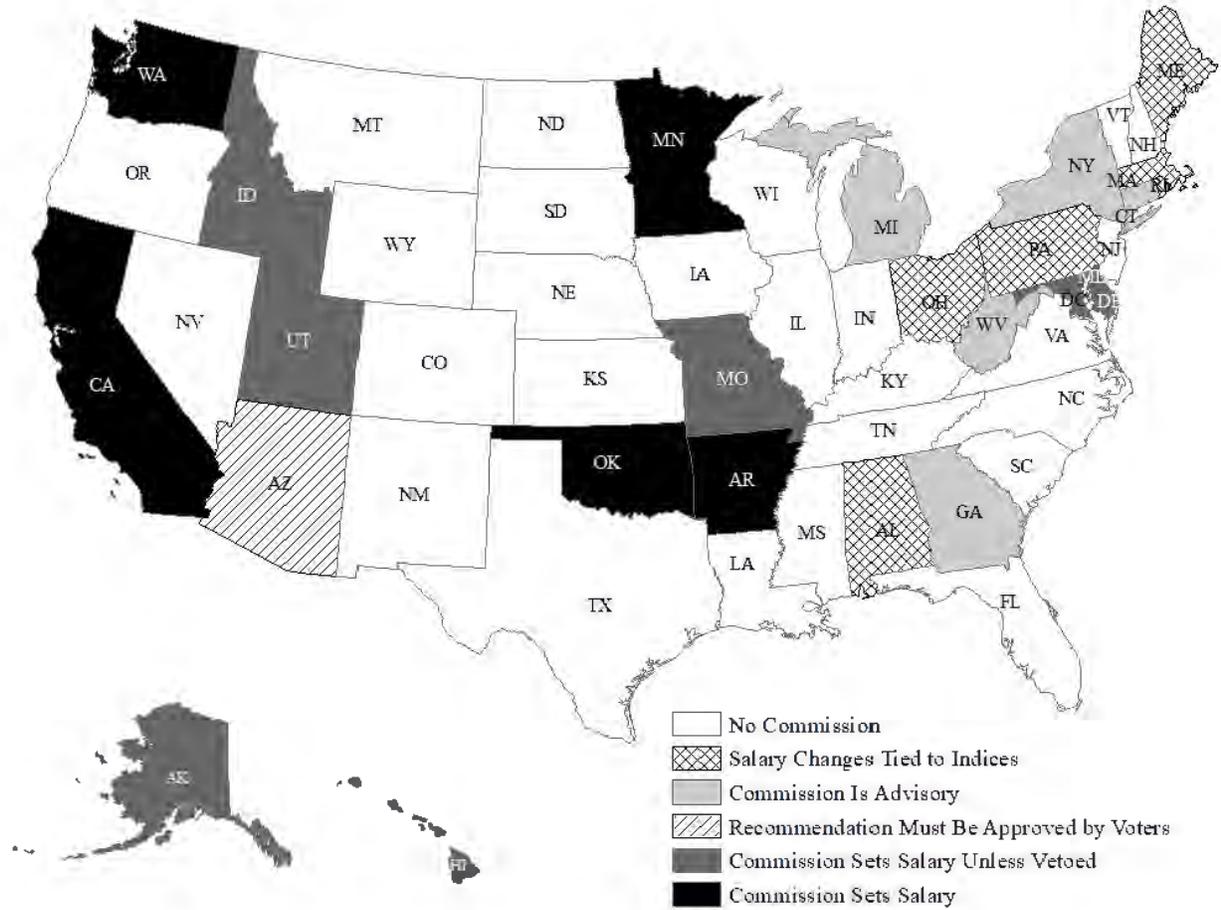
Exhibit 1
Constitutional Provisions Regarding
General Assembly Compensation Commission

Art III, §15

Section 15. Duration of sessions of General Assembly; compensation and allowances.

- (1) The General Assembly may continue its session so long as in its judgment the public interest may require, for a period not longer than ninety days in each year. The ninety days shall be consecutive unless otherwise provided by law. The General Assembly may extend its session beyond ninety days, but not exceeding an additional thirty days, by resolution concurred in by a three-fifths vote of the membership in each House. When the General Assembly is convened by Proclamation of the Governor, the session shall not continue longer than thirty days, but no additional compensation other than mileage and other allowances provided by law shall be paid members of the General Assembly for special session.
- (2) Any compensation and allowances paid to members of the General Assembly shall be as established by a commission known as the General Assembly Compensation Commission. The Commission shall consist of nine members, five of whom shall be appointed by the Governor, two of whom shall be appointed by the President of the Senate, and two of whom shall be appointed by the Speaker of the House of Delegates. Members of the General Assembly and officers and employees of the Government of the State of Maryland or of any county, city, or other governmental unit of the State shall not be eligible for appointment to the Commission. Members of the Commission shall be appointed for terms of four years commencing on June 1 of each gubernatorial election year. Members of the Commission are eligible for re-appointment. Any member of the Commission may be removed by the Governor prior to the expiration of his term for official misconduct, incompetence, or neglect of duty. The members shall serve without compensation but shall be reimbursed for expenses incurred in carrying out their responsibilities under this section. Decisions of the Commission must be concurred in by at least five members.
- (3) Within 15 days after the beginning of the regular session of the General Assembly in 1974 and within 15 days after the beginning of the regular session in each fourth year thereafter, the Commission by formal resolution shall submit its determinations for compensation and allowances to the General Assembly. The General Assembly may reduce or reject, but shall not increase any item in the resolution. The resolution, with any reductions that shall have been concurred in by joint resolution of the General Assembly, shall take effect and have the force of law as of the beginning of the term of office of the next General Assembly. Rates of compensation and pensions shall be uniform for all members of the General Assembly, except that the officers of the Senate and the House of Delegates may receive higher compensation as determined by the General Assembly Compensation Commission. The provisions of the Compensation Commission resolution shall continue in force until superseded by any succeeding resolution.
- (4) In no event shall the compensation and allowances be less than they were prior to the establishment of the Compensation Commission (*amended by Chapter 695, Acts of 1941, ratified Nov. 3, 1942; Chapter 497, Acts of 1947, ratified Nov. 2, 1948; Chapter 161, Acts of 1964, ratified Nov. 3, 1964; Chapter 576, Acts of 1970, ratified Nov. 3, 1970; Chapter 541, Acts of 1976, ratified Nov. 2, 1976; Chapter 681, Acts of 1977, ratified Nov. 7, 1978*).

Exhibit 2
Use of Compensation Commissions and Other Means to Establish Legislative Compensation



Source: National Conference of State Legislatures, 2017

Exhibit 3
General Assembly Compensation Commission

<u>Applicable Law</u>	<u>Time for Submitting Recommendation</u>	<u>Form of Recommendation</u>	<u>Subject</u>	<u>Time Limit for Legislative Action</u>	<u>Forms of Legislative Action</u>	<u>Options for Legislative Action</u>	<u>Effect of Legislative Action</u>
MD Const., Art. III, Sec. 15	By fifteenth day of session, <i>i.e.</i> , January 24, 2018	Resolution of commission, not legislature	Compensation and Allowances, <i>i.e.</i> , salary as well as expenses and pension	End of session	Joint resolution (if no joint resolution introduced, commission's resolution takes effect)	<ol style="list-style-type: none"> 1. May take no action on joint resolutions 2. May pass joint resolution approving commission's resolution 3. May pass joint resolution reducing or rejecting particular items* but may not increase item 4. May pass joint resolution rejecting commission's resolution 5. May pass joint resolution embodying prior resolution (2014) 6. May defeat joint resolutions 	<ol style="list-style-type: none"> 1. Commission's resolution takes effect 2. Commission's resolution takes effect 3. Commission's resolution, as modified by joint resolution, takes effect 4. Prior resolution (2014) remains in effect 5. Prior resolution (2014) 6. Commission's resolution takes effect

* May not reduce below 1970 levels.

Exhibit 4
General Assembly Compensation Commission Recommendations That Were Adopted
Implementation of Constitution Article III, Section 15 (as Amended November 3, 1970)

Summary of 1971, 1974, 1978, 1982, and 1986 Recommendations

<u>Subject</u>	<u>1971</u>	<u>1974</u>	<u>1978</u>	<u>1982</u>	<u>1986</u>
Salaries					
Member	\$11,000 annually (bi-weekly payments)	\$12,500 annually (monthly payments)	In each calendar year, the following (each in monthly payments):	\$21,000 annually (monthly payments)	In each calendar year, the following (each in monthly payments):
President and Speaker	\$13,000 annually (bi-weekly payments)	\$17,500 annually (monthly payments)	<u>Mem.</u> <u>Pres/Spk</u>	\$26,000 annually (monthly payments)	<u>Mem.</u> <u>Pres/Spk</u>
			1979 \$16,000 \$21,000		1987 \$22,000 \$29,500
			1980 \$16,750 \$21,750		1988 \$23,000 \$30,500
			1981 \$17,600 \$22,600		1989 \$24,000 \$31,500
			1982 \$18,500 \$23,500		1990 \$25,000 \$32,500
Expenses					
Meals and Lodging	Abolish per diems; vouchered reimbursement to max of \$25 for attendance at session, legislative council, committee, or subcommittee meetings	Vouchered reimbursement to max of \$35; attendance expanded "to other official functions"	Limitation of \$50, including \$20 sublimitation on meals; lodging vouchered; meals not vouchered	In each calendar year, the following: <u>Daily Limits</u> <u>Overall</u> <u>Meals</u>	In each calendar year, the following: <u>Daily Limits</u> <u>Overall</u> <u>Meals</u>
				1983 \$65 \$24	1987 \$78 \$31
				1984 \$68 \$26	1988 \$81 \$32
				1985 \$72 \$28	1989 \$84 \$33
				1986 \$75 \$30	1990 \$87 \$34
Mileage Allowance	10 cents per mile; one round trip per week if taking meals and lodging in Annapolis; in lieu of meals and lodging, 10 cents per mile for daily trips	Rate to align with State travel regulations; current rate 12 cents per mile	Same conditions; current rate 18 cents per mile	Same conditions; current rate 19 cents per mile	Same conditions; current rate 23 cents per mile

<u>Subject</u>	<u>1971</u>	<u>1974</u>	<u>1978</u>	<u>1982</u>	<u>1986</u>
In-district Travel	Not authorized	Not authorized	Not authorized	Not authorized	\$200 annual payment
Out-of-state Travel	Not specifically addressed	Prior joint approval by President and Speaker	Same as 1974	In each calendar year, the following daily limits:	In each calendar year, the following daily limits:
				1983 \$85	1987 \$105
				1984 \$90	1988 \$110
				1985 \$95	1989 \$116
				1986 \$100	1990 \$122

Retirement Plan

Participation	Optional	Optional	Optional	Optional (1 year to decide)	Optional (16 months initial enrollment period)
Member Contribution	5.0% of salary	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Allowance	2.5% of highest annual salary times years of service; pre-1971 and post-1971 benefits calculated separately and added together	Same formula as 1971; may include pre-1971 service in calculating benefits under current plan	Same as 1971	Same as 1971 with addition of cost-of-living adjustment (COLA) not to exceed 3.0%	Same as 1971 with COLA not to exceed 3.0%
Maximum Allowance	60.0% after 24 years	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Eligible for Allowance	Age 60 with at least 8 years of service	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Transfer Credit to Other State Plans	Yes	No	No	No	Yes, if less than 8 years of service
Early Retirement	Age 50 if 8 or more years of service; benefit actuarially reduced	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan
Survivor Benefit	Spouse receives half allowance at age 60; reduced benefit age 50-60	Same as 1971 plan	Same as 1971 plan	“Survivor” modified to include beneficiaries other than spouse if member is single or widowed	Same as 1971, with 1982 modifications

<u>Subject</u>	<u>1971</u>	<u>1974</u>	<u>1978</u>	<u>1982</u>	<u>1986</u>
Contribute to 8 Years	If terminated at less than 8 years, may contribute member and State shares to 8-year level and qualify for allowance when eligible	Same as 1971 plan			
Disability Benefit	Not authorized	Not authorized	Not authorized	Not authorized	Not authorized

Summary of 1990, 1994, 1998, 2002, and 2006 Recommendations

<u>Subject</u>	<u>1990</u>		<u>1994</u>		<u>1998</u>		<u>2002</u>		<u>2006</u>						
Salaries															
Member	In each calendar year, the following (each in monthly payments):		In each calendar year, the following (each in monthly payments):		In each calendar year, the following (each in monthly payments):		In each calendar year, the following (each in monthly payments):		In each calendar year, the following (each in monthly payments):						
President and Speaker	<u>Mem.</u>	<u>Pres/Spk</u>	<u>Mem.</u>	<u>Pres/Spk</u>	<u>Mem.</u>	<u>Pres/Spk</u>	<u>Mem.</u>	<u>Pres/Spk</u>	<u>Mem.</u>	<u>Pres/Spk</u>					
	1991	\$27,000	\$37,000	1995	\$28,840	\$38,840	1999	\$30,591	\$40,591	2003	\$34,500	\$47,500	2007	\$43,500	\$56,500
	1992	\$27,000	\$37,000	1996	\$29,700	\$39,700	2000	\$30,591	\$40,591	2004	\$37,500	\$50,500	2008	\$43,500	\$56,500
	1993	\$28,000	\$38,000	1997	\$29,700	\$39,700	2001	\$31,509	\$41,509	2005	\$40,500	\$53,500	2009	\$43,500	\$56,500
	1994	\$28,000	\$38,000	1998	\$29,700	\$39,700	2002	\$31,509	\$41,509	2006	\$43,500	\$56,500	2010	\$43,500	\$56,500
Expenses															
Meals and Lodging	In each calendar year, the following:		<i>Meals</i> – \$30 allowance per diem		<i>Meals</i> – \$30 allowance per diem (same as 1994 plan)		<i>Meals</i> – Reimbursed in accordance with standard State travel regulations; current limit \$39 per diem		<i>Meals</i> – Reimbursed in accordance with standard State travel regulations; current limit \$42 per diem						
	<u>Daily Limits</u>		<i>Lodging</i> – limit specified by IRS for Annapolis		<i>Lodging</i> – limit specified by IRS for Annapolis		<i>Lodging</i> – limit specified by IRS for Annapolis		<i>Lodging</i> – limit specified by IRS for Annapolis						
		<u>Overall</u>	<u>Meals</u>												
	1991	\$90	\$35	1995	\$76	1999	\$96	2003	\$90	2007	\$116				
	1992	\$94	\$36	1996	\$86	2000	\$90	2004	\$95	2008	\$123				
	1993	\$98	\$38	1997	\$86	2001	\$90	2005	\$114	2009	\$126				
	1994	\$102	\$40	1998	\$96	2002	\$90	2006	\$104	2010	\$126				

<u>Subject</u>	<u>1990</u>	<u>1994</u>	<u>1998</u>	<u>2002</u>	<u>2006</u>
Mileage Allowance	Same conditions; current rate 27 cents per mile	Same conditions; current rate 29 cents per mile	Same conditions; current rate 32 cents per mile	Same conditions; current rate 48 cents per mile	Same conditions; current rate 50 cents per mile
In-district Travel	\$250 annual payment	\$400 annual payment	\$400 annual payment (same as 1994 plan)	\$500 annual payment	\$500 annual payment
Out-of-state Travel	In each calendar year, the following daily limits: 1991 \$128 1992 \$134 1993 \$141 1994 \$148	\$160 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high costs of location	\$175 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high costs of location	\$225 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high cost of location	\$225 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high cost of location
Retirement Plan					
Participation	Optional enrollment allowed at any time	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan
Member Contribution	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan (5.0% of salary)	Same as 1971 plan (5.0% of salary)
Allowance	2.5% of salary of active legislator for each year of service up to 24 years; benefit recalculated based on salary increases for active legislators	3.0% of salary of active legislator for each year of service up to 22 years and 3 months; benefit recalculated based on salary increases for active legislators	Same as 1994 plan	Same as 1994 plan	Same as 1994 plan
Maximum Allowance	60.0% of salary payable to an active legislator	66.67% of salary payable to an active legislator	Same as 1994 plan	Same as 1994 plan	Same as 1994 plan
Eligible for Allowance	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan (age 60 with at least 8 years of service)	Same as 1971 plan (age 60 with at least 8 years of service)
Transfer Credit to Other State Plans	Same as 1986 plan	Same as 1986 plan	Same as 1986 plan	Same as 1986 plan (yes, if less than 8 years of service)	Same as 1986 plan (yes, if less than 8 years of service)
Early Retirement	Age 50 with at least 8 years of service, actuarially reduced 6.0% for each year under age 60	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan

<u>Subject</u>	<u>1990</u>	<u>1994</u>	<u>1998</u>	<u>2002</u>	<u>2006</u>
Survivor Benefit	<p><i>Nonvested Active</i> – Surviving spouse or designated beneficiary receives lump-sum payment of 1 year’s salary plus return of member’s contribution</p> <p><i>Vested Active/Vested Former/Retired</i> – Surviving spouse or designated beneficiary may elect either lump-sum payment OR a monthly benefit of 50.0% of benefit accrued at member’s death. Payment to spouse begins at member’s death. Payment to designated beneficiary begins at age 60, or actuarially reduced at age 50</p>	Same as 1990 plan	Same as 1990 plan	Same as 1990 plan, except a member may elect multiple beneficiaries, if no surviving spouse, to receive lump-sum payment divided equally	Same as 1990 plan, except a member may elect multiple beneficiaries, if no surviving spouse, to receive lump-sum payment divided equally
Contribute to 8 Years	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan	Same as 1971 plan (if terminated at less than 8 years, may contribute member and State shares to 8-year level and qualify for allowance when eligible)	Same as 1971 plan (if terminated at less than 8 years, may contribute member and State shares to 8-year level and qualify for allowance when eligible)
Disability Benefit	Incapacitated legislator may resign and continue to receive salary through remainder of term	If totally disabled, vested member receives annual retirement allowance regardless of age	Same as 1994 plan	Same as 1994 plan	Same as 1994 plan

IRS: Internal Revenue Service

Source: Department of Legislative Services

Exhibit 5
**Summary of Final Adopted Joint Resolution 4 of 2010 Regular Session and Adopted
2014 General Assembly Compensation Commission Resolution**

<u>Subject</u>	<u>Joint Resolution 4 of 2010 Regular Session</u>		<u>2014 GACC Resolution</u>			
Salaries						
Member	In each calendar year, the following (each in monthly payments):		In each calendar year, the following (each in monthly payments):			
President and Speaker	<u>Mem.</u>	<u>President/Speaker</u>	<u>Mem.</u>	<u>President/Speaker</u>		
	2011	\$43,500	\$56,500	2015	\$45,207	\$58,718
	2012	\$43,500	\$56,500	2016	\$46,915	\$60,935
	2013	\$43,500	\$56,500	2017	\$48,622	\$63,153
	2014	\$43,500	\$56,500	2018	\$50,330	\$65,371
	Same as 2006 plan and unchanged since calendar 2006.					
Expenses						
Meals and Lodging*	<i>Meals</i> – Reimbursed in accordance with standard State travel regulations; current limit \$42 per diem.		<i>Meals</i> – Reimbursed in accordance with standard State travel regulations; current limit \$47 per diem.			
	<i>Lodging</i> – limit specified by Internal Revenue Service (IRS) of Annapolis.		<i>Lodging</i> – limit set by the federal General Services Administration (GSA) for Annapolis; currently \$103/\$126. In-state out of Annapolis lodging approved by Presiding Officers reimbursed at GSA rate.			
	2011	\$100/\$114				
	2012	\$101/\$116				
	2013	\$101/\$116				
	2014	\$101/\$116				
	Same as 2006 plan					
Mileage Allowance	Same conditions; current rate \$.565 per mile.		Same conditions; current rate \$.535 per mile.			
	Same as 2006 plan.					

