

**Written Testimony submitted to Citizens' Committee on Legislative Compensation  
For November 8, 2018 Hearing  
By Fred Birnbaum, Idaho Freedom Foundation**

Good morning, committee members. My name is Fred Birnbaum and I serve as the Vice President of the Idaho Freedom Foundation.

We are asking this committee to address an ongoing problem commonly known as legislative pension spiking. For those not familiar with this issue, legislators whose service is considered part-time get credited for full-time service for their pension calculation if they take a full-time government position for a duration of 42 months or more following their legislative service.

Just to provide some examples, without naming individuals: this loophole allowed some lawmakers to spike their pensions between 500 and 800 percent over what they would have been without this law. Other part-time elected officials, such as mayors, city councilors, and many others, are not entitled to this same perk; it only applies to members of the Legislature.

The June 7, 2016, Report of the Citizens Committee on Legislative Compensation, Section V., item 2. states, "Further, the Committee strongly recommends that the