

## **2.21.24 MSEA Testimony Senate Bill 880\_FAV.pdf**

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**FAVORABLE**  
**Senate Bill 880**  
**State Retirement and Pension System – Average Final Compensation –**  
**Compensation Adjustments**

**Senate Budget and Taxation Committee**  
**February 22, 2024**

**Christian Gobel**  
**Government Relations**

The Maryland State Education Association supports Senate Bill 880. Senate Bill 880 provides that a salary increase is not an extraordinary salary increase, for purposes of calculating the average final compensation for a member of the Employees' Pension System or Teachers' Pension System, if the salary increase is related to a review and adjustment to the compensation for a position classification that address inequities in compensation among employees within the same position classification or increases the compensation for the position classification to be consistent with comparable market compensation for the position.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

MSEA believes that a guaranteed adequate income throughout retirement is essential for school districts to enhance recruitment efforts, improve retention rates among current employees, and to create a high-quality public education system. Moreover, MSEA believes that defined pension benefit plans are the best retirement tool to accomplish these goals. Senate Bill 880 furthers these goals by ensuring a member's calculated average final compensation does not exclude salary increases that: i) are a result of compensation adjustments to correct compensation inequities among employees within the same position classification, or ii) reflect compensation increases to match comparable market compensation for the position. MSEA appreciates the sponsor for bringing forward this important piece of legislation.

**We urge the committee to issue a Favorable Report on Senate Bill 880.**

**SB880.Pension.24.pdf**

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## Maryland Retired School Personnel Association

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**Senate Bill 0880**  
**In Support Of**  
**State Retirement and Pension System- Average Final Compensation-  
Compensation Adjustment  
Budget and Taxation**  
**Hearing: February 22, 2024 - 8:30 a.m.**

Dear Honorable Senator Guy Guzzone, Chair, and Honorable Senator Jim Rosapepe, Vice Chair, and distinguished Budget and Taxation Committee members,

**The Maryland Retired School Personnel Association (MRSPA) supports SB 0880 State Retirement and Pension System- Average Final Compensation- Compensation Adjustment.**

It is the position of MRSPA that a salary increase due to a promotion or similar situation is not an extraordinary salary increase. If the Retirement/Pension System recognizes a promotion or similar salary increase in the last five years of employment and it is within normal salary increase provision in each public-school jurisdiction, then it should be included in the final three-year average.

The requirement that a member provide the notice required of the salary adjustment to the State at the time of retirement is an acceptable requirement.

On behalf of the 12,000 MRSPA members and future retirees, we urge your full support of SB 0880.

Sincerely,

Carla J. Duls  
President

Virginia G. Crespo  
Legislative Aide