<u>Subject</u>	<u>Joint Resolution 4 of 2010 Regular Session</u>	<u>2014 GACC Resolution</u>
In-district Travel	\$500 annual payment. Same as 2006 plan and unchanged since calendar 2002.	\$750 annual payment.
Out-of-state Travel	\$225 daily limit for lodging and meals; more if costs exceed limit due to nature of travel or high cost of location. Same as 2006 plan and unchanged since 2002.	Subject to most current GSA daily per diem rates for meals and lodging.
Retirement Plan		
Participation	Same as 2006 plan and unchanged since 1990.	Mandatory enrollment.
Member Contribution	Same as 2006 plan and unchanged since 1971.	7% of salary.
Allowance	Same as 2006 plan and unchanged since 1994.	Same as 2010 plan and unchanged since 1994.
Maximum Allowance	Same as 2006 plan and unchanged since 1994.	Same as 2010 plan and unchanged since 1994.
Eligible for Allowance	Same as 2006 plan and unchanged since 1971.	Unchanged for members with creditable service prior to January 14, 2015. For members with no creditable service prior to January 14, 2015, normal retirement age was increased to 62 (same minimum length of service).
Transfer Credit to Other State Plans	Same as 2006 plan and unchanged since 1986.	Same as 2010 plan and unchanged since 1986.
Early Retirement	Same as 2006 plan and unchanged since 1990.	Unchanged for members with creditable service prior to January 14, 2015. For members with no creditable service prior to January 14, 2015, early retirement age was increased to 55 (with same minimum length of service and actuarial reduction per year under normal retirement age).

<u>Subject</u>	<u>Joint Resolution 4 of 2010 Regular Session</u>	<u>2014 GACC Resolution</u>
Retiree Health Benefit	Same as 2006 plan.	For members with creditable service prior to January 14, 2015, full retirement subsidy is reached after 16 years. For members with no creditable service prior to January 14, 2015, full retirement subsidy is reached after 20 years.
Survivor Benefit	Same as 2006 plan and unchanged since 2002.	Options changed to conform to IRS regulations.
Service Credit Purchase Allowed if Less than 8 Years	Same as 2006 plan and unchanged since 1971 plan.	Same as 2006 plan and unchanged since 1971 plan.
Disability Benefit	Same as 2006 plan and unchanged since 1994.	Same as 2006 plan and unchanged since 1994.
Military Service	Same as 2006 (no allowance for military service).	Same as 2010 (no allowance for military service).
Forfeiture of Retirement Benefits	Forfeiture of benefits based on conviction or entering a plea of <i>nolo contendere</i> to any crime committed during the member's term of office that is either a felony or certain misdemeanors.	Same as 2010 and unchanged since that time.

GACC: General Assembly Compensation Commission

*Lodging rate varies according to time of year. Low rate is in effect for the duration of the regular legislative session.

Source: Department of Legislative Services

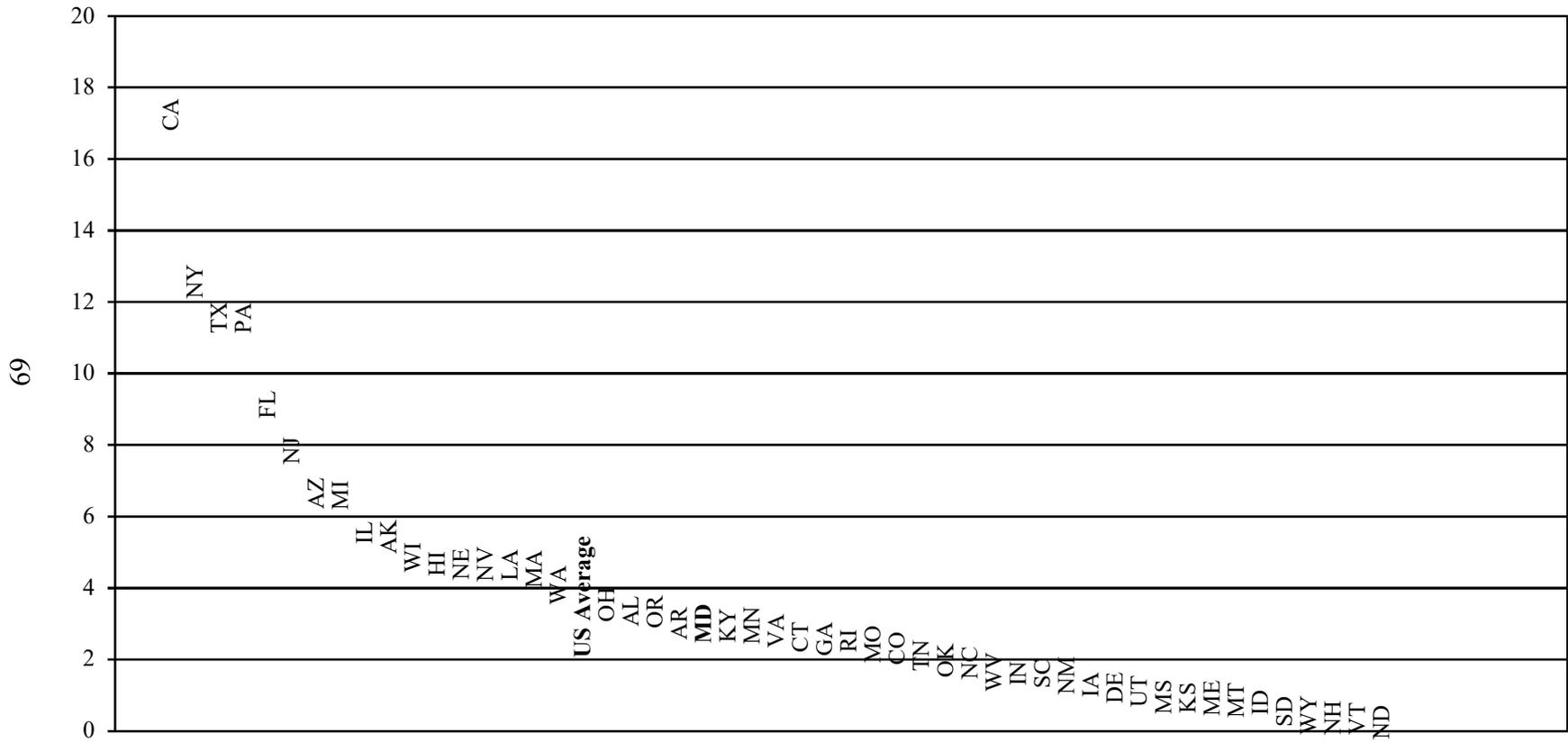
Exhibit 6
General Assembly of Maryland
Bills and Joint Resolutions
1987 through 2017 Regular Sessions

<u>Bills</u>	<u>Senate</u>		<u>House</u>		<u>Total</u>	
	<u>Introduced</u>	<u>Passed</u>	<u>Introduced</u>	<u>Passed</u>	<u>Introduced</u>	<u>Passed</u>
1987	1,075	363	1,593	510	2,668	873
1988	883	342	1,490	530	2,373	872
1989	910	353	1,627	576	2,537	929
1990	918	319	1,546	490	2,464	809
1991	848	301	1,331	474	2,179	775
1992	773	260	1,578	481	2,351	741
1993	921	289	1,627	453	2,548	742
1994	857	305	1,694	596	2,551	901
1995	868	301	1,393	477	2,261	778
1996	806	283	1,463	513	2,269	796
1997	915	354	1,470	537	2,385	891
1998	799	358	1,428	531	2,227	889
1999	795	333	1,219	497	2,014	830
2000	907	366	1,440	518	2,347	884
2001	901	352	1,464	575	2,365	927
2002	903	307	1,462	485	2,365	792
2003	774	252	1,185	377	1,959	629
2004	934	285	1,548	421	2,482	706
2005	1,018	350	1,614	476	2,632	826
2006	1,107	334	1,749	489	2,856	823
2007	1,037	346	1,443	452	2,480	798
2008	1,014	295	1,627	452	2,641	747
2009	1,073	343	1,581	456	2,654	799
2010	1,129	372	1,571	438	2,700	810
2011	998	319	1,355	388	2,353	707
2012	1,101	345	1,479	447	2,580	792
2013	1,075	322	1,535	443	2,610	765
2014	1,117	368	1,555	443	2,672	811
2015	942	297	1,292	385	2,234	682
2016	1,173	381	1,644	453	2,817	834
2017	1,200	408	1,661	527	2,861	935

<u>Joint Resolutions</u>	<u>Senate</u>		<u>House</u>		<u>Total</u>	
	<u>Introduced</u>	<u>Passed</u>	<u>Introduced</u>	<u>Passed</u>	<u>Introduced</u>	<u>Passed</u>
1987	44	11	69	14	113	25
1988	38	9	58	6	96	15
1989	31	7	32	15	63	22
1990	33	2	56	7	89	9
1991	16	1	28	4	44	5
1992	21	3	28	5	49	8
1993	15	3	35	3	50	6
1994	13	6	28	4	41	10
1995	11	3	22	7	33	10
1996	10	3	20	4	30	7
1997	17	3	28	5	45	8
1998	17	6	22	6	39	12
1999	11	6	24	7	35	13
2000	12	8	28	9	40	17
2001	16	4	27	10	43	14
2002	23	10	39	15	62	25
2003	13	10	20	0	33	0
2004	10	0	11	1	21	1
2005	11	0	13	0	24	0
2006	16	2	10	3	26	5
2007	9	1	6	2	15	2
2008	5	0	5	0	10	0
2009	12	1	9	0	21	1
2010	6	2	14	2	20	4
2011	6	0	11	1	17	1
2012	7	3	16	2	23	5
2013	5	0	3	0	8	0
2014	9	2	12	1	21	3
2015	6	0	8	0	14	0
2016	7	1	8	0	15	1
2017	8	3	10	2	18	5

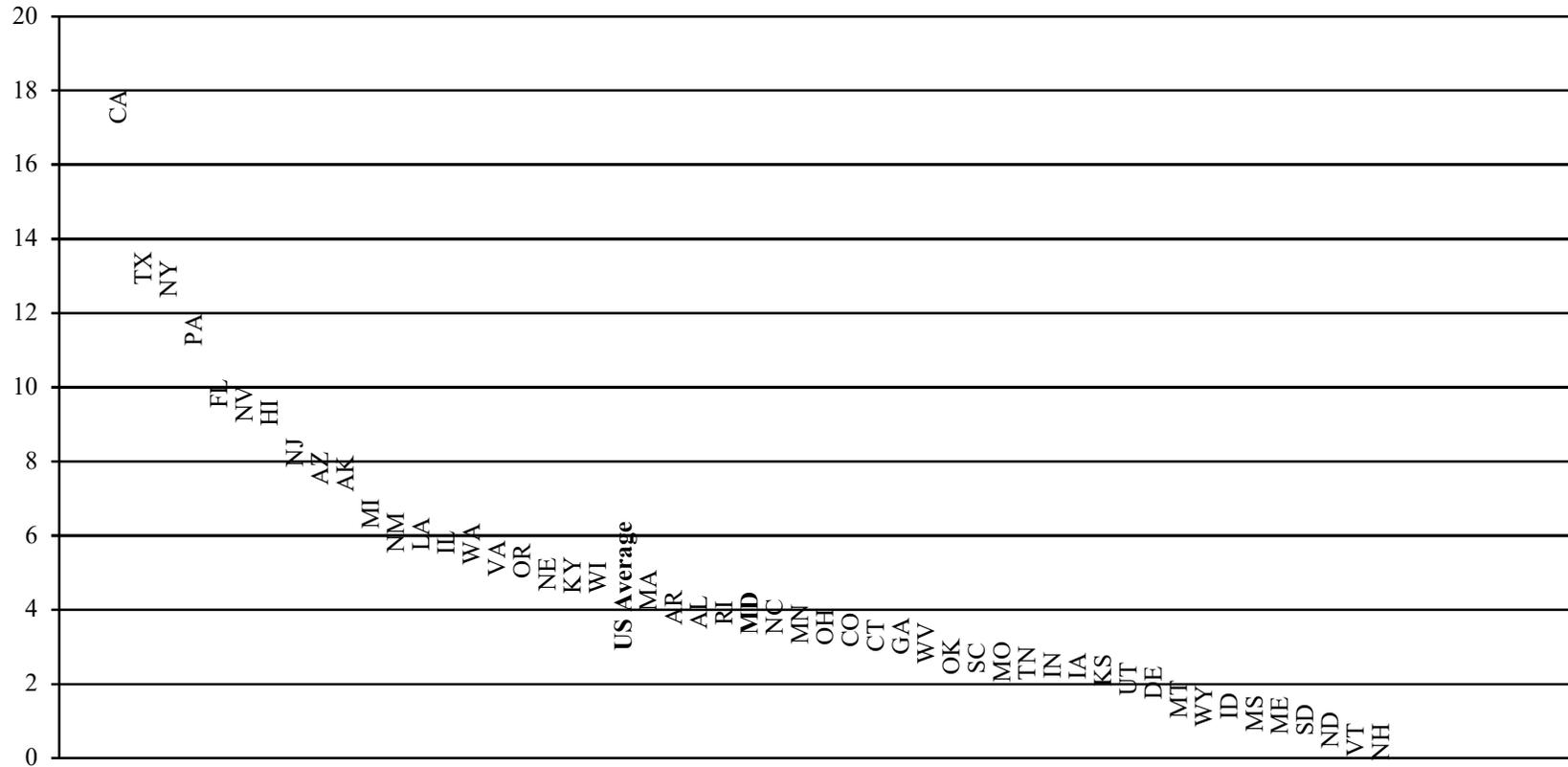
Source: Department of Legislative Services

Exhibit 8 Permanent Staff Per Legislator



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

**Exhibit 9
Total Legislative Staff Per Legislator**



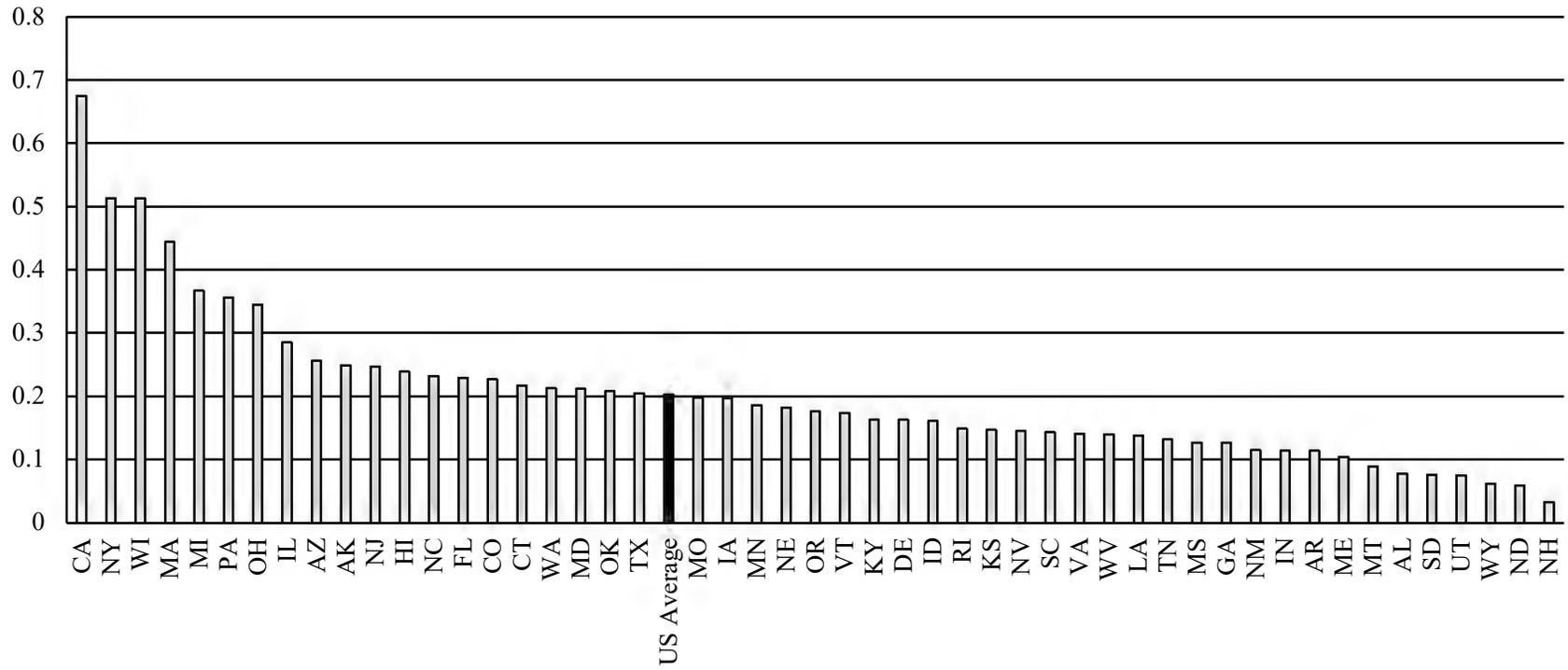
Source: National Conference of State Legislatures; Department of Legislative Services

Exhibit 10
Attributes of a Professional and Citizen Legislature

<u>Professionalization Component</u>	<u>Professionalized Legislature</u>	<u>Citizen Legislature</u>
Compensation and benefits	<ul style="list-style-type: none"> ● Increased incentive to serve, leading to longer tenure and more experience ● Increased ability to focus on legislative activities ● Attracts better qualified members 	<ul style="list-style-type: none"> ● Members spend more time in their community, not the capital ● Costs less to maintain legislative branch ● Attracts members who wish to commit to public service while maintaining other careers ● More turnover means less experience but more new ideas
Time demands of service	<ul style="list-style-type: none"> ● Reduced opportunities to pursue other employment and increased need for higher salary to compensate for lost income ● Increased opportunity to master legislative skills ● More time for policy development and deliberation 	<ul style="list-style-type: none"> ● Increased opportunity to pursue other employment and less need to compensate for lost income ● Need to manage time in session effectively ● Makes interim between sessions available for study of issues and legislative oversight
Staff and resources	<ul style="list-style-type: none"> ● Increased ability of members to influence policymaking process ● Increased job satisfaction ● Enhanced reelection prospects 	<ul style="list-style-type: none"> ● Primary reliance on central, nonpartisan staff ● Staffing is more efficient and cost-effective ● Requires members to conduct own constituent service and correspondence ● Reduced incumbency advantage in elections. No need for year-round offices in capital

Source: Peverill Squire and Gary Moncrief, *State Legislatures Today: Politics Under the Domes*, page 76

Exhibit 11
State Legislative Professionalism
2003



Note: Ranking is based on legislator pay, number of days in session, and staff per legislator compared to the same characteristics in the U.S. Congress in the same year where 1.0 ranks as perfectly comparable and 0.0 represents no resemblance.

