

JOINT RESOLUTIONS

System, and other State public retirement systems now have assets of over \$1,200,000,000, making these pension funds one of the largest accumulations of capital in Maryland; and

WHEREAS, Approximately 120,000 persons, or three percent of the State's population, are members of the various State Retirement Systems; and

WHEREAS, The funding level, the level of benefits, the cost, the understanding by members of their benefits, and the general operation of the systems all are complex, vitally important and have not been the subject of recent legislative review; and

WHEREAS, The actuarial methods and assumptions utilized by the systems have a substantial impact on its cost and soundness and have not been the subject of thorough legislative review for over 20 years; and

WHEREAS, The "accrued liability" of the systems is substantial, and the State also funds a large portion of retirement benefits on a pay-as-you-go basis which has significant potential for growth, contributing to a need to review the cost and funding of the systems; and

WHEREAS, After the two major retirement systems were begun, Social Security coverage has been provided for the members and the combination of Social Security and Retirement System benefits now costs more than 20 percent of each member's salary, including a substantial after-tax contribution by the members; and

WHEREAS, The integration of Social Security benefits and retirement benefits, and the relationship between total retirement benefits, including Social Security, and current salary levels should be reviewed; and

WHEREAS, Reports of data on the systems are more than two years old at the time of publication and not widely available; and

WHEREAS, The statutory provisions for the systems are scattered throughout the Maryland Code and are duplicative, complex and confusing; and

WHEREAS, The Boards of Trustees of the systems occupy positions of most extreme responsibility for the management of one of Maryland's largest accumulations of capital and most extremely sensitive responsibility for providing the essential needs of life for a large number of people; and

WHEREAS, The Boards of Trustees should be given all