The existing pension system is complementary to the existing salary system but, in the view of the Commission, is not appropriate to be continued in the future in its present form in light of the Commission's other recommendations. The Commission does not favor a pension system which would permit a pension of 100% of the highest annual compensation, nor does it favor the receipt of full pension benefits by a retired member prior to age 60 or one which would require a 15% contribution. The principal purpose of a pension, in our opinion, should be to assure an employee of some degree of financial stability during that period of his life when his earning capacity is likely to be decreasing, not to supplement his income during his peak earning years.

The Commission took into account the fact that the contributory pension plan for judges (Article 26, Section 49(i) of the Maryland Code (1970 Cumulative Supplement)) requires a contribution of 6% of "annual compensation" and that only in the event of disability may a retired judge receive a pension prior to reaching the age of 60. The Commission was also cognizant of the fact that the maximum percentage of "his maximum salary" that a judge may receive as pension is 60%, and this may be received only after service of 16 years. The legislative pension system should be analogous, the Commission believes, to the judicial pension system, in that the years of service as a judge and years of service as a legislator do not cover a lifetime of employment.

It is interesting to note, by way of comparison, that the Employees' Retirement System requires contributions of between 5% and 9% (on a sliding scale depending upon age upon joining the system), with the average being 6%. Furthermore, it is impossible under that system to receive a 100% pension because the credit for each year of service is 1/60th* of one's "average final compensation" and retirement becomes mandatory at age 70. Full benefits are not payable before age 60, except in the case of persons "appointed or elected to any State office" and certain unclassified employees, unless an employee has 35 or more years of service. In the two exceptional categories just mentioned, the employees may retire after 16 years of service at any age with no actuarial reduction of their pension benefits. See Article 73B, Section 11(12).

The "vesting" requirements of these two plans provides an additional point of comparison. There is immediate vesting provided for in the judicial pension plan so that a judge with only a very few years of service can nonetheless receive a small pension if retired at age 60, rather than

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* The Commission was provided with information on high annual pension benefits now being received by certain retired State employees. The relative data for five of these employees is set out below:

Years of Service	Average Final Compensation	Maximum Annual Allowance	Contribution by Member
36 Yrs., 10 Mos.	$22,457	$11,816	$30,824
34 Yrs., 5 Mos.	24,947	11,981	23,342
51 Yrs., 9 Mos.	16,002	11,801	19,644
47 Yrs., 1 Mo.	17,546	11,801	22,956
52 Yrs., 1 Mo.	15,791	11,749	19,183

Additional information was also supplied to the Commission on three plans not yet mentioned (Pennsylvania Legislative Plan, Military Plan and Congressional Plan). A chart describing the benefits of these three plans is attached to this Report as Exhibit A and was considered by the Commission in reaching its conclusion. Also by way of comparison, the highest paid elected or appointed State official receives an annual salary of $36,100; with 30 such years of service, he could retire *at any age* with an annual pension for life of $18,050.