Source: Peverill Squire; Measuring State Legislative Professionalism: The Squire Index Revisited; *State Politics and Policy Quarterly*, Summer 2007

Exhibit 12
Legislators – National and Maryland
Professional Backgrounds

<u>Occupation</u>	<u>Maryland</u>	<u>National</u>
Business (Owner, Executive, Nonexecutive)	27%	29%
Law	20%	14%
Full-time Legislator	12%	11%
Consulting	9%	8%
Education	9%	6%
Retired	4%	8%
Other (9 Different Occupational Categories None with More Than 5% Nationally)	21%	22%

NCSL: National Conference of State Legislatures

Source: National Conference of State Legislatures (downloaded from NCSL website May 2017) based on 2015 self-reported data

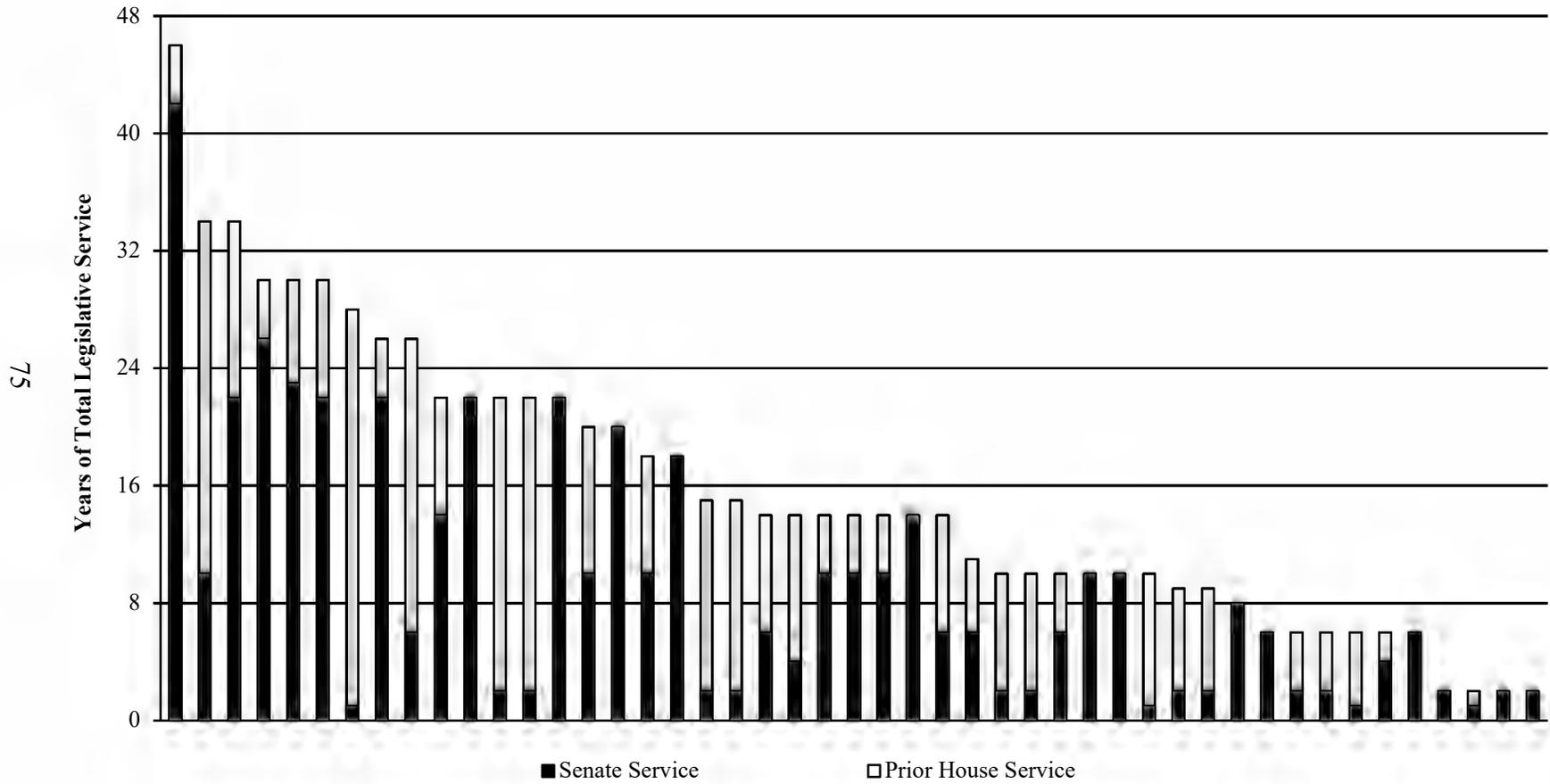
Exhibit 13
Legislators Continued in Office
Election Year Turnover
1974-2014

Election Year	Senate		House		Total		Less House to Senate	Net	% of Total
	No. of Chgs.	% of Total	No of Chgs.	% of Total	No. of Chgs.	% of Total			
1974	19	40.4%	63	44.7%	82	43.6%	9	73	38.8%
1978	11	23.4%	54	38.3%	65	34.6%	7	58	30.9%
1982	17	36.2%	50	35.5%	67	35.6%	9	58	30.9%
1986	8	17.0%	41	29.1%	49	26.1%	7	42	22.3%
1990	10	21.3%	35	24.8%	45	23.9%	5	40	21.2%
1994	20	42.6%	60	42.6%	80	42.6%	10	70	37.2%
1998	7	14.9%	30	21.3%	37	19.7%	3	34	18.1%
2002	11	23.4%	47	33.3%	58	30.9%	6	52	27.7%
2006	11	23.4%	42	29.8%	53	28.2%	4	49	26.1%
2010	10	21.3%	29	20.6%	39	20.7%	7	32	17.0%
2014	10	21.3%	58	41.1%	68	36.2%	7	61	32.4%

Note: Of the 58 House changes in 2014, 12 involved legislators who ran for the Senate of whom 7 were elected.

Source: Department of Legislative Services

Exhibit 14
Current Senate Members Total Legislative Service



Source: Department of Legislative Services

Exhibit 15
Current House Members Total Legislative Service

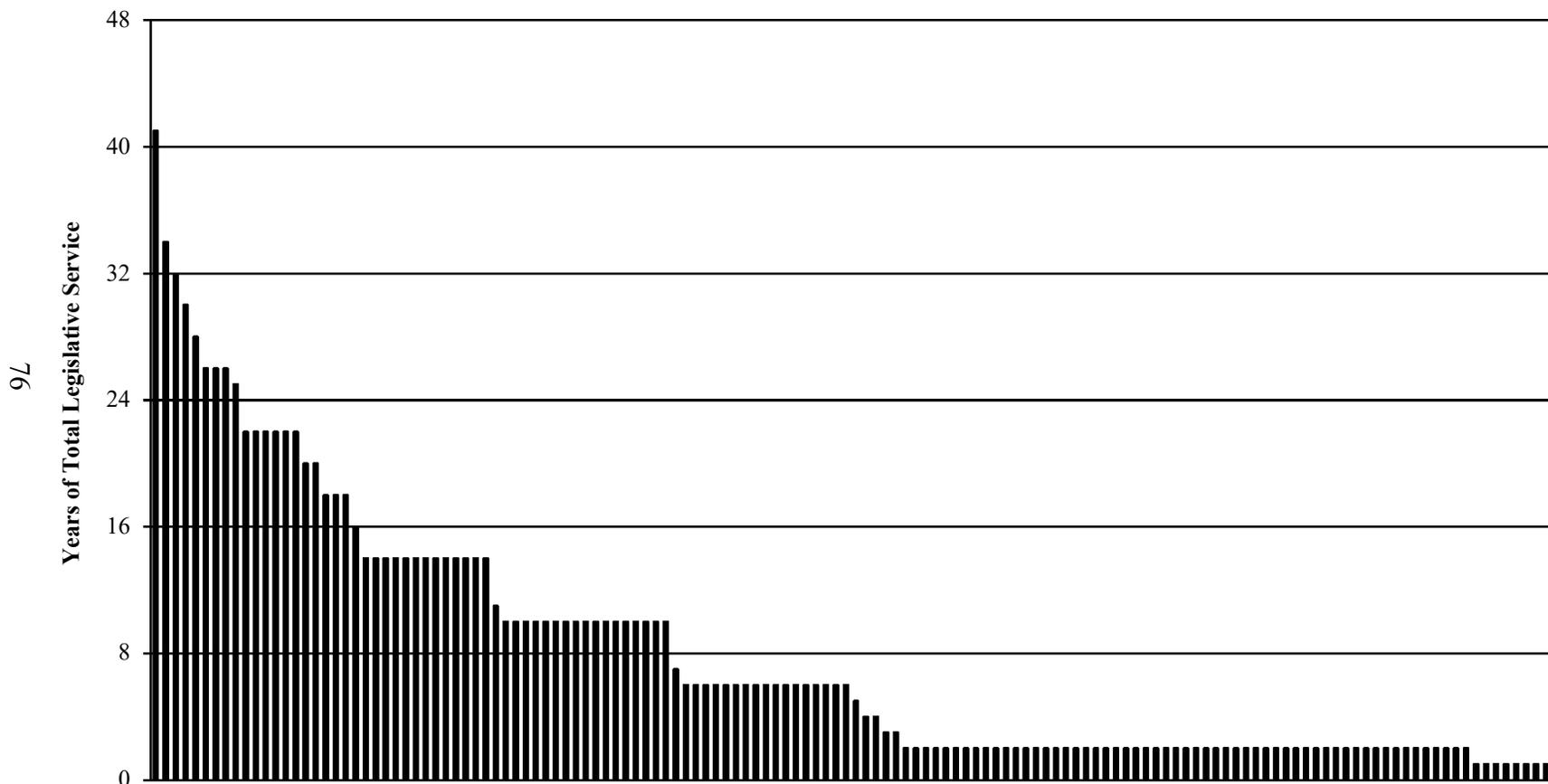


Exhibit 16
2017 Legislative Salary and Session Characteristics

State	Salary	Length of Terms (in Years)		Session Legal Limit	Notes
		Senate	House		
California	\$104,118	4	2	Varies by year	Increase in salary since 2013
Pennsylvania	86,479	4	2	None	Increase in salary since 2013
New York	79,500	2	2	None	
Michigan	71,685	4	2	None	
Illinois	67,836	4	2	None	
Massachusetts	62,548	2	2	None	Increase in salary since 2013
Hawaii	61,380	4	2	60L	Increase in salary since 2013
Ohio	60,584	4	2	None	
Wisconsin	50,950	4	2	None	Increase in salary since 2013
Alaska	50,400	4	2	90C	
New Jersey	49,000	4	2	None	
Maryland	48,622	4	4	90C	Increase in salary since 2013
Washington	47,776	4	2	Varies by year	Increase in salary since 2013
Delaware	45,291	4	2	End by June 30	Increase in salary since 2013
Minnesota	45,000	4	2	120L per biennium	Increase in salary since 2013
Alabama	44,765	4	4	30L	Change from daily rate to salary (pegged to median annual household income) since 2013
Arkansas	39,400	4	2	Varies by year	Increase in salary since 2013
Oklahoma	38,400	4	2	Last Friday in May	
Missouri	35,915	4	2	End by May 30	
Colorado	30,000	4	2	120C	
Florida	29,697	4	2	60C	
Connecticut	28,000	2	2	Varies by year	
Indiana	25,436	4	2	Varies by year	Increase in salary since 2013
Iowa	25,000	4	2	Varies by year	
Oregon	24,216	4	2	Varies by year	Increase in salary since 2013
Arizona	24,000	2	2	Saturday of week after 100C	
Tennessee	22,667	4	2	90L	Increase in salary since 2013
West Virginia	20,000	4	2	60C	
Virginia		4	2	Varies by year	
Senate	18,000				
House	17,640				

State	Salary	Length of Terms (in Years)		Session Legal Limit	Notes
		Senate	House		
Georgia	17,342	2	2	40L	
Idaho	17,017	2	2	None	Increase in salary since 2013
Louisiana	16,800	4	4	Varies by year	
Rhode Island	15,430	2	2	None	Increase in salary since 2013
Maine		2	2	Varies by year	Increase in salary since 2013
First Session	14,271				
Second Session	10,158				
North Carolina	13,951	2	2	None	
Nebraska	12,000	4		Varies by year	
South Carolina	10,400	4	2	First Thursday in June	
Mississippi	10,000	4	4	Varies by year	
Texas	7,200	4	2	140C biennial	
South Dakota	6,000	2	2	40L	
New Hampshire	100	2	2	45L or July 1	
New Mexico	0	4	2	Varies by year	
Utah	273/day	4	2	45C	
Kentucky	188/day	4	2	Varies by year	
North Dakota	177/day	4	4	80L biennial	Increase in daily rate since 2013
Nevada	151/day	4	2	120C biennial	Increase in daily rate since 2013 (for members elected in 2017; \$146 for others)
Wyoming	150/day	4	2	Varies by year	
Vermont	707/week	2	2	None	Increase in daily rate since 2013
Montana	91/day	4	2	90L biennial	Increase in daily rate since 2013
Kansas	89/day	4	2	Varies by year	

Key: L – Legislative Day

C – Calendar Day

Varies by year – Typically these states alternate between one longer and one shorter session or have a longer session following a gubernatorial election year.

Note: States with legislatures that are generally considered full-time or lean toward full-time are shaded; Nebraska's legislature is unicameral.

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

Exhibit 17
Relative Standing of Legislative Salaries

State	2017		2013		2009		2006		2002		2013-2017
	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary	Rank	Salary Change
California	\$104,118	1	\$90,526	1	\$116,208	1	\$110,800	1	\$99,000	1	15.0%
Pennsylvania	86,479	2	83,801	2	78,315	4	69,647	4	61,890	4	3.2%
New York	79,500	3	79,500	3	79,500	3	79,500	3	79,500	2	0.0%
Michigan	71,685	4	71,865	4	79,650	2	79,650	2	77,400	3	0.0%
Illinois	67,836	5	67,836	5	67,836	5	55,788	6	55,788	5	0.0%
Massachusetts	62,548	6	60,033	7	61,440	6	53,380	7	50,123	7	4.2%
Hawaii	61,380	7	46,273	11	48,708	10	35,000	13	32,000	13	32.7%
Ohio	60,584	8	60,584	6	60,584	7	56,261	5	51,674	6	0.0%
Wisconsin	50,950	9	49,943	9	49,943	8	45,569	9	44,333	8	2.0%
Alaska	50,400	10	50,400	8	24,012	21	24,012	20	24,012	20	0.0%
New Jersey	49,000	11	49,000	10	49,900	9	49,000	8	35,000	10	0.0%
Maryland	48,622	12	43,500	13	43,500	11	43,500	10	31,509	15	11.8%
Washington	47,776	13	42,106	14	42,106	13	34,227	14	32,064	12	13.5%
Delaware	45,291	14	44,041	12	42,750	12	39,785	11	33,400	11	2.8%
Minnesota	45,000	15	31,141	17	31,141	16	31,141	16	31,141	16	44.5%
Alabama	44,765	16									n/a
Arkansas	39,400	17	15,869	31	15,362	31	13,751	34	12,679	34	148.3%
Oklahoma	38,400	18	38,400	15	38,400	14	38,400	12	38,400	9	0.0%
Missouri	35,915	19	35,915	16	35,915	15	31,351	15	31,351	14	0.0%
Colorado	30,000	20	30,000	18	30,000	18	30,000	17	30,000	17	0.0%
Florida	29,697	21	29,697	19	30,336	17	29,916	18	27,900	19	0.0%
Connecticut	28,000	22	28,000	20	28,000	19	28,000	19	28,000	18	0.0%
Indiana	25,436	23	22,616	23	22,616	23	11,600	34	11,600	33	12.5%
Iowa	25,000	24	25,000	21	25,000	20	21,381	22	20,758	22	0.0%
Oregon	24,216	25	22,260	24	21,612	24	16,284	27	15,396	28	8.8%

State	2017		2013		2009		2006		2002		2013-2017
	Salary	Rank	Salary Change								
Arizona	24,000	26	24,000	22	24,000	22	24,000	21	24,000	21	0.0%
Tennessee	22,667	27	19,009	26	19,009	26	16,500	26	16,500	25	0.0%
West Virginia	20,000	28	20,000	25	20,000	25	15,000	29	15,000	29	0.0%
Virginia											
Senate	18,000		18,000		18,000		18,000		18,000		0.0%
House	17,640	29	17,640	27	17,640	27	17,640	23	17,640	23	0.0%
Georgia	17,342	30	17,342	28	17,342	28	16,524	25	16,200	26	0.0%
Idaho	17,017	31	16,438	30	16,116	30	15,646	28	15,646	27	3.5%
Louisiana	16,800	32	16,800	29	16,800	29	16,800	24	16,800	24	0.0%
Rhode Island	15,430	33	14,640	32	13,089	34	12,646	32	11,236	34	5.4%
Maine	14,271	34	13,852	34	13,526	33	11,384	35	10,815	35	3.0%
North Carolina	13,951	35	13,951	33	13,951	32	13,951	31	13,951	31	0.0%
Nebraska	12,000	36	12,000	35	12,000	35	12,000	33	12,000	32	0.0%
South Carolina	10,400	37	10,400	36	10,400	36	10,400	36	10,400	36	0.0%
Mississippi	10,000	38	10,000	37	10,000	37	10,000	37	10,000	37	0.0%
Texas	7,200	39	7,200	38	7,200	38	7,200	38	7,200	38	0.0%
South Dakota	6,000	40	6,000	39	6,000	39	6,000	39	6,000	39	0.0%
New Hampshire	100	41	100	40	100	40	100	40	100	40	0.0%
New Mexico	0	42	0	41	0	41	0	41	0	41	0.0%

n/a: not applicable

Note: Data is for those states with annual salaries only as opposed to daily or weekly allowances; data for Maine is for the first session of the term (the longest/highest paid term).

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

Exhibit 18
Legislative Salaries in States with
Combined Operating and Capital Budgets within \$6 Billion of Maryland's
Combined Budget

<u>State</u>	<u>Budget⁽¹⁾</u> <u>(\$ in Billions)</u>	<u>Legislative Salary⁽²⁾</u>
Georgia	\$45.0	\$17,342
North Carolina	43.8	13,951
Washington	40.1	47,776
Maryland	39.9	48,622
Arizona	38.8	24,000
Oregon	37.2	24,216
Minnesota	35.8	31,141
Colorado	34.4	30,000

⁽¹⁾ Based on actual fiscal 2015 data.

⁽²⁾ 2017 session.

Note: Of those states with legislative salaries higher than Maryland, only two have smaller combined operating and capital budgets (Alaska and Hawaii).

Source: National Association of State Budget Officers, *Fiscal 2014-2016 State Expenditure Report*; National Conference of State Legislatures; Department of Legislative Services

Exhibit 19
Summary of Recent State Employee and
General Assembly Member Salary Changes
Fiscal 2003-2018

<u>Fiscal Year</u>	<u>State Employees</u>		<u>General Assembly Members</u>	
	<u>Cost-of-living Increase</u>	<u>Increments</u>	<u>Salary⁽⁴⁾</u>	<u>Salary Increase Over Previous Year</u>
2003	None	No	\$34,500	9.5%
2004	None	No	37,500	8.7%
2005	752	Yes	40,500	8.0%
2006	1.5%	Yes	43,500	7.4%
2007	2.0% with \$900 floor and \$1,400 ceiling	Yes	43,500	None
2008	2.0%	Yes	43,500	None
2009	0.5% ⁽¹⁾	Yes	43,500	None
2010	None ⁽²⁾	No	43,500	None
2011	None ⁽³⁾	No	43,500	None
2012	None	No	43,500	None
2013	2.0% on 1/1/2013	No	43,500	None
2014	3.0% on 1/1/2014	On 4/1/2014	43,500	None
2015	2.0% on 1/1/15	Yes	45,207	3.9%
2016	2.0%	No	46,915	3.8%
2017	None	Yes	48,622	3.6%
2018	None	No	50,330	3.5%

⁽¹⁾ A 2% cost-of-living increase was included in the fiscal 2009 budget. However, a furlough for State employees by Executive Order 01.01.2008.20 on December 16, 2008, reduced employee salaries by an average of approximately 1.5%. General Assembly members are constitutionally exempt from furloughs.

⁽²⁾ No cost-of-living increase was included in the fiscal 2010 budget. A furlough for State employees by Executive Order 01.01.2009 in August 2009 resulted in an average salary reduction of approximately 2.5% of fiscal 2010 levels. General Assembly members are constitutionally exempt from furloughs.

⁽³⁾ No cost-of-living increase was included in the fiscal 2011 budget. A furlough for State employees by Executive Order 01.01.2010.11 in May 2010 resulted in an average salary reduction of approximately 2.5%. General Assembly members are constitutionally exempt from furloughs.

⁽⁴⁾ Calendar years.

Source: Department of Legislative Services, June 2017

Exhibit 20
General Salary Increases, Increments, and Other Compensation
Fiscal 2003-2018

State Employees

<u>Fiscal Year</u>	<u>Date of Increase</u>	<u>General Salary Increase</u>	<u>Increments</u>	<u>Police, Natural Resources Police, and Park Ranger Salary Increases</u>	<u>Maximum Deferred Compensation Match by State</u>	<u>Pay-for-performance Bonuses</u>	<u>Annual Salary Review Reclassifications</u>	<u>Other</u>
2003		None	None		\$500	None	None	
2004		None	None		None	None	None	
2005	7/1/2004	\$752	On time		None	None	Yes ⁽¹⁾	
2006	7/1/2005	1.5%	On time		\$400	None	Yes ⁽²⁾	
2007	7/1/2006	\$900, \$1,400, or 2.0% ⁽³⁾	On time	2.0% extra, 9.0% extra for State police (primarily DGS and DHMH officers)	\$600	None	Yes ⁽⁴⁾	2 steps on standard salary schedule; 1 step on the physician's salary schedule
2008	7/1/2007	2.0%	On time		\$600	None	None	
2009	7/1/2008	0.5% ⁽⁵⁾	On time		\$600	None	Yes ⁽⁶⁾	2-5-day furlough enacted ⁽⁷⁾
2010		None	None		\$0	None	None	3-1-day furlough enacted ⁽⁸⁾
2011		None	None		\$0	None	None	3-10-day furlough enacted ⁽⁹⁾
2012		None	None	Negotiated increments	\$0	\$750 bonus ⁽¹⁰⁾	None	Furloughs ended
2013	1/1/2013	2.0%	None		\$0	None	Yes ⁽¹¹⁾	
2014	1/1/2014	3.0%	4/1/2014	Negotiated increments	\$0	None	Yes ⁽¹²⁾	
2015	1/1/2015	2.0%	On time	Negotiated increments	\$0	None	Yes ⁽¹³⁾	
2016	7/1/2015	2.0%	None		\$0	None	Yes ⁽¹⁴⁾	
2017		None	On time	Negotiated increments	\$0	None	Yes ⁽¹⁵⁾	
2018		None	None	Negotiated increments	\$0	None	None	

DGS: Department of General Services
DHMH: Department of Health and Mental Hygiene

- (1) The fiscal 2005 annual salary review (ASR) provided upgrades for public defenders, social services attorneys, assistant general counsels (human relations), assistant State prosecutors, direct service workers in the Department of Juvenile Services, property assessors, laboratory scientists, administrative law judges, and banking financial examiners.
- (2) The fiscal 2006 ASR provided a one-grade salary adjustment for the Deputy State Fire Marshal classification series.
- (3) Fiscal 2007 general salary increases are \$900 for employees making less than \$45,000 at the end of fiscal 2006, \$1,400 for employees making \$70,000 or more, and 2% for those remaining.
- (4) The fiscal 2007 ASR provided reclassifications and other enhancements for correctional officers and correctional support personnel, registered nurses, licensed practical nurses, direct care assistants, forensic scientists, institutional educators, administrative law judges, and teachers' aides.
- (5) A 2.0% cost-of-living increase was included in the fiscal 2009 budget. However, a furlough for State employees by Executive Order 01.01.2008.20 on December 16, 2008, reduced employee salaries by an average of approximately 1.5%. General Assembly members are constitutionally exempt from furloughs.
- (6) The fiscal 2009 ASR provided reclassifications and other enhancements for scientists, investigators, engineers, public defender intake specialists, veteran services, cemetery workers, call center specialists, complex tax auditors, tax consultants, retirement benefits counselors, medical care specialists, dental workers, financial regulators, deputy fire marshals, lead aviation maintenance technicians, police communications operators, and civilian helicopter pilots.
- (7) State employee salaries were reduced through furlough in fiscal 2009 by Executive Order 01.01.2008.20 in December 2008. The salaries for employees earning \$40,000 were reduced by the value of two days' salary; those earning between \$40,000 and \$59,999 were reduced by the value of four days' salary; and those earning \$60,000 or above were reduced by five days' salary. Public safety positions required to maintain 24/7 facilities were exempted from the action. The result was an average salary reduction of approximately 1.5%.
- (8) State employee salaries were reduced through furloughs and salary reductions in fiscal 2010 by Executive Order 01.01.2009.11 in August 2009. All employees are subject to a temporary salary reduction of five salary days, while non-24/7 employees with salaries between \$40,000 and \$49,999 are furloughed for an additional three days, those between \$50,000 and \$99,999 for an extra four days; and those earning over \$100,000 are furloughed for an additional five days. The result was an average salary reduction of approximately 2.6%.
- (9) State employee salaries were reduced through furloughs and salary reductions in fiscal 2011 by Executive Order 01.01.2010.11 in May 2010. The structure mirrors the fiscal 2010 program.
- (10) The fiscal 2012 budget provided employees with a one-time \$750 bonus.
- (11) The fiscal 2013 ASR provided upgrades to the following classifications: contribution tax auditors, Maryland correctional enterprise industries representative I and II, and regional managers. Two new classes were also created – nutrient management specialist III and forensic behavioral specialists.
- (12) The fiscal 2014 ASR provided one grade for the following classifications: emergency medical services' communication officer staff; State Department of Assessment and Taxation assessors; personnel classifications at the Maryland Department of Health (MDH), the Department of Human Services, and the Department of Public Safety and Correctional Services (DPSCS); and civilian fixed wing pilots, aviation technicians, and inspectors at the Department of State Police. Parole and probation agents at DPSCS that are an agent 1, receive a one-grade increase, agent II and senior currently at base, step 1 or step 2 are moved up to step 3. Personnel officers in the employee relations function at the Department of Budget and Management (DBM) are moved into four-level class series.

⁽¹³⁾ The fiscal 2015 ASR provided one grade for the following classifications: psychologist positions statewide, DBM operating and capital analysts; park technicians at the Department of Natural Resources; direct care workers and geriatric assistants at MDH; psychiatrists, alcohol and drug counselors, and criminal justice social workers at DPSCS; and loan writers at the Department of Housing and Community Development. The ASR also included funds to provide equity for the planning series at the Department of Planning and MDH and a \$3,000 hire bonus and a \$3,000 retention bonus for registered nurses at MDH.

⁽¹⁴⁾ The fiscal 2016 ASR provided a one grade increase to wage and hour investigators and administrators at the Employment Standards and Prevailing Wage Programs at the Department of Labor, Licensing, and Regulation.

⁽¹⁵⁾ The fiscal 2017 ASR provided for step increases for building security officers; a one grade increase for Department of General Services procurement officers; salary parity with detective for the warrant apprehension job series at DPSCS; step increases for Department of Housing and Urban Development fiscal staff; and polygraph operators at the Department of State Police and DPSCS.

Source: Department of Budget and Management; Department of Legislative Services

Exhibit 21
Salaries of Selected Maryland State Officials
Fiscal 2011-2018

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>% Change</u> <u>2011-2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u> <u>2015-2018</u>
Constitutional Officers										
Governor	\$150,000	\$150,000	\$150,000	\$150,000	0.00%	\$150,000	\$156,000	\$175,000	\$180,000	20.00%
Lieutenant Governor	125,000	125,000	125,000	125,000	0.00%	125,000	137,500	145,000	149,500	19.60%
Attorney General	125,000	125,000	125,000	125,000	0.00%	125,000	137,500	145,500	149,500	19.60%
Comptroller	125,000	125,000	125,000	125,000	0.00%	125,000	137,500	145,500	149,500	19.60%
Treasurer	125,000	125,000	125,000	125,000	0.00%	125,000	137,500	145,500	149,500	19.60%
Secretary of State	87,500	87,500	87,500	87,500	0.00%	87,500	96,500	102,500	105,500	20.57%
Deputy Constitutional Officers										
Attorney General	\$143,270	\$143,270	\$143,270	\$146,136	2.00%	\$150,521	\$153,532	\$153,532	\$153,532	2.00%
Comptroller	154,235	154,235	154,235	157,320	2.00%	139,407	142,196	154,152	154,152	10.58%
Treasurer	127,762	127,762	136,706	139,441	9.14%	143,625	153,532	153,532	153,532	6.90%
Judiciary										
Judge, Court of Appeals	\$162,352	\$162,352	\$162,352	\$166,908	2.81%	\$171,600	\$176,433	\$176,433	\$176,433	2.82%
Chief Judge Court of Appeals	181,353	181,353	181,353	185,908	2.51%	190,600	195,433	195,433	195,433	2.54%
Judge, Special Appeals	149,552	149,552	149,552	154,108	3.05%	158,800	163,633	163,633	163,633	3.04%
Chief Judge Ct. Spec. Appeals	152,552	152,552	152,552	157,108	2.99%	161,900	166,633	166,633	166,633	2.92%
Judge, Circuit Court	140,352	140,352	140,352	144,908	3.25%	149,600	154,433	154,433	154,433	3.23%
Judge, District Court	127,252	127,252	127,252	131,108	3.03%	136,500	141,333	141,333	141,333	3.54%
Chief Judge, District Court	149,552	149,552	149,552	154,108	3.05%	158,800	163,633	163,633	163,633	3.04%

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>% Change 2011-2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>% Change 2015-2018</u>
Cabinet Secretaries										
Superintendent of Schools	\$195,000	\$195,000	\$195,000	\$210,000	7.69%	\$210,000	\$210,000	\$210,000	\$236,000	12.38%
Aging	124,848	124,848	124,848	127,345	2.00%	131,166	140,506	137,749	137,749	5.02%
Planning	124,848	124,848	124,848	127,345	2.00%	131,166	140,506	137,749	137,749	5.02%
Veterans	101,490	101,490	101,490	106,174	4.62%	109,360	114,600	114,555	114,555	4.75%
Budget and Management	166,082	166,082	166,082	169,404	2.00%	174,487	177,977	177,906	177,906	1.96%
General Services	138,374	138,374	138,374	141,142	2.00%	145,377	153,532	146,743	149,678	2.96%
Transportation	166,082	166,082	166,082	169,404	2.00%	174,487	177,977	177,908	177,908	1.96%
Natural Resources	148,778	148,778	148,778	151,754	2.00%	154,733	162,563	162,499	162,499	5.02%
Agriculture	130,050	130,050	130,050	132,651	2.00%	136,631	146,360	143,488	143,488	5.02%
Health	166,082	166,082	166,082	169,404	2.00%	174,487	177,977	174,417	174,417	-0.04%
Human Services	159,000	142,800	154,820	157,917	-0.68%	162,655	174,237	170,818	170,818	5.02%
Labor, Licensing, and Reg.	143,270	155,941	158,974	153,000	6.79%	157,590	165,281	165,215	165,215	4.84%
Public Safety	166,082	166,082	166,082	169,404	2.00%	174,487	162,318	162,254	162,254	-7.01%
Higher Education Commission	154,194	154,194	110,356	145,350	-5.74%	149,711	159,433	160,710	160,710	7.35%
Housing	148,778	148,778	148,778	151,754	2.00%	156,307	159,433	156,245	156,245	-0.04%
Commerce	155,000	155,000	155,000	158,100	2.00%	167,078	177,977	175,462	175,462	5.02%
Environment	135,252	115,356	141,026	143,847	6.35%	148,163	158,713	155,599	155,599	5.02%
Juvenile Services	156,060	156,060	150,162	153,166	-1.85%	157,761	168,994	169,059	169,059	7.16%
State Police	166,082	166,082	155,000	158,100	-4.81%	162,843	171,083	171,015	171,015	5.02%

Source: Budget Bill Executive Pay Plan for Cabinet Secretaries, adjusted for Constitutional Officers and Judiciary when compensation commissions have met after session

Exhibit 22
Local Legislative Salaries
Fiscal 2018

<u>County</u>	<u>County Council or Commissioners</u>	<u>President, County Board/Council, or Commissioner</u>
Allegany	\$32,639	\$33,765
Anne Arundel	36,000	40,500
Baltimore City	67,756	116,490
Baltimore	62,500	70,000
Calvert	42,000	44,500
Caroline	15,000	16,000
Carroll	45,000	45,000
Cecil	25,000	25,000
Charles	48,000	58,000
Dorchester	16,000	17,000
Frederick	22,500	22,500
Garrett	32,500	32,500
Harford	36,513	41,146
Howard	62,985	66,485
Kent	20,000	20,000
Montgomery	128,519	141,371
Prince George's	117,347	123,214
Queen Anne's	25,000	25,000
St. Mary's	39,152	44,303
Somerset	15,000	17,000
Talbot	14,400	15,400
Washington	30,000	33,000
Wicomico	16,000	18,000
Worcester	26,000	26,000
Median	\$32,570	\$33,383

Source: Maryland Association of Counties

Exhibit 23
City and County Council Salaries
Fiscal 2006-2018

	<u>2006</u>	<u>2010</u>	<u>2014</u>	<u>2018</u>	<u>% Change 2014-2018</u>
Anne Arundel County					
Member	\$36,000	\$36,000	\$36,000	\$36,000	0.0%
Chairman	40,500	40,500	40,500	40,500	0.0%
Baltimore City					
Member	48,000	58,425	61,383	67,756	10.4%
President	88,000	100,450	105,535	116,490	10.4%
Baltimore County					
Member	45,000	54,000	54,000	62,500	15.7%
Chairman	50,000	60,000	60,000	70,000	16.7%
Harford County					
Member	31,000	34,205	36,210	37,513	3.6%
Chairman	34,000	37,205	39,718	41,146	3.6%
Howard County					
Member	33,800	52,892	54,600	62,985	15.4%
Chairman	34,800	53,892	55,600	66,485	19.6%
Montgomery County					
Member	76,654	94,353	104,022	128,519	23.5%
Chairman	84,320	103,786	114,425	141,371	23.5%
Prince George's County					
Member	73,000	97,087	102,486	117,347	14.5%
Chairman	78,000	102,087	107,486	123,214	14.6%

Source: Maryland Association of Counties

Exhibit 24
Mayor and County Executive Salaries
Fiscal 2006-2018 Period

	<u>2006</u>	<u>2010</u>	<u>2014</u>	<u>2018</u>	<u>% Change 2014-2018</u>
Anne Arundel County	\$105,612	\$130,000	\$130,000	\$139,000	6.9%
Baltimore City	125,000	151,700	159,380	175,926	10.4%
Baltimore County	125,000	150,000	150,000	175,000	16.7%
Cecil ⁽¹⁾			98,000	98,000	0.0%
Frederick ⁽²⁾				95,000	n/a
Harford County	90,000	99,317	105,136	134,677	28.1%
Howard County	136,717	158,675	163,482	180,492	10.4%
Montgomery County	158,285	175,000	180,250	192,769	6.9%
Prince George's County	135,000	174,539	180,474	209,998	16.4%
Wicomico ⁽³⁾		85,000	85,000	85,000	0.0%

⁽¹⁾ The first County Executive in Cecil County was elected in November 2012 and started in December 2012. The first full year of salary data is available starting in fiscal 2014.

⁽²⁾ The first County Executive in Frederick County was elected in November 2014 and started in December 2014. The first full year of salary data is available starting in fiscal 2016.

⁽³⁾ The first County Executive in Wicomico County was elected in November 2006 and started in December 2006. The first full year of salary data is available starting in fiscal 2008.

Source: Maryland Association of Counties

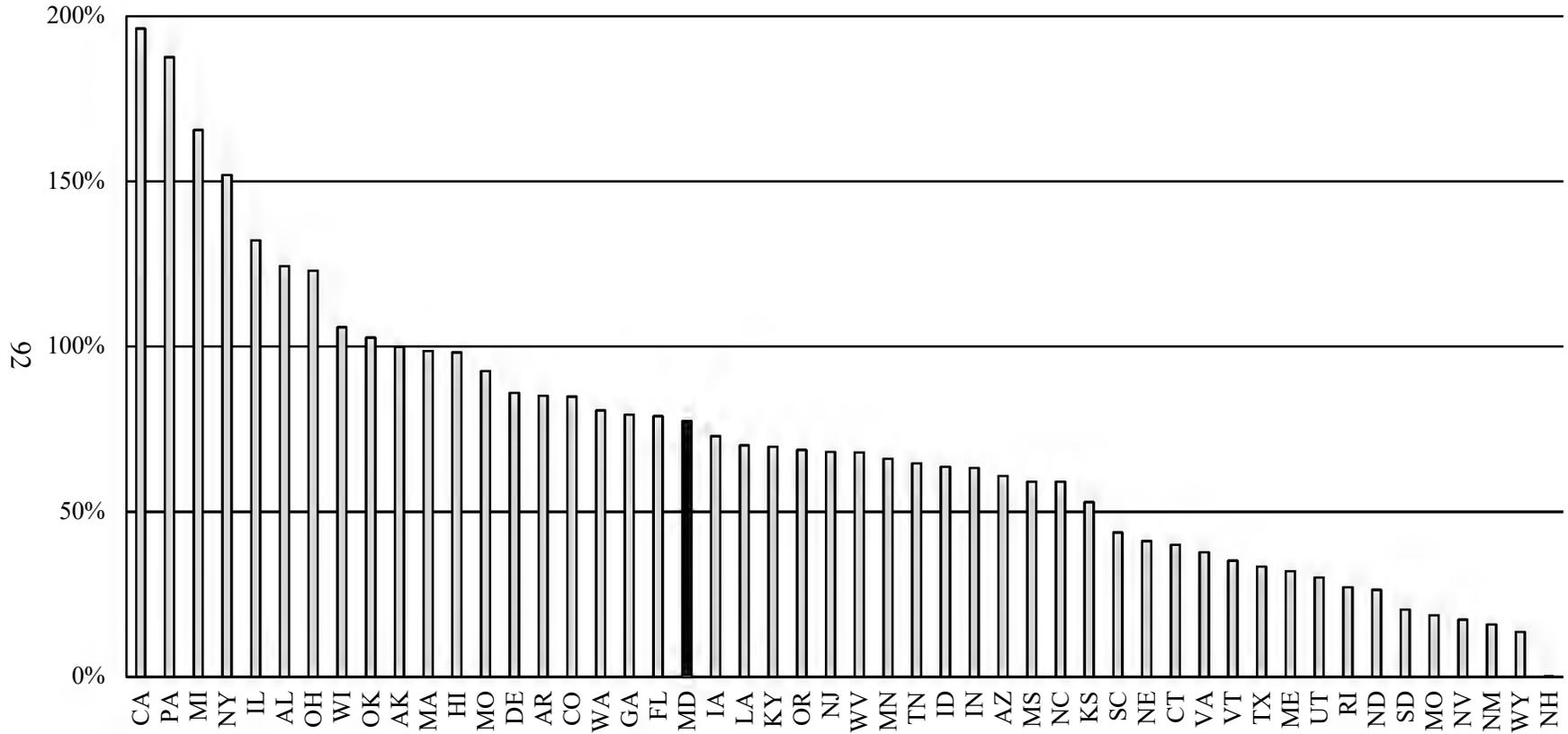
Exhibit 25
Income Levels for Maryland's Jurisdictions
Calendar 2016 Median Household Income and
Per Capita Personal Income

<u>County</u>	<u>Median Household</u>	<u>Percent of State</u>	<u>Rank</u>	<u>Per Capita Personal</u>	<u>Percent of State</u>	<u>Rank</u>
Allegany	\$45,606	57.8%	22	\$38,372	66.1%	23
Anne Arundel	96,483	122.2%	4	62,404	107.5%	4
Baltimore City	47,350	60.0%	21	47,040	81.0%	15
Baltimore	72,764	92.2%	13	56,273	96.9%	9
Calvert	98,732	125.1%	3	57,688	99.4%	6
Caroline	48,960	62.0%	19	43,187	74.4%	19
Carroll	90,343	114.4%	6	57,687	99.4%	7
Cecil	74,221	94.0%	12	44,165	76.1%	17
Charles	95,735	121.3%	5	53,593	92.3%	13
Dorchester	44,949	56.9%	23	42,404	73.0%	21
Frederick	90,043	114.1%	7	56,072	96.6%	10
Garrett	47,478	60.1%	20	41,539	71.6%	20
Harford	84,175	106.6%	8	54,232	93.4%	12
Howard	120,941	153.2%	1	71,869	123.8%	2
Kent ¹	55,028	69.7%	15	54,641	94.1%	11
Montgomery	99,763	126.4%	2	80,967	139.5%	1
Prince George's	79,184	100.3%	9	46,168	79.5%	16
Queen Anne's	79,100	100.2%	10	57,948	99.8%	5
St. Mary's	78,195	99.0%	11	53,166	91.6%	14
Somerset	43,240	54.8%	24	29,551	50.9%	24
Talbot	63,647	80.6%	14	66,971	115.4%	3
Washington	54,250	68.7%	16	43,470	74.9%	18
Wicomico	50,844	64.4%	18	39,722	68.4%	22
Worcester	52,374	66.3%	17	56,747	97.8%	8
Maryland	\$78,945	100.0%		\$58,052	100.0%	

¹ Kent County Median Household data comes from the 2012-2016 American Community Survey 5-year Estimate because the 2016 1-year Estimate was not available.

Source: U.S. Census Bureau 2016 American Community Survey 1-year Estimate; U.S. Census Bureau 2012-2016 American Community Survey 5-year Estimate; U.S. Department of Commerce Bureau of Economic Analysis

Exhibit 26
Legislator Salary and Per Diem as a Percent of State Median Household Income
2014



Source: *How Much Should State Legislators Get Paid?* 538.com. April 7, 2016

Exhibit 27
In-state Expense Reimbursements
Fiscal 2014-2017

	2014		2015		2016		2017	
	<u>Session</u>	<u>Interim</u>	<u>Session</u>	<u>Interim</u>	<u>Session</u>	<u>Interim</u>	<u>Session</u>	<u>Interim</u>
Lodging	\$1,346,339	\$114	\$1,396,535	\$4,073	\$1,385,487	\$0	\$1,439,915	\$2,088
% Change Over Prior Year	-0.80%		3.73%		-0.79%		3.93%	
Meals	427,299	6,756	457,851	5,382	459,486	9,940	450,505	8,544
% Change Over Prior Year	-1.59%		7.15%		0.36%		-1.95%	
Mileage	180,688	30,757	163,106	1,634	157,014	37,799	151,239	33,294
% Change Over Prior Year	-2.04%		-9.73%		-3.73%		-3.68%	
Total	\$1,954,326	\$37,627	\$2,017,492	\$11,089	\$2,001,987	\$47,739	\$2,041,659	\$43,836
% Change	-1.09%		3.23%		-0.77%		1.98%	

Source: Department of Legislative Services, August

Exhibit 28
Per Diem Lodging Rates
90-day Rentals

2013 and 2017 General Assembly Sessions

<u>Lodging</u>	2013		2017	
	<u>Rates</u>	<u># of Legislators</u>	<u>Rates</u>	<u># of Legislators</u>
Historic Inns	\$101	22	\$101	23
Loews Annapolis	101	27	101	24
Annapolis Marriott Waterfront	101	20	101	26
Marriott Residence ⁽¹⁾	101	8	101	7
Sheraton Barcelo	101	7	101	6
Hampton Inn & Suites	83-101	1		
Double Tree	101	1	101	1
O'Callahan	101	4	101	4
Westin	101	28	101	28
Apt./House/Condo	101	28	101	24
Occasional Lodging	101	20	101	24
No Submission for Lodging		22		21
Total		188		188

⁽¹⁾ Changed name to Residence Inn by Marriott.

Source: Department of Legislative Services, August 2017

Exhibit 29
Meal Claims of Legislators for the 2014 through 2017 Sessions of the
General Assembly of Maryland

<u>Meal Limit</u>	2014		2015		2016		2017	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Claimed 100% of daily limit	148	79%	152	81%	154	82%	155	82%
Claimed 76% to 99% of daily limit	15	8%	9	5%	8	4%	8	4%
Claimed 51% to 75% of daily limit	6	3%	9	5%	8	4%	8	4%
Claimed 26% to 50% of daily limit	3	2%	1	1%	2	1%	2	1%
Claimed 1% to 25% of daily limit	0	0%	0	0%	0	0%	0	0%
Claimed 0% of daily limit	16	9%	17	9%	16	9%	15	8%
Total	188	100%	188	100%	188	100%	188	100%

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Services, August 2017

Exhibit 30
Out-of-state Travel Costs
Fiscal 2014-2017

	<u>2014</u>	<u>Trip Average</u>	<u>2015</u>	<u>Trip Average</u>	<u>2016</u>	<u>Trip Average</u>	<u>2017</u>	<u>Trip Average</u>
Meals and Lodging	\$12,199	\$359	\$10,947	\$476	\$26,832	\$506	\$32,748	\$528
Transportation	11,599	341	12,469	542	24,103	453	25,347	409
Registrations	14,650	431	11,285	491	24,648	465	26,915	434
Total	\$38,448	\$1,131	\$34,701	\$1,509	\$75,493	\$1,424	\$85,010	\$1,371
Members (Cumulative)	34		23		53		62	

Source: Department of Legislative Services, August 2017

Exhibit 31
Summary of Legislative Out-of-state Travel Costs

<u>Fiscal Year</u>	<u>Out-of state Travel Costs</u>
1991	\$97,475
1992	60,677
1993	20,070
1994	27,963
1995	48,969
1996	94,058
1997	82,687
1998	94,704
1999	93,565
2000	167,115
2001	175,484
2002	221,340
2003	150,334
2004	191,254
2005	154,532
2006	171,929
2007	96,507
2008	170,080
2009	150,428
2010	24,277
2011	22,549
2012	41,662
2013	49,653
2014	38,448
2015	34,701
2016	75,493
2017	85,010

Source: Department of Legislative Services, August 2017

Exhibit 32
Medical Insurance for Legislators
(Payroll Ending July 31, 2017)

	Health		Prescription		Dental	
	<u>Members</u>	<u>% of Total Chamber</u>	<u>Members</u>	<u>% of Total Chamber</u>	<u>Members</u>	<u>% of Total Chamber</u>
Participation						
Senate	36	77%	35	75%	32	68%
House	101	72%	96	68%	92	65%
Total	137	73%	131	70%	124	66%
Coverage Levels						
Senate						
Individual	8	17%	9	19%	8	17%
2 or more	28	60%	26	55%	24	51%
Total	36	77%	35	75%	32	68%
House						
Individual	29	21%	24	17%	25	18%
2 or more	72	51%	72	51%	67	48%
Total	101	72%	96	68%	92	65%
Combined						
Individual	37	20%	33	18%	33	18%
2 or more	100	53%	98	52%	91	48%
Total	137	73%	131	70%	124	66%

Health Subsidy

\$203.99 to \$407.97 per month for single coverage.

\$509.98 to \$1,019.96 per month for two or more.

Prescription Subsidy

\$100.16 to \$200.32 per month for single coverage.

\$200.32 to \$400.65 per month for two or more.

Dental Subsidy

\$5.82 to \$11.64 per month for single coverage.

\$11.89 to \$43.60 per month for two or more.

Note: Numbers may not sum to total due to rounding.

Source: Department of Legislative Service, September 2017

Exhibit 33
Comparison of Maryland State Retirement and Pension Systems

	<u>General Assembly</u>	<u>Governor</u>	<u>Judges</u>	<u>Employees and Teachers Pension Systems¹</u>	<u>State Police</u>	<u>Law Enforcement Officers' System</u>	<u>Correctional Officers' System</u>
Participation	Mandatory	Automatic	Condition of employment	Condition of employment	Condition of employment	Condition of employment	Condition of employment
Vesting							
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
<i>Hired on or After 7/1/11; or Judges Hired on or After 7/1/12</i>	<i>No change</i>	<i>No change</i>	<i>5 years of service</i>	<i>10 years of service</i>	<i>10 years of service</i>	<i>10 years of service</i>	<i>10 years of service</i>
Employee Contributions²	7.0% of salary, for 22 years, 3 months (was 5.0%)	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
Service Retirement Conditions							
Hired on or Before 6/30/11; or Legislators with Creditable Service Before 1/14/15; or a Governor Serving Before 1/21/15	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 or age 55 with 5 years of service

	<u>General Assembly</u>	<u>Governor</u>	<u>Judges</u>	<u>Employees and Teachers Pension Systems¹</u>	<u>State Police</u>	<u>Law Enforcement Officers' System</u>	<u>Correctional Officers' System</u>
<i>Hired on or After 7/1/11; or Judges Hired on or After 7/1/12; or Legislators with no Creditable Service Before 1/14/15; or a Governor Serving on or Before 1/21/15</i>	<i>Age 62; or age 55 with 8 years, reduced benefit</i>	<i>Age 62</i>	<i>Age 60 with 5 years of service</i>	<i>Age 65 with 10 years of service or Rule of 90³; or age 60 with 15 years, reduced benefit</i>	<i>Age 50 or 25 years of service</i>	<i>No change</i>	<i>Age 55 with 10 years of service</i>
Allowance 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)
<i>Hired on or After 7/1/11</i>	<i>No change</i>	<i>No change</i>	<i>No change</i>	<i>1.5% of salary (calculated on highest 5 consecutive years of salary)</i>	<i>Calculated on highest 5 years of salary</i>	<i>Calculated on highest 5 consecutive years of salary</i>	<i>Calculated on highest 5 years of salary</i>

	<u>General Assembly</u>	<u>Governor</u>	<u>Judges</u>	<u>Employees and Teachers Pension Systems¹</u>	<u>State Police</u>	<u>Law Enforcement Officers' System</u>	<u>Correctional Officers' System</u>
Post-retirement Adjustments⁴							
Service Credit Earned on or Before 6/30/11	Based on salary of active legislators	Based on salary of current Governor	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
<i>Service Credit Earned on or After 7/1/11</i>	<i>No change</i>	<i>No change</i>	<i>No change</i>	<i>Limited to 2.5% in any year that the system earns the assumed rate of return; otherwise limited to 1.0%</i>	<i>Limited to 2.5% in any year that the system earns the assumed rate of return; otherwise limited to 1.0%</i>	<i>Limited to 2.5% in any year that the system earns the assumed rate of return; otherwise limited to 1.0%</i>	<i>Limited to 2.5% in any year that the system earns the assumed rate of return; otherwise limited to 1.0%</i>
Ordinary Disability Retirement							
Conditions	Active legislator must have 8 years of service and be certified disabled by the BOT medical board	General Assembly adopts resolution by a 3/5 vote that Governor is unable to perform duties of office due to physical or mental disability	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	If in first term, 1/3 of current annual salary; if in second term, 1/2 of current salary	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

	<u>General Assembly</u>	<u>Governor</u>	<u>Judges</u>	<u>Employees and Teachers Pension Systems¹</u>	<u>State Police</u>	<u>Law Enforcement Officers' System</u>	<u>Correctional Officers' System</u>
Accidental Disability Retirement							
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

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

² Employee contributions for legislators were increased to 7% as of January 14, 2015; 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.

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

⁴ 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

Exhibit 34
Accrued Retirement Service Credits of Active Maryland Legislators

	<u>0-4</u>	<u>4-8</u>	<u>8-12</u>	<u>12-16</u>	<u>16-20</u>	<u>20-22.25</u>	<u>22.25+</u>
Years of Creditable Service							
Number of Members	75	25	25	25	8	2	29
Average Age	49.0	51.1	54.8	58.2	65.7	66.1	71.1
Maximum Retirement Benefit	n/a	n/a	24%-36%	36%-48%	48%-60%	60%-66.67%	66.67%
Full Service Retirement ⁽¹⁾	0	0	8	9	6	2	26
Reduced Services Retirement ⁽²⁾	0	0	10	12	1	0	2
Vested Allowance	0	0	7	4	1	0	0
No Vested	75	25	n/a	n/a	n/a	n/a	n/a

⁽¹⁾ Full Service Retirement payable at (a) age 60 with a minimum of eight years of service, if joined the Legislative Pension Plan (LPP) before January 14, 2015; or (b) age 62 with a minimum of eight years of service, if joining the LPP on or after January 14, 2015.

⁽²⁾ Reduced Service Retirement payable (a) age 50 with a minimum of eight years of service, if joined the Legislative Pension Plan (LPP) before January 14, 2015; or (b) age 55 with a minimum of eight years of service, if joining the LPP on or after January 14, 2015.

Source: State Retirement Agency; Department of Legislative Services, November 2017

Exhibit 35
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>
2002 Plan				
Retiree	217	73.7	\$1,605.71	14.0
Beneficiary	62	85.7	858.32	n/a
Bifurcated Plan				
Retiree	0	n/a	n/a	n/a
Beneficiary	2	102.4	\$340.59	n/a
1966 Plan				
Retiree	5	84.1	\$299.47	10.4
Beneficiary	12	81.1	472.12	n/a

Source: State Retirement Agency; Department of Legislative Services, November 2017

Exhibit 36
State-by-state Comparison of Retirement Benefits
Ranked by Annual 20-year Benefit

<u>Ranking</u>	<u>State</u>	<u>Contribution</u>		<u>12-year Benefit</u>			<u>20-year Benefit</u>			<u>Annual Benefit Formula</u>
		<u>Salary</u>	<u>Rate</u>	<u>Annual</u>	<u>Monthly</u>	<u>% of Salary</u>	<u>Annual</u>	<u>Monthly</u>	<u>% of Salary</u>	
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% of FAS
2	Texas ⁽³⁾	7,200	8.00%	34,501	2,875	479.18%	57,502	4,792	798.64%	2.30%
3	Pennsylvania*	86,479	6.25%	31,132	2,594	36.00%	51,887	4,324	60.00%	3.00%
4	PA* Reform	86,479	9.30%	25,944	2,162	30.00%	43,240	3,603	50.00%	2.50%
5	Hawaii	61,380	0.00%	25,780	2,148	42.00%	42,966	3,581	70.00%	3.50%
6	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% of FAS
7	HI Reform	61,380	0.00%	22,097	1,841	36.00%	36,828	3,069	60.00%	3.00%
8	New York*	79,500	3.00%	15,932	1,328	20.04%	31,800	2,650	40.00%	1.50 - 2.00%
9	Massachusetts*	62,548	9.00%	18,764	1,564	30.00%	31,274	2,606	50.00%	2.50%
10	Oklahoma	38,400	10.00%	18,432	1,536	48.00%	30,720	2,560	80.00%	4.00%
11	New Jersey	49,000	5.00%	17,640	1,470	36.00%	29,400	2,450	60.00%	3.00% capped at 66.67% of FAS
12	Maryland	48,622	7.00%	17,504	1,459	36.00%	29,173	2,431	60.00%	3.00% capped at 66.67% of salary of active legislators
13	Ohio*	60,584	10.00%	15,994	1,333	26.40%	26,657	2,221	44.00%	2.20 - 2.50%
14	Indiana ⁽¹⁾	25,436	0.00%	25,436	2,120	100.00%	25,436	2,120	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 ⁽¹⁾ *	50,400	6.75%	12,348	1,029	24.50%	21,420	1,785	42.50%	2.00 - 2.50%
17	Wisconsin*	50,950	6.60%	12,228	1,019	24.00%	20,716	1,726	40.66%	2.00% - 2.165%
18	TN Reform	22,667	5.00%	12,270	1,023	54.00%	20,400	1,700	90.00%	\$85.21/month x yrs. of service, capped at 90% FAS
19	Arizona	24,000	7.00%	11,520	960	48.00%	19,200	1,600	80.00%	4.00% capped at 80% of FAS
20	Washington	47,776	3.33%	11,466	956	24.00%	19,110	1,593	40.00%	1.00 - 2.00%
21	Florida*	29,697	3.00%	10,691	891	36.00%	17,818	1,485	60.00%	3.00%
22	Delaware	45,291	5.00%	10,055	838	22.20%	17,233	1,436	38.05%	1.85 - 2.00%
23	Minnesota ⁽¹⁾	31,141	9.00%	10,090	841	32.40%	16,816	1,401	54.00%	2.70%
24	Arkansas	39,400	5.00%	9,456	788	24.00%	15,760	1,313	40.00%	2.00%

<u>Ranking</u>	<u>State</u>	<u>Contribution</u>		<u>12-year Benefit</u>			<u>20-year Benefit</u>			<u>Annual Benefit Formula</u>
		<u>Salary</u>	<u>Rate</u>	<u>Annual</u>	<u>Monthly</u>	<u>% of Salary</u>	<u>Annual</u>	<u>Monthly</u>	<u>% of Salary</u>	
25	<i>OK Reform</i>	38,400	3.50%	9,216	768	24.00%	15,360	1,280	40.00%	2.00%
26	Colorado	30,000	8.00%	9,000	750	30.00%	15,000	1,250	50.00%	2.50%
27	<i>AZ Reform</i>	24,000	13.00%	8,640	720	36.00%	14,400	1,200	60.00%	3.00% capped at 75% of FAS
28	Rhode Island ⁽²⁾	15,430	-	7,200	600	49.18%	12,000	1,000	81.97%	\$600/month x yrs. of service, capped at \$12,000 annual benefit
29	North Carolina	13,951	7.00%	6,730	561	48.24%	11,217	935	80.40%	4.02%
30	South Carolina	10,400	11.00%	6,015	501	57.84%	10,026	835	96.40%	4.82%
31	Iowa	25,000	5.95%	6,000	500	24.00%	10,000	833	40.00%	2.00%
32	Maine	24,429	7.65%	5,863	489	24.00%	9,772	814	40.00%	2.00%
33	Georgia	17,342	3.75%	5,184	432	29.89%	8,640	720	49.82%	\$36/month x yrs. of service
34	West Virginia	20,000	5.00%	4,800	400	24.00%	8,000	667	40.00%	2.00%
35	Connecticut	28,000	2.00%	4,469	372	15.96%	7,448	621	26.60%	0.05 - 1.33%
36	Oregon	24,216	0.00%	4,359	363	18.00%	7,265	605	30.00%	1.50%
37	Idaho	17,017	6.79%	4,084	340	24.00%	6,807	567	40.00%	2.00%
38	Utah ⁽¹⁾	273 per day	0.00%	3,571	298	n/a	5,952	496	n/a	\$24.80/month x yrs. of service
39	Virginia	18,000	5.00%	3,564	297	19.80%	5,940	495	33.00%	1.65%
40	Mississippi	10,000	9.00%	2,400	200	24.00%	4,000	333	40.00%	2.00%
41	<i>Missouri Reform</i>	35,915	4.00%	1,496	125	4.17%	2,494	208	6.94%	(monthly pay/24) x yrs. of service
42	Nevada	151 per day	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.

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Texas legislative retirement benefits are based on a percentage of the salary of a sitting District Court judge.

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, and Wyoming.

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

Exhibit 37
State-by-state Comparison of Legislator Contribution Rate

<u>Ranking</u>	<u>State</u>	<u>Rate</u>	<u>Ranking</u>	<u>State</u>	<u>Rate</u>
1	Nevada	15.00%	17	Iowa	5.95%
2	<i>AZ Reform</i>	<i>13.00%</i>	18	Arkansas	5.00%
3	Illinois*	11.50%	18	Delaware	5.00%
4	South Carolina	11.00%	18	New Jersey	5.00%
5	Ohio*	10.00%	18	<i>Tennessee Reform</i>	<i>5.00%</i>
5	Oklahoma	10.00%	18	Virginia	5.00%
6	<i>PA* Reform⁽²⁾</i>	<i>9.30%</i>	18	West Virginia	5.00%
7	Massachusetts*	9.00%	19	<i>MO Reform</i>	<i>4.00%</i>
7	Minnesota ⁽¹⁾	9.00%	20	Georgia	3.75%
7	Mississippi	9.00%	21	<i>OK Reform</i>	<i>3.50%</i>
8	Colorado	8.00%	22	Washington	3.33%
8	Texas	8.00%	23	Florida*	3.00%
9	Montana	7.90%	23	New York*	3.00%
10	Maine	7.65%	24	Connecticut	2.00%
11	Arizona	7.00%	25	Hawaii	0.00%
11	Maryland	7.00%	25	Indiana ⁽¹⁾	0.00%
11	North Carolina	7.00%	25	Missouri	0.00%
12	Idaho	6.79%	25	Oregon	0.00%
13	Alaska ⁽¹⁾ *	6.75%	25	Utah ⁽¹⁾	0.00%
14	<i>Wisconsin*</i>	<i>6.60%</i>	25	Tennessee	0.00%
15	Pennsylvania* ⁽³⁾	6.25%			
16	Kansas	6.00%			
16	Kentucky	6.00%			

* Denotes state with full-time legislature.

⁽¹⁾ 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.

⁽²⁾ Legislators in Pennsylvania with no service credit before 2010 have a choice to contribute 9.30% for a benefit multiplier of 2.50% or contribute 6.25% for a benefit multiplier of 2.00%.

⁽³⁾ Legislators in Pennsylvania with service credit before 2010, contribute 6.25% for a benefit multiplier of 3.00%.

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

Exhibit 38
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>	<i>3.00% - 5.00% Capped at 60.00% of FAS</i>
8	Florida*	3.00%
8	<i>HI Reform</i>	3.00%
8	Pennsylvania*	3.00%
9	<i>AZ Reform</i>	<i>3.00% Capped at 75.00% of FAS</i>
10	Maryland	3.00% Capped at 66.67% of Salary of Active Legislators
11	New Jersey	3.00% Capped at 66.67% of FAS
12	Kentucky	2.75%
13	Minnesota ⁽¹⁾	2.70%
14	Colorado	2.50%
14	Massachusetts*	2.50%
15	Texas	2.30%
16	Ohio*	2.20%-2.50%
17	Alaska ⁽¹⁾ *	2.00%-2.50%
17	<i>PA* Reform</i>	<i>2.00%-2.50%</i>
18	Wisconsin*	2.20%-2.165%
19	Arkansas	2.00%
19	Idaho	2.00%
19	Iowa	2.00%
19	Maine	2.00%
19	Mississippi	2.00%
19	<i>OK Reform</i>	<i>2.00%</i>
19	West Virginia	2.00%
20	Delaware	1.85%-2.00%

<u>Ranking</u>	<u>State</u>	<u>Benefit Multiplier</u>
21	New York*	1.50%-2.00%
22	Washington	1.00%-2.00%
23	Kansas	1.75%
24	Virginia	1.65%
25	Oregon	1.50%
26	Connecticut	0.05%-1.33%

* Denotes state with full-time legislature.

⁽¹⁾ 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

Exhibit 39
Comparison of Maryland's Retirement Eligibility Criteria with Other States

Age 60 with 8 Years of Service – Maryland Legislators with Service before 1/14/15
Age 62 with 8 Years of Service – Maryland Legislators with No Service before 1/14/15

States That Require the Same Retirement Age and Years of Service as Maryland

Age 60 with 8 Years of Service

New Jersey
South Carolina
Texas

Age 62 with 8 Years of Service

Georgia

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
Indiana – age 65 with 10 years of service

Other Comparisons of Retirement Age and Years of Service Requirements

Retirement Age – Minimum

Age 65 – 17 states
Age 62 – 9 states (including Maryland)
Age 60 – 8 states (including Maryland)
Age 55 – 7 states

Years of Service – Minimum

10 years of service – 9 states
8 years of service – 7 states (including Maryland)
6 years of service – 3 states
5 years of service – 11 states

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

Exhibit 40
Legislator Salary and Fringe Benefits by Year of Service
Fiscal 2018 Active Legislator

<u>Years of Service</u>	<u>Legislative Service</u>	
	<u>Up to 22 Years and 3 Months</u>	<u>Greater Than 22 Years and 3 Months</u>
Benefits While Serving⁽¹⁾		
Salary effective January 1, 2018	\$50,330	\$50,330
Less Fringes		
Retirement Contribution (7.0%)	-\$3,523	\$0
BC/BS PPO	-2,203	-2,203
Prescription Drug	-1,081	-1,081
Dental PPO	-303	-303
Subtotal	-\$7,109	-\$3,586
Total Adjusted Salary	\$43,221	\$46,744
Fringe Benefits		
Employer Retirement Subsidy (19.22%)	\$9,673	\$9,673
Employer Health Insurance Subsidy	8,812	8,812
Employer Prescription Drug Subsidy	4,322	4,322
Employer Dental PPO	303	303
Total Fringe Benefits	\$23,111	\$23,111
Total Fringes and Salary	\$66,331	\$69,854

BC/BS: BlueCross/BlueShield
PPO: Preferred Provider Organization

Note: Legislators can earn no more than 22 years and three months of creditable service for retirement. Retirement contributions cease at this point.

⁽¹⁾ Assumes that a legislator opts for certain fringe benefits and coverage for an active legislator, non-Medicare eligible member, and spouse for calendar 2017.

Source: Department of Budget and Management; Department of Legislative Services

Exhibit 41
Legislator Benefits Upon Retirement
Fiscal 2018 Active Legislator

<u>Years of Service</u>	Legislator Serving Under 2010 Resolution						Legislator Serving Under 2014 Resolution					
	<u>4</u>	<u>8</u>	<u>12</u>	<u>16</u>	<u>20</u>	<u>24+</u>	<u>4</u>	<u>8</u>	<u>12</u>	<u>16</u>	<u>20</u>	<u>24+</u>
Retirement Income⁽¹⁾	\$0	\$12,079	\$18,119	\$24,158	\$30,198	\$33,570	\$0	\$12,079	\$18,119	\$24,158	\$30,198	\$33,570
Less												
Retiree Health Insurance Premium with Medicare (BC/BS PPO for Member and Spouse)		-\$5,507	-\$3,671	-\$1,836	-\$1,836	-\$1,836		-\$6,241	-\$4,773	-\$3,304	-\$1,836	-\$1,836
Retiree Prescription Drug Premium with Medicare		-2,541	-1,779	-1,017	-1,017	-1,017		-2,846	-2,236	-1,626	-1,017	-1,017
Retiree Premium Dental PPO		-335	-223	-112	-112	-112		-380	-290	-201	-112	-112
Total	-\$8,384	-\$5,674	-\$2,964	-\$2,964	-\$2,964	-\$2,964	-\$9,468	-\$7,300	-\$5,132	-\$2,964	-\$2,964	-\$2,964
Adjusted Income	\$3,696	\$12,445	\$21,194	\$27,234	\$30,606	\$30,606	\$2,612	\$10,819	\$19,027	\$27,234	\$27,234	\$30,606
Retiree Health Benefit Subsidy												
Retiree Health Insurance Premium with Medicare (BC/BS PPO for Member and Spouse)		\$3,671	\$5,507	\$7,343	\$7,343	\$7,343		\$2,937	\$4,406	\$5,874	\$7,343	\$7,343
Retiree Prescription Drug Premium with Medicare		1,525	2,287	3,050	3,050	3,050		1,220	1,830	2,440	3,050	3,050
Retiree Premium Dental PPO		223	335	447	447	447		179	268	357	447	447
Subtotal	\$5,420	\$8,129	\$10,839	\$10,839	\$10,839	\$10,839	\$4,336	\$6,504	\$8,671	\$10,839	\$10,839	\$10,839
Total Retirement Benefit	\$9,115	\$20,574	\$32,034	\$38,073	\$41,445	\$41,445	\$6,947	\$17,323	\$27,698	\$38,073	\$38,073	\$41,445

BC/BS: BlueCross/BlueShield
PPO: Preferred Provider Organization

⁽¹⁾ Assumes basic retirement income allowance by years of service for salary effective January 1, 2018. Assumes that a legislator opts for certain fringe benefits and coverage for a Medicare eligible member and non-Medicare eligible spouse for calendar 2017.

Note: Legislators are not vested until 8 years of service and can earn no more than 22 years and three months of creditable service for retirement.

Source: Department of Budget and Management; Department of Legislative Services

Exhibit 42
Comparison of Benefits Between a Legislator and State Employee
Fiscal 2018

	<u>Legislator</u> <u>(2010 Resolution)</u>		<u>Legislator</u> <u>(2014 Resolution)</u>		<u>State Employee</u> <u>(Pre-2011 Reform)</u>		<u>State Employee</u> <u>(Post-2011 Reform)</u>	
	<u>8</u>	<u>12</u>	<u>8</u>	<u>12</u>	<u>8</u>	<u>12</u>	<u>8</u>	<u>12</u>
<u>Years of Service</u>								
Benefits While Serving⁽¹⁾								
Salary	\$50,330	\$50,330	\$50,330	\$50,330	\$50,330	\$50,330	\$50,330	\$50,330
<i>Less Fringe Benefit Contributions</i>	<i>-\$7,109</i>	<i>-\$7,109</i>	<i>-\$7,109</i>	<i>-\$7,109</i>	<i>-\$7,109</i>	<i>-\$7,109</i>	<i>-\$7,109</i>	<i>-\$7,109</i>
Adjusted Salary	\$43,221	\$43,221	\$43,221	\$43,221	\$43,221	\$43,221	\$43,221	\$43,221
Fringe Benefits	\$23,111	\$23,111	\$23,111	\$23,111	\$23,111	\$23,111	\$23,111	\$23,111
Total Salary and Fringes	\$66,331	\$66,331	\$66,331	\$66,331	\$66,331	\$66,331	\$66,331	\$66,331
Benefits Upon Retirement⁽²⁾								
Retirement Income ⁽³⁾	\$12,079	\$18,119	\$12,079	\$18,119	\$7,248	\$10,871	\$0	\$9,059
Less								
Retiree Health Insurance Premium (BC/BS PPO)	-\$5,507	-\$3,671	-\$6,241	-\$4,773	-\$5,507	-\$3,671	\$0	-\$5,654
Retiree Prescription Drug Premium	-2,541	-1,779	-2,846	-2,236	-2,541	-1,779	0	-2,602
Retiree Premium Dental PPO	-335	-223	-380	-290	-335	-223	0	-344
Total	-\$8,384	-\$5,674	-\$9,467	-\$7,300	-\$8,384	-\$5,674	\$0	-\$8,600
Adjusted Income	\$3,696	\$12,445	\$2,612	\$10,819	-\$1,136	\$5,198	\$0	\$459

<u>Years of Service</u>	<u>Legislator (2010 Resolution)</u>		<u>Legislator (2014 Resolution)</u>		<u>State Employee (Pre-2011 Reform)</u>		<u>State Employee (Post-2011 Reform)</u>	
	<u>8</u>	<u>12</u>	<u>8</u>	<u>12</u>	<u>8</u>	<u>12</u>	<u>8</u>	<u>12</u>
Retiree Health Benefit Subsidy								
Retiree Health Insurance Premium (BC/BS PPO)	\$3,671	\$5,507	\$2,937	\$4,406	\$3,671	\$5,507	\$0	\$3,525
Retiree Prescription Drug Premium	1,525	2,287	1,220	1,830	1,525	2,287	0	1,464
Retiree Premium Dental PPO	223	335	179	268	223	335	0	214
Subtotal	\$5,420	\$8,129	\$4,336	\$6,504	\$5,420	\$8,129	\$0	\$5,203
Total Retirement Benefit	\$9,115	\$20,574	\$6,947	\$17,323	\$4,284	\$13,327	\$0	\$5,662

BC/BS: BlueCross/BlueShield

PPO: Preferred Provider Organization

(1) Assumes fringe benefits of active legislator/employee, non-Medicare eligible member, and spouse for calendar 2017.

(2) Assumes fringe benefits for Medicare eligible member and non-Medicare eligible spouse for calendar 2017.

(3) Assumes basic retirement allowance. Post-2011 State employees do not vest in the State's pension plan and become eligible for retiree health benefits until 10 years of service.

Source: Department of Budget and Management; Department of Legislative Services

Exhibit 43
District Office Accounts

Amount – Fiscal 2017

	<u>Total</u>	<u>Staff Minimum</u>
Senate		
Leadership (8)	\$20,436	\$6,500
Senators (39)	18,965	5,800
House		
Leadership (10)	\$20,436	\$6,500
Delegation (5)	19,810	5,800
Delegates (126)	18,965	5,800

Use of Funds

1. Office space in district
2. Staff services
3. Communications

Telephone – limit \$2,000 unless approved by Presiding Officer

Postage – limit \$1,000 for legislator and \$2,600 for *Annapolis Report* per district, unless more is approved by Presiding Officer

No newsletters except *Annapolis Report*

Newspapers – limit \$300

4. Supplies
5. Utilities
6. Furniture and equipment, including computers; items become property of the State and must be returned or purchased at depreciated value if legislator leaves office

Source: Department of Legislative Services, August 2017

Exhibit 44
History of District Office Account Allowances

Fiscal Year	Senator		Delegate	
	<u>Total</u>	<u>Clerical Minimum</u>	<u>Total</u>	<u>Clerical Minimum</u>
1971	\$4,700		\$2,000	
1975	5,000		6,000	
1979	5,500		8,488	\$2,850
1983	6,615		10,143	3,550
1987	7,770		11,970	4,400
1990	17,395	\$6,395	16,197	8,000
1994	16,765	5,800	15,507	7,300
1998	18,265	5,800	17,007	7,300
1999	18,265	5,800	18,265	5,800
2005	18,265	5,800	18,265	5,800
2009	18,265	5,800	18,265	5,800
2013	18,265	5,800	18,265	5,800
2017	18,965	5,800	18,965	5,800

Source: Department of Legislative Services, August 2017

Exhibit 45
Staff Assistance for Members of the General Assembly of Maryland

Funding is included in the fiscal 2017 budget for the General Assembly of Maryland to provide staff assistance to senators and delegates as follows.

Senate

Funds are included to permit each senator to hire an administrative aide that is a regular full-time, benefited employee. The current salary range for these positions is \$39,000 to \$71,190.

Funds are included to permit each senator to hire a secretary for the legislative session. This is generally a benefited employee. For fiscal 2017, each position is budgeted at \$8,118.

Each senator is provided with a District Office Allowance of \$18,965. Of this amount, \$5,800 is restricted to staff assistance. Nine leadership positions are each provided with \$20,436, of which \$6,500 is restricted to staff assistance.

Each senator is provided with a Supplemental Operating Fund in the amount of \$7,500. This amount is intended to supplement the District Office Allowance and may be spent on operating expenses or for staff assistance at the senator's option.

House

Funds are included in the House budget to provide for payment of salaries attributable to specifically budgeted delegation staff positions. These are generally benefited positions that may work either a full-time or a part-time schedule depending on workload. The applicable salary for each budgeted delegation staff position is established based primarily on qualifications, experience, and anticipated workload.

Funds are included to permit each delegate to hire a secretary for the legislative session. Each delegate's secretary is funded at \$2,755 for fiscal 2017, which if combined with two other delegates, approximates the amount budgeted for each senator's secretary.

Each delegate is provided with a District Office Allowance of \$18,965. Of this amount, \$5,800 is restricted to staff assistance. Twelve senior leadership positions are each provided with \$20,436, of which \$6,500 is restricted to staff assistance. Five delegation chair positions are each provided with \$19,810, of which \$5,800 is restricted to staff assistance.

Each delegate is provided with a Supplemental Operating Fund in the amount of \$3,546. This amount is intended to supplement the District Office Allowance and may be spent on operating expenses or for staff assistance at the delegate's option.

Source: Department of Legislative Services, August 2017

Appendix 1 Minutes

General Assembly Compensation Commission

Minutes – December 18, 2017 Meeting

Commissioners in Attendance: Lisa First-Willis, Chair; Laurence C. Daniels; Lyn A. Dippel; Joshua C. Greene; Robert A. Liberto; Wendell G. Rakosky; Gene M. Ransom III; and Joe Rubino

Staff in Attendance: Simon G. Powell, Dana K. Tagalicod, and Laura M. Vykol

Others in Attendance: Phillip Anthony, Department of Legislative Services (DLS); Anne E. Gawthrop, State Retirement Agency (SRA); and Matthew Palmer, Office of the Governor

Ms. First-Willis convened the meeting at 1:15 p.m. After introductions, the chair consulted with other members to set the next meeting of the commission, which was agreed for January 16, 2018, at 9:30 a.m. in Annapolis.

The meeting proceeded with staff providing information on the charge of the commission, a comparison of the structures adopted by states to determine legislative compensation, and the process in Maryland for the development and disposition of the compensation resolution.

In presenting the framework for thinking about legislator compensation, staff presented various data concerning the categorizations of State legislatures: full-time versus part-time and professional versus citizen. In presenting the data, staff acknowledged that there is no good way to measure the time taken by legislators to fulfill their duties and responsibilities. Mr. Rakosky noted that, in terms of bills introduced and passed, there has not been a substantial increase in workload. Staff concurred, although noting that the trend was generally pointing to an increase in legislation. It was also noted that the General Assembly of Maryland has developed organizationally in recent years; for example, standing committees establishing subcommittees, the addition of professional committee staff resources, and increasing access to data and information, all of which tends to mean that more time and attention is paid to legislation. Mr. Ransom also noted that much more work is done during the interim (*i.e.*, out of session).

The question of the relative time dedicated to being a legislator was discussed further after presentation of data drawn from national and academic sources. Mr. Rakosky was particularly interested in data that identifies the occupations of Maryland legislators and whether legislators actually perform in those occupations while serving as legislators. Staff noted that the data was

self-reported and agreed that some legislators might identify as a certain profession but at that point be retired or no longer are in the profession.

Mr. Rakosky asked if there was any difficulty in getting people to run for office. Staff presented charts, which noted that competition for office appears healthy and tenure levels, particularly in the House of Delegates, reflects significant turnover that could be seen as a sign of competition. While it could also be argued that this level of turnover is due to the difficulty of juggling the role of legislator with another career, there is little evidence that this is directly due to compensation issues. Certainly, the level of uncontested elections in primary and general elections appears not to have changed markedly and is more reflective of typical political and geographical issues than lack of interest.

In discussing actual salaries, after staff presented data on State and local salary levels and salary trends, discussion centered on how to appropriately consider the salary paid in an annualized sense based on the part-time status of the legislature against the recognition that Maryland has a relatively high cost of living. This question also prompted a discussion of whether the commission had any particular strategy that should be adopted in developing salary recommendations.

In response, staff reiterated that lack of meaningful data on the time taken by legislators to perform their jobs precludes a clear sense of how to annualize legislative salaries. However, in response to a request from Ms. First-Willis, staff agreed to provide the commission with more information on salaries in comparison to relative cost of living at the next meeting. In terms of overall strategy, staff noted that any overarching strategy is set by each commission. Mr. Ransom noted that generally each commission is largely comprised of new members, and each makes its own way. As a member of the previous commission, for example, he noted that there was concern about the lack of a salary increase over the prior eight years and also the need to reconsider the Legislative Pension Plan in the context of recent reforms in the State employee plan. While there was still concern about the actual basis for the current salary level, none of the commission members expressed interest in fundamentally changing salaries to either align with what are considered full-time legislatures or those that are closer to the bottom of the current range of State legislative salary levels.

Moving to a discussion of legislative expenses, staff noted that most of the expense levels were tied to external reimbursement schedules (either State or federal) to allow for timely changes and also to rely on the analysis that is used to develop those schedules. Members seemed to generally concur that this was sensible. Mr. Daniels did ask if there were any issues with the hotel rates allowed currently. Staff noted that consideration had been asked to allow for reimbursement of hotels at the General Services Administration or conference rate when members attend conferences, as there had been occasions when the difference between the two had dissuaded members from attending conferences.

Staff then presented data on health coverage levels. In response to various questions raised by Mr. Rakosky, staff noted that the employer (the State) and employees share the cost of coverage with the precise share varying according to the plan; cost sharing for active legislators is the same

as for active State employees; and that the commission has the authority to change coverage and cost-sharing arrangements, although that would mean effectively creating a legislative health and benefits plan separate to that of State employees.

After a short break, the commission turned to a presentation on legislative retirement benefits. In reviewing the components of the legislative pension plan, specifically the time for vesting in the legislative plan, it was noted that this had remained unchanged in the prior resolution at 8 years despite the change to the State employee plan (from 5 to 10 years) under the 2011 pension reforms. Ms. First-Willis asked if there had been discussion of changing the vesting provision by the previous commission. Staff replied that there was a discussion. However, the prior commission felt that while the vesting period for legislators was now less than for State employees, previously, it had been greater. Further, there was a desire to align the vesting period around the length of a legislative term (*i.e.*, multiples of 4 years). It was felt that 12 years was too long a vesting period, so the decision was made to retain the 8-year provision.

In response to questions from Mr. Rakosky, staff also clarified provisions about the pension plan, specifically if the overall funding requirement would be decreased if the member contribution was increased (it would); if a member receives his/her own contributions back if leaving the plan prior to vesting (yes, upon request); if you can claim a legislative pension while still serving (a member may not); and the overall health of the pension system (not as well funded as the pension funds of other AAA-rated states but significantly improved in terms of funding status compared to what was expected after 2011 pension reforms).

Mr. Ransom asked staff if there had been any concerns raised by legislatures after the significant changes to the legislative retirement plan in the 2014 Resolution. Staff noted that since the changes were prospective in nature, nobody has yet retired under the new provisions; so in that regard, comment was unlikely. While a small number of legislators had not been participating in the plan (participation was made mandatory in 2014), there had been no complaints raised within DLS or SRA about this issue.

Staff then presented a chart detailing relative benefits for legislators and State employees earning the same salary, both pre- and post-pension reform/resolution change. Discussion around the chart included (1) whether the salary itself was appropriate for the status of the legislature; and (2) that it was important to remember that State employees have a greater opportunity to increase salary beyond that of legislators. Mr. Ransom also made the point that the last commission did try and balance the changes made to overall compensation, *i.e.*, increasing salaries but changing retirement benefits by increasing mandatory contributions that mitigated the benefit of the salary increase and increasing retirement age.

Staff then presented a number of issues concerning the Legislative Pension Plan for the consideration of the commission, issues that could require changes to the current resolution.

- The need to amend the current provision that allows the purchase of “air time”, *i.e.*, service credit in order to become vested. The cost of the purchase includes both the

employee and employer contribution. Ms. Gawthrop of SRA noted that the Legislative Pension Plan is the only plan in the State system that allows this type of purchase. It is a long-standing provision that recognizes that legislators can lose their job in an election and not reach the vesting period. Counsel for SRA has advised that this provision does not comply with the Internal Revenue Services' (IRS) regulations, which only allow air time purchase if a member has already accrued 5 years of service and can only purchase up to 5 years.

In response to questions from Mr. Ransom, Ms. Gawthrop noted that the largest purchase of air time was 7.5 years, and 16 legislators have purchased air time, 12 of which would not be allowed under IRS regulations. Ms. Dippel asked if air time purchase was only available if a member ran for reelection and lost. Ms. Gawthrop noted that it was available to any member who wanted to purchase credit in order to vest regardless of why the member left public office.

The members agreed that, at the very least, consideration must be given to adopting a provision consistent with IRS guidelines and adopting further options and clarifications beyond that. Both Mr. Rubino and Mr. Daniels noted that changing the provision to be consistent with IRS guidelines would essentially preclude one-term members who lose reelection from accessing a retirement benefit. In other words, undermining the original policy consideration for the provision in the first place. In response to a question from Mr. Daniels about retroactivity, Ms. Gawthrop said that any change should be prospective and those that current fall foul of IRS guidelines would have to be dealt with on a case-by-case basis.

- ***Death Benefits*** – A number of issues were raised around death benefits.
 - Staff noted that, in the Legislative Pension Plan, benefits are available to children under 18 whereas other plans have recently extended benefits to age 26 and disabled children. Mr. Rakosky asked what the likely cost would be to make such a change. Staff noted that it would be slight as the situation rarely happens.
 - It was also noted that, while the prior commission altered the early retirement benefits and retirement age, it did not alter when beneficiaries can get benefits. Conforming when beneficiaries can access benefits to that of the member, would be consistent with the overall actions of the prior commission.
 - A legislator has raised the issue to staff about naming a nonprofit organization as a beneficiary, something that is not currently allowed under the Legislative Pension Plan. Ms. Gawthrop noted that this option was available to State employees but only for a lump-sum payment.

- ***Transfer of Service Credit*** – Staff presented an issue brought up under the prior commission about allowing transfer of service credit from another State pension plan into the Legislative Pension Plan. This is currently prohibited (similar to the Judges Pension plan), not least because the multiplier for the legislative plan is higher than other plans.
- ***Military Service Credit*** – Each of the past two commissions have considered the question of whether to allow some credit for military service. All other plans allow some form of credit except for the Legislative Pension Plan.

Mr. Ransom noted that for both the military service credit issue and transfer of service credit that the prior commission deferred because of, among other things, the many other changes being considered by the commission to the Legislative Pension Plan. Mr. Rubino asked if a member would get military credit even if you have used that credit as part of another military pension and how it would benefit the State. Mr. Ransom thought it might encourage more people to run. Staff agreed to collect additional data on the issue and provide language that was included in the final 2010 General Assembly Compensation Commission Resolution (all of the changes made in that resolution were ultimately rejected by the General Assembly) for consideration at the next meeting.

- ***Forfeiture of Benefits*** – The current provision was added to the 2010 Resolution by the legislature and affirmed by the 2014 commission without change. In 2016, the General Assembly passed forfeiture provisions for constitutional officers. Those provisions go into effect at the beginning of the next term. The current forfeiture provision is silent on a number of issues including having no provision for innocent spouses/beneficiaries and process.

The commissioners were generally wary about making changes to this provision at a time when a number of current and former members of the legislature have pled guilty to, or are facing charges of, corruption. However, there was also some concern about the current provision not allowing for any exceptions for certain beneficiaries.

Prior to adjournment, Ms. First-Willis asked staff that, in the preparation of decision documents, especially on retirement changes that the commission wishes to consider, information is provided comparing changes to the State employee retirement plan and also a sense of cost. The meeting was adjourned at 4:20 p.m.

Appendix 2
Correspondence Received by the General Assembly Compensation Commission



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

STATE RETIREMENT AGENCY
120 East Baltimore Street
Baltimore, MD 21202
Tel: 410-625-5555
1-800-492-5909
TDD/TTY 410-625-5535
sra.maryland.gov

BOARD OF TRUSTEES
Nancy K. Kopp
Chairman

Peter Franchot
Vice Chairman

David R. Brinkley
Eric D. Brotman
David B. Hamilton
James M. Harkins
Linda A. Herman
Sheila Hill
F. Patrick Hughes
Lisa James-Henson
Charles W. Johnson
Theresa Lochte
Richard E. Norman
Douglas Prouty
Michael J. Stafford, Jr.

R. Dean Kenderdine
Executive Director
Secretary To The Board

December 18, 2017

Ms. Lisa First-Willis
Chairman, General Assembly Compensation Commission
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Dear Ms. First-Willis,

I am writing to you on behalf of the Board of Trustees for the State Retirement and Pension System (System) with regard to a provision included in the Legislative Pension Plan (LPP) that it believes should be reviewed by the General Assembly Compensation Commission. This provision addresses the purchase of service credit by non-vested members who are no longer active members of the LPP, and is referred to as "air time". The purpose of this provision is to allow members of the Maryland General Assembly who leave the Legislature prior to vesting, to purchase the creditable service necessary to vest in the LPP.

Specifically, Item 3A, § 6(d) of the 2014 Resolution of the General Assembly Compensation Commission provides:

A member may purchase service credit in the Legislative Pension Plan so that the amount of the creditable service of the member aggregates not more than 8 years if the member:

- (1) Has less than 8 years of creditable service in the Legislative Pension Plan; and
- (2) Pays to the Board of Trustees an amount equal to the sum of:
 - (i) 7% of the annual salary payable to a legislator during the years of service to be purchased; and
 - (ii) The contributions payable by the State with respect to the salary of a legislator during the years of service to be purchased.

Tax counsel for the System has informed the Board that this provision does not comply with Internal Revenue Code (IRC) § 415(n), regarding non-qualified permissive service credit. Generally, non-qualified permissive service credit refers to service credit for a time period that is not associated with a period of employment, military service, or qualifying leave of absence. A qualified plan (such as the System) fails to comply with IRC § 414(n)(3)(8) if it allows the purchase of non-qualified permissive service credit by a member with fewer than five years of participation in the plan, or if it permits the purchase of more than five years of non-qualified permissive service credit. As currently drafted, Item 3A, § 6(d) impermissibly allows the purchase of more than five years of non-qualified service credit, and also impermissibly allows a member with fewer than five years of participation to purchase non-qualified service credit. Per § 6(d), a member with less than eight years of creditable service can purchase creditable service "so the amount of the creditable service of the member aggregates not more than eight years."

Ms. Lisa First-Willis
December 18, 2017
Page 2

In order to comply with IRC § 415(n), the Board is requesting the Commission to revise Item 3A, § 6(d) to prevent a member with fewer than five years of service credit from purchasing non-qualified service credit. Additionally, it appears that § 6(d) appears to allow the purchase of air time by a member who is currently serving in the General Assembly. The Board would also request the Commission to amend this section to clarify that only members of the LPP who are no longer serving in the General Assembly may purchase air time.

Finally, Item 3A, § 6(d) is silent with regard to how air time should be applied. The Board would request the Commission to clarify this section as to when a member who has purchased air time may retire. The current practice of the State Retirement Agency (Agency) has been to inform members who purchase air time, that they may not retire from the LPP until after the period of time they purchase has elapsed. Presently, all members who have purchased air time have been further from normal retirement age than the years they have purchased, so providing that a member must wait until the amount of air time has elapsed has not resulted in any delay of receiving a service retirement for those members. However, if a member left the General Assembly with six years of service at age 62 (current normal service retirement in the LPP) and purchased the two years necessary to vest in the LPP, the Agency's practice would be to require that individual to wait until age 64 to begin receiving a service retirement allowance from the LPP. In light of this potential delay that could occur, the Board would request the Commission to clarify § 6(d) as to whether such a member should wait until the period of air time has elapsed before a member may begin receiving a service retirement allowance, or whether that member may begin receiving a retirement allowance immediately upon purchasing air time if at the time of purchase the member had reached normal service retirement age.

If you have any questions on the issue of air time, please do not hesitate to contact me at 410-625-5602 or agawthrop@sra.state.md.us.

Sincerely,



Anne E. Gawthrop
Director, Legislative Affairs

cc: The Honorable Nancy K. Kopp,
Chairman, Board of Trustees for the State Retirement and Pension System
R. Dean Kenderdine,
Executive Director, State Retirement and Pension System



MARYLAND GENERAL ASSEMBLY
JOINT COMMITTEE ON PENSIONS

June 15, 2017

Members of the General Assembly Compensation Commission:

As co-chairs of the General Assembly's Joint Committee on Pensions and chairs of the Senate and House oversight subcommittees on pensions, we write to request that the General Assembly Compensation Commission (commission) take under consideration legislation that has passed during the current legislative term when reviewing the Legislative Pension Plan (LPP) when the commission meets this fall.

Chapter 220 of 2016 implements a process by which pension benefits for certain constitutional officers may be forfeited on commission of certain crimes. The legislation does not take effect until the beginning of the next term in 2019. While the LPP already has a forfeiture provision, Chapter 220 addresses areas in which the LPP provisions are silent or ambiguous and contains provisions that provide protections for innocent spouses and dependents. Chapter 220's effective date was delayed so that the commission would have an opportunity to review its provisions for possible incorporation into the LPP beginning with the next legislative term of office.

Chapters 277 and 278 of 2017 made changes to the death benefits available in the several systems of the State Retirement and Pension System. As the General Assembly could not incorporate these changes into the LPP, we request that the commission review the changes made in Chapters 277 and 278 and consider updating the LPP death benefit provisions to be consistent with the benefits offered to all other system members and their surviving dependents.

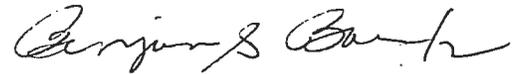
Finally, Senate Bill 598 of 2017 addressed military service credit for former members who became members of another system through State employment. Although the legislation addressed military service credit for non-LPP members, the legislation was held by the Senate Budget and Taxation pension subcommittee after a question arose as to whether the matter would fall under the jurisdiction of the commission.

June 15, 2017
Page 2

We thank you for your consideration of the above referenced legislation during your review and deliberations regarding the LPP this fall.

Respectfully submitted,


Senator Guy Guzzone
Senate Chair


Delegate Benjamin S. Barnes
House Chair

GG:BSB/PSA/eck

cc: Mr. Warren G. Deschenaux
Ms. Victoria L. Gruber
Ms. Alexandra M. Hughes
Mr. Simon G. Powell
Ms. Dana K. Tagalicod



MARYLAND
DEPARTMENT OF
BUDGET & MANAGEMENT

LARRY HOGAN
 Governor

BOYD K. RUTHERFORD
 Lieutenant Governor

DAVID R. BRINKLEY
 Secretary

MARC L. NICOLE
 Deputy Secretary

January 16, 2018

Ms. Lisa First-Willis
 Chair
 General Assembly Compensation Commission
 c/o Office of Policy Analysis
 Department of Legislative Services
 90 State Circle
 Annapolis, MD 21401

Dear Chair First-Willis:

As the Commission deliberates on possible changes to the compensation and allowances due members of the General Assembly, it may be helpful for Commission members to have some understanding of the State's current and forecasted General Fund budget outlook.

FY 2019 forecast shows spending growth at 5.3% and revenue growth of 3.1%. Growth in spending continues to outpace otherwise healthy revenue growth. The result is a short- and long-term structural gap. The FY 2019 Budget must resolve a \$298 million structural deficit and account for a \$100 million close-out balance, in accordance with the General Assembly's Spending Affordability Committee recommendations.

General Fund Budget Outlook Fiscal 2018-2023¹
 (\$ in Millions)

	2019 Baseline	2020 Est.	2021 Est.	2022 Est.	2023 Est.
Cash Balance	-\$287	-\$889	-\$1,200	-\$1,340	-\$1,493
Structural Balance	-\$298	-\$832	-\$1,103	-\$1,261	-\$1,414

The cumulative impact of this imbalance in spending and revenues is a \$4.9 billion structural gap over the next five years. In addition, there is considerable uncertainty as to the impact of federal tax and spending decisions on the State's fiscal situation.

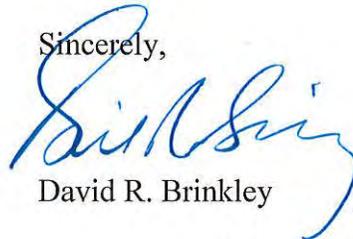
The Administration has been prudent in constraining State agencies' spending while delivering quality services to Maryland citizens. Unfortunately, eliminating COLAs for State employees' has been part of the budget balancing strategies for the past several years. The Spending

¹ General Assembly's Spending Affordability Committee, December 19, 2017
 45 Calvert Street • Annapolis, MD 21401-1907
 Tel: (410) 260-7041 • Fax: (410) 974-2585 • Toll Free: 1 (800) 705-3493 • TTY Users: call via Maryland Relay
<http://www.dbm.maryland.gov>

Affordability Committee's working documents, in fact, highlight foregoing general and merit salary increases for State employees as a discretionary action to reduce the State's FY 2019 budget shortfall.² These are not easy decisions.

The Administration will deal with any volatility in revenue and spending to deliver a balanced budget – we invite those who have been charged with decisions that impact the budget to be mindful of the challenges and goal of this Administration to address Maryland's long-term structural deficit.

Sincerely,



David R. Brinkley

cc: Members, General Assembly Compensation Commission
Simon Powell, Department of Legislative Services

² Spending Affordability Committee, October 17, 2017

Expenses

Current

Lodging (In-state)	Vouchered and tied to the General Services Administration (GSA) rate for Annapolis (currently \$101 per diem) or outside of Annapolis at the appropriate local GSA rate if approved by Presiding Officers.
Meals (In-state)	Nonvouchered and reimbursed in accordance with standard State travel regulations (\$47 total in fiscal 2018).
Mileage (In-state)	Reimbursed in accordance with standard State travel regulations (53.5 cents per mile effective January 1, 2017).
In-district travel	\$750 nonvouchered annual payment.
Out-of-state travel	Subject to the most current published federal GSA daily per diem rates for meals and lodging.

Proposed Change: for out-of-state travel add a provision that allows an exception to the GSA rate: The maximum amount of reimbursement available for actual expenses incurred for meals and lodging on any trip shall be determined by the joint action of the President of the Senate and the Speaker of the House of Delegates in connection with approval of each request, provided that in no event shall a member be reimbursed for meals and lodging expenses combined that exceed the most current published federal GSA daily per diem rates for meals and lodging **except that in the event that the published conference rate for lodgings exceeds the GSA rate the Presiding Officers may approve the published conference rate.**

Fringe Benefits – Current Legislators	With exception of participation in the State's unemployment insurance program, receiving death benefits, and paid leave, benefits are the same as State employees including cost-sharing provisions.
---------------------------------------	--

Pension and Retirement Provisions

Item 3A

Participation	Mandatory enrollment.
Vesting	After 8 years of creditable service.
Member Contribution	7.0% 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

(Members with Creditable Service Before January 14, 2015)

Normal Retirement	Age 60 with at least 8 years of service.
Early Retirement	Age 50 with at least 8 years of service, actuarially reduced 6.0% for each year under age 60 (maximum reduction 60.0%).

(Members with No Creditable Service Before January 14, 2015)

Normal Retirement	Age 62 with at least 8 years of service.
Early Retirement	Age 55 with at least 8 years of service, actuarially reduced 6.0% for each year under age 62 (maximum reduction 42.0%).

Survivor's Allowance/Death Benefit

Nonvested, 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 50.0% 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.

Proposed Change: Align the age for a death benefit payment to designated beneficiary consistent with change made in 2014 Resolution for retirement age eligibility. Payment to designated beneficiary would begin at **age 62 years** or actuarially reduced **at age 55**.

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.

Proposed Change: Align the age for a death benefit payment to designated beneficiary consistent with change made in 2014 Resolution for retirement age eligibility. Payment to designated beneficiary would begin at **age 62 years** or actuarially reduced **at age 55**.

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.

Basic Allowance

Provides maximum benefit to retiree based on creditable service. At the retiree's death, the spouse or designated beneficiary receives 50.0% of the retiree's benefit for life.

Optional Allowance

Provides reduced allowance to retiree. One hundred percent of benefit paid to spouse or designated beneficiary for life. Unless the beneficiary is the retiree's spouse or disabled child, a designated beneficiary may not be more than 10 years younger than the retiree.

Proposed Change: The current resolution provides a death benefit for minor children (under age 18) for a member who dies while serving as a legislator in the General Assembly. Align the age for a death benefit to recent legislation allowing payments up to age 26 and for disabled children regardless of age. Payment of benefits to each surviving child who has not attained the age of 26 and for disabled children regardless of age.

Proposed Change: The current resolution contains provisions that require a legislator to die contemporaneously with the legislator's spouse in order for a minor child (under age 18) to receive a death benefit. The other plans in the State Retirement and Pension System do not have these contemporaneous death provisions; these other plans instead provide that if a member does not have a surviving spouse, the death benefit may be paid to the children up to age 26 or to disabled children regardless of age. Remove the contemporaneous death provisions from the resolution and instead specify that if a legislator does not have a surviving spouse that the death benefit may be paid to children up to age 26 or disabled children regardless of age.

Proposed Change: Authorize the naming of a nonprofit organization as a beneficiary by a member to receive a lump-sum death benefit. No current provision.

Disability Benefit

If totally disabled, a vested member receives a normal retirement allowance regardless of age.

Less Than 8 Years of Service

A legislator who leaves office with less than 8 years of service may (1) withdraw member contributions; (2) pay member and State contributions to accumulate 8 years; or (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.

Proposed Change: Discontinue, beginning with the implementation of the 2018 Resolution, the current provision that allows a legislator to purchase service credit in order to vest.

Proposed Change: If the commission wishes to continue the purchase of service credit in order to vest, align the provision to IRS guidelines, which would allow purchase only after 5 years of service and the purchase of only a maximum of 3 years.

Proposed Change: Confirm for those members who have already bought service credit, and if continued moving forward for those that do so in the future, the current practice that members are not eligible for retirement until after the same length of time as the service credit purchased, i.e., if a member would otherwise be eligible for retirement but has purchased 2 years in order to vest, he/she cannot retire for 2 years.

Proposed Change: The current resolution appears to allow the purchase of service credit even if a member is currently serving in the General Assembly. ***If the commission wishes to continue the purchase of service credit in order to vest, amend the resolution to clarify that only members of the Legislative Pension Plan who are no longer serving in the General Assembly may purchase service credit.***

Other

Proposed Change: Transfer of service credit into the Legislative Pension Plan. Under the current resolution, only members with less than 8 years of service (not vested in the Legislative Pension Plan) may transfer creditable service from the Legislative Pension Plan to a State system in which the member participates (the member must also transfer the member's accumulated contributions). There is no current provision to allow transfers into the Legislative Pension Plan from any other system or plan. ***If the commission wishes to allow the transfer of service credit into the Legislative Pension Plan, the commission should consider requiring the member to pay an amount (in addition to transferring the member's accumulated contributions) because the benefit multiplier in the Legislative Pension Plan is more generous than in all other systems. If the commission wishes to allow the transfer of service credit into the Legislative Pension Plan, the commission should consider whether to apply this only prospectively or also retroactively.***

Proposed Change: Allow Military Service Credit to be claimed in the Legislative Pension Plan. No provision under the current resolution. The 2010 General Assembly Compensation Commission Resolution did propose a military service credit option. That resolution was rejected in its entirety by the General Assembly, which did not consider the individual provisions within the resolution. The specific language in the 2010 Resolution allowed for up to 3 years of military service credit once a member was vested and also precluded the purchase of service credit to become vested. The provision also generally referred to that provision of the State Personnel and Pensions Article governing military service credit in the State system and include a provision specifying that an individual may not receive credit for specified military service if the individual receives credit for military service from another retirement system for which retirement benefits have been or will be received by the individual.

Military Credit (Language proposed in the 2010 Resolution).

(a) Subject to the provisions of Title 38 of the State Personnel and Pensions Article, a member is entitled to receive service credit for military service only on the attainment of 8 years of creditable service in the Legislative Pension Plan.

(b) Military service credit under this section may not exceed 3 years.

(c) A member may not purchase any service credit to attain the 8 years of creditable service required under subsection (a) of this section.

If the commission wishes to allow military service credit to be claimed in the Legislative Pension Plan, the commission should consider whether to apply this only prospectively or also retroactively.

Advise the General Assembly on whether the commission has concerns with allowing legislative service to be counted toward the amount of service that is needed to claim military service credit in other systems. In order to claim military service credit in other systems, employees need 10 years of service credit. Senate Bill 598 of 2017 would have allowed service credit earned as a legislator to be counted toward the attainment of 10 years of service if a former legislator later sought that service credit as a member of another system through State employment. The General Assembly held this legislation during the 2017 session in order to ask for the commission's advice on this legislation.

Item 3B – Fringe Benefits – Retired Legislators

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

Former legislators receiving a retirement allowance who have creditable service before January 14, 2015, qualify for State health insurance benefits and a subsidy equal to one-sixteenth of the full State subsidy for each year of service.

Former legislators receiving a retirement allowance who have no creditable service before January 14, 2015, qualify for State health insurance benefits and a subsidy equal to one-twentieth of the full State subsidy for each year of service.

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 (1) a felony; or (2) a 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.

Proposed Change: Align in part, or in whole, the forfeiture provision for legislators with recently enacted legislation for Constitutional Officers (provisions that go into effect after January 9, 2019). Key differences between the current forfeiture provision and that which will go into effect for constitutional officers include:

Qualifying Crime: Current resolution forfeits benefits for a member or retiree if convicted of, or entering plea of *nolo contendere* to, any crime committed during a member's terms of office that is a felony or misdemeanor related to public duties and responsibilities or a crime of moral turpitude for which the penalty could include incarceration. Under Constitutional Officers statute, **qualifying crime is limited to conviction of, pleading guilty to, or entering a plea of *nolo contendere* to a felony in the course of fulfilling duties and responsibilities, committed through authority derived from the position of employment, and is done in an attempt to result in gain, profit, or advantage to that individual.**

Forfeiture Amount: Under the current resolution, 100% of benefits are forfeited. Under Constitutional Officer statute **the amount to be forfeited is determined by an order of the Circuit Court (see process below) based on criteria including the severity of the crime; monetary loss suffered as a result of the crime; degree of public trust placed in the officer; financial needs and resources of that officer; and spouse, children, and other dependents or former spouse and any other factors the court deems relevant.**

Innocent Parties: Current resolution applies forfeiture provision to member/retiree and their beneficiary. Under Constitutional Officers statute the provision includes:

(1) the ability to allow a domestic relations order that provides some or all of the forfeited benefits to be paid to a spouse, former spouse, child, or other dependent based on a consideration of whether they were culpable or complicit in the commission of the qualifying crime; and

(2) that any existing domestic relations order is not adversely affected.

Process: Current resolution is silent on process leaving it to the discretion of the State Retirement Agency to implement. Under Constitutional Officers, there is a clear process that requires, **upon conviction, the Attorney General or State's Attorney to file a complaint in circuit court to instigate forfeiture, provides for notice requirements, requires the court to make an order for forfeiture based on certain provisions including the amount to be forfeited and any allowance for beneficiaries, and requires the pension system Board of Trustees to adopt regulations to implement the provisions providing additional clarity.**

Table 2
Comparison of Proposed Changes to Legislative Pension Plan with the State Employees Plan

<u>Current Resolution</u>	<u>Proposal</u>	<u>State Employees Plan</u>	<u>Cost Estimate</u>
Age eligibility for death benefits for members with no creditable service prior to January 14, 2015, is 60 or actuarially reduced to 50	Align with other retirement age eligibility changes from 2014 to 62 or actuarially reduced to 55	No comparable provision	Potential savings
Age eligibility for minor children for death benefits of member serving in the General Assembly is 18	Increase eligibility to age 26 and allow disabled child to be eligible regardless of age	Eligible up to age 26 and disabled children are eligible regardless of age	Potential cost
Contemporaneous death provisions for minor children to receive death benefits	Remove contemporaneous death provisions and, instead, specify that if a legislator does not have a surviving spouse that the death benefit may be paid to children up to age 26 or disabled children regardless of age	No contemporaneous death provisions. If no surviving spouse, the death benefit may be paid to children up to age 26 or disabled children regardless of age	Likely neutral
No current provision	Allow the naming of a nonprofit organization as a beneficiary for a lump-sum death benefit	Allowed	Likely neutral
Allows the purchase of service credit up to that amount required to vest in the plan	Option 1. Disallow Option 2. Comply with Internal Revenue Service regulations	Not permitted	Potential savings (greater under Option 1 than Option 2)

<u>Current Resolution</u>	<u>Proposal</u>	<u>State Employees Plan</u>	<u>Cost Estimate</u>
	Option 3 (can combine with Options 1 or 2). Clarify when a purchaser of service credit is able to retire		
	Option 4 (can combine with Options 2 and 3). Clarify that a purchaser of service credit cannot be an active member of the General Assembly		
Does not allow the transfer of service credit into the Legislative Pension Plan	Permit the transfer of service credit from another system into the Legislative Pension Plan	Does not allow the transfer of service credit into the Legislative Pension Plan but allows the transfers of service credit into most of the other plans in the system	Potential cost
Does not include any provision for credit for military service	Provide a credit for military service	Allows up to five years of service credit for military service	Potential cost
Forfeiture of benefits: Complete loss of benefits for member/retiree and beneficiaries based on conviction or plea of <i>nolo contendere</i> for felonies and misdemeanors related to public duties and responsibilities and certain crimes of moral turpitude	Align to recent legislation for forfeiture of benefits for constitutional officers that narrows the qualifying crime, allows for partial loss of benefits, allows for a benefit for innocent parties, and establishes a process for implementing forfeiture	No comparable provision	Potential cost

Source: Department of Legislative Services

Appendix 4
**Additional Follow-up Materials from the
 December 18, 2018 Meeting**

**Table 1
 2017 Legislative Salaries Compared to 2017 Legislative Salaries Adjusted for
 Relative Cost of Living**

	<u>2017 Salary Rank</u>	<u>2017 Salary</u>	<u>2017 Adjusted Salary Rank</u>	<u>2017 Adjusted for Cost of Living</u>
California	1	\$104,118	3	\$74,105
Pennsylvania	2	86,479	1	85,201
New York	3	79,500	6	59,284
Michigan	4	71,685	2	80,545
Illinois	5	67,836	4	70,224
Massachusetts	6	62,548	9	49,134
Hawaii	7	61,380	19	32,580
Ohio	8	60,584	5	66,068
Wisconsin	9	50,950	7	53,295
Alaska	10	50,400	17	38,211
New Jersey	11	49,000	15	40,664
Maryland	12	48,622	18	37,868
Washington	13	47,776	12	44,401
Delaware	14	45,291	13	43,759
Minnesota	15	45,000	10	45,455
Alabama	16	44,765	8	49,629
Arkansas	17	39,400	11	44,926
Oklahoma	18	38,400	14	43,001
Missouri	19	35,915	16	40,263
Colorado	20	30,000	21	28,846
Florida	21	29,697	20	30,027
Connecticut	22	28,000	26	22,418
Indiana	23	25,436	23	27,498
Iowa	24	25,000	22	27,778
Oregon	25	24,216	28	19,265

	<u>2017 Salary Rank</u>	<u>2017 Salary</u>	<u>2017 Adjusted Salary Rank</u>	<u>2017 Adjusted for Cost of Living</u>
Arizona	26	24,000	25	25,000
Tennessee	27	22,667	24	25,158
West Virginia	28	20,000	27	20,661
Virginia (Average of Two Chambers)	29	17,820	32	17,488
Georgia	30	17,342	29	19,036
Idaho	31	17,017	30	18,239
Louisiana	32	16,800	31	17,891
Rhode Island	33	15,430	35	12,545
Maine (Average of Two Sessions)	34	12,215	37	10,762
North Carolina	35	13,951	33	14,857
Nebraska	36	12,000	34	13,001
South Carolina	37	10,400	38	10,569
Mississippi	38	10,000	36	11,876
Texas	39	7,200	39	7,860
South Dakota	40	6,000	40	6,270
New Hampshire	41	100	41	88

Note: Salary data excludes per diems and other compensation and are unadjusted for part-time versus full-time status. States that are shaded are considered full-time or leaning full-time (*i.e.*, dedicate at least 80% of working time to legislative duties with larger professional staffs).

Source: National Conference of State Legislatures; Council for Community and Economic Research; Department of Legislative Services

Table 2
2017 Legislative Salaries Compared to 2016 Median Household Income (%)

Legislative Salaries as a % of Median Household Income

California	154
Pennsylvania	152
Michigan	137
New York	126
Ohio	116
Illinois	111
Alaska	109
Alabama	97
Wisconsin	90
Arkansas	89
Massachusetts	83
Hawaii	82
Oklahoma	78
Delaware	73
Washington	71
Missouri	69
Minnesota	69
New Jersey	64
Maryland	62
Florida	58
Indiana	49
Tennessee	47
West Virginia	46
Colorado	46
Arizona	45
Iowa	44
Oregon	42
Connecticut	38

Legislative Salaries as a % of Median Household Income

Louisiana	37
Idaho	33
Georgia	32
North Carolina	28
Virginia (Average of Two Chambers)	26
Rhode Island	25
Mississippi	24
Maine (Average of Two Sessions)	23
Nebraska	21
South Carolina	21
Texas	13
South Dakota	11
New Hampshire	0

Note: Salary data excludes per diems and other compensation and are unadjusted for part-time versus full-time status. States that are shaded are considered full-time or leaning full-time (*i.e.*, dedicate at least 80% of working time to legislative duties with larger professional staffs).

Source: National Conference of State Legislatures; U.S. Census Bureau; Department of Legislative Services
