

governments involved, General Assembly representatives from the area, appropriate State education agencies, the Department of State Planning, and the Governor's Office within the group making the study and that the Council include its findings and recommendations in its annual report to be presented to the Governor and the Maryland General Assembly in January, 1975.

Approved April 30, 1974.

No. 23

(Senate Joint Resolution 28)

A Senate Joint Resolution concerning

Social Security Benefits - State Employees

FOR the purpose of requesting the Governor of Maryland to appoint a task force to study the feasibility of the State of Maryland terminating participation of State employees and teachers in the federal social security system and providing additional benefits to the members of the State pension systems in lieu of social security benefits.

WHEREAS, Federal social security taxes are levied on employment income without any exemptions and therefore the tax burden falls more heavily on the lower income employee, while an income ceiling is established for higher income employees, but the benefits payable under the social security system are only loosely related to the amount of taxes paid; and

WHEREAS, The combined tax payable by the employer and the employee for 1971 was \$811.20 (\$405.60 payable by the employer and the same amount by the employee) and the tax will be for 1974 the sum of \$1,544.40 (\$772.20 payable by the employer and the same amount by the employee), an increase of more than 90% in the four year period; and

WHEREAS, The effect of the rising social security tax rate on the employee is that some State employees are paying more in social security taxes than they pay in federal income taxes; and

WHEREAS, The total impact of social security taxes on the State government, State employees, and teachers will require the payment of \$160 million by fiscal 1976; and