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TO: Members of the Compensation Council

FROM: Stephanie J. James, Senate Counsel (651/296-0103) 

DATE: February 13, 2013

RE: Total Compensation Packages for Constitutional Officers, Legislators, and Judges

In addition to the salaries listed in the other materials distributed for this meeting, Minnesota's constitutional officers, legislators, and judges receive benefits and, in some instances, other compensation. The benefits and payments listed in this memorandum should be considered along with actual salaries in determining those officials' total compensation.

Constitutional Officers

The state's constitutional officers are covered by the unclassified employee retirement plan administered by the Minnesota State Retirement System. The unclassified plan is a defined-contribution plan to which the state contributes six percent and the employee contributes five percent of salary.

In addition, constitutional officers are covered by the same insurance benefits offered to state employees, which include health, dental, and term life coverage. Finally, the governor's compensation includes use of a residence and a car and driver.

Legislators

Legislators elected after June 30, 1997, are included in the unclassified employee retirement plan. As described above for constitutional officers, the unclassified plan is a defined-contribution plan to which the state contributes six percent and the employee contributes five percent of salary.

Legislators elected before June 30, 1997, may choose coverage under either:

- (1) the unclassified employee retirement plan (as described for constitutional officers); or



(2) a defined-benefit plan. Under the defined-benefit plan, covered legislators contribute nine percent of their salaries while they are in office, and the state then appropriates the appropriate amount needed to pay benefits upon their retirement.

Under this plan, normal benefits are payable at age 62 and are calculated by determining the average of the legislator's highest five consecutive annual salaries and multiplying that amount by 2.5 percent for each year in office. To be eligible for benefits under the pre-1997 plan, a legislator must serve six full years or all or part of four regular sessions.

Legislators are also covered by the state's insurance package.

In addition to salary, legislators receive per diem expenses, a housing allowance, travel expenses, communication expenses, and a postage allowance. The amounts of these allowances and expense reimbursements are set by each legislative body by rule at the beginning of each session. Members in top leadership positions in each house are paid 140 percent of the regular legislative salary.

Judges

Judges are also covered by a retirement plan. The contribution rate for judges who are also covered by Social Security is eight percent of salary. The employer's contribution rate is 20.5 percent of salary. Benefits are calculated by multiplying the average "high-five" salary by 2.7 percent a year for service before July 1, 1980, and 3.2 percent a year from that date on. The maximum benefit, however, is 76.8 percent of the judge's high-five average salary. Judges also receive state insurance benefits.

SJJ:rd