

## GOVERNOR'S SALARY COMMISSION

### V. PERSONAL BENEFITS OF ELECTED OFFICE

The Commission realizes that its constitutional responsibilities extend only to salary recommendations for the offices of Governor and Lieutenant Governor. However, the President of the Senate and the Speaker of the House of Delegates requested the Commission review other aspects of compensation such as retirement and other benefits. Pursuant to this request, the Commission reviewed the retirement provisions applicable to both offices as well as other benefits.

#### Governor's Retirement Provisions

The Governor's retirement benefit as amended in 1990 establishes a noncontributory gubernatorial pension beginning at age 55, equal to one-third of salary received at the time of leaving office if the Governor serves one term, and one-half of salary at the time of leaving office if the Governor serves two terms. The initial retirement allowance is adjusted annually by the change in the federal consumer price index to a maximum of 3%. If the Governor leaves office due to disability, the retirement allowance begins immediately and continues through the period of disability. A surviving spouse receives 50% of the retirement benefit the Governor receives or would have received.

The Commission notes that the Governor's retirement allowance is more generous than other retirement benefits. It recognizes that a Governor in many instances will have a limited period of state service compared to other state officials and employees. The Commission believes that the retirement benefit, calculated on a salary of \$120,000 will be either \$40,000 or \$60,000 depending on the number of terms and is the appropriate level of benefit. No modifications in the current retirement provisions are recommended.

#### Lieutenant Governor/Constitutional Officers Retirement Provisions

The retirement benefits of the Lieutenant Governor and the other constitutional officers are the same as for members of the State Employees' Pension System unless the individual had state service prior to January 1, 1980 and elected to remain in the State Employees' Retirement System. There are two exceptions: the constitutional officers have immediate vesting rights and receive a minimum benefit equal to 10% of their salary received during their last term of service as a constitutional officer. The two exceptions were recommended by the Commission in its 1989 report and enacted in law by the 1990 General Assembly. The Commission believes the 1990 statute created a reasonable minimum level of retirement benefit for the constitutional officers and makes no further recommendations for modifications in the retirement provisions for the constitutional officers. Although a member of the Commission, State Treasurer Maurer did not participate in the discussion of retirement benefits for the constitutional officers.

#### Other Benefits

The Governor and the other constitutional officers are eligible to participate in other employee benefit programs in the same manner as state employees. For some of these programs, the State pays 100% of costs, in some the state and the employees share the cost and for some the employee pays 100% of the cost. The benefits include:

Health programs (State/employee sharing);

Prescription program (State/employee sharing);