Council of University System Staff

June 27, 2006 UNIVERSITY OF MARYLAND EASTERN SHORE

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- The BOR met at Frostburg University on 6/23/06 and Chair, Joe Hill, thanked the Regents for their support during his year as Chair.
- The Optional Retirement Program was created for institutions of higher education and is managed by the State Retirement Agency.

During the 2006 legislative session, the Maryland General Assembly passed a bill to amend the State Employees Pension System (EPS) multiplier calculation from 1.4% to 1.8% effective July 1, 2006. This amendment will increase future retirement payment. Current employees in the EPS are encouraged to look carefully at their "retirement statement" sent by the State annually, in late summer, and compare to last year's statement – a definite improvement in the calculations will be seen. In addition, employees' mandatory contributions increased from 2% to 3% in 2006;, will increase to 4% in 2007 and 5% in 2008.

USM will be proposing legislation for the Spring 2007 legislative session which, if approved, would increase the employer contribution by 2% (7.25% to 9.25%) and mandate an employees' contribution that could compare to the EPS. CUSS has contacted the Council of University System Faculty (CUSF) to seek their support of the proposed increase. The Chancellor made it clear that this is a very important issue, but that it will need the Presidents' backing to move forward, and will also require prioritization in the operating budgets of USM institutions.

• The COLA, effective July 1, 2006, was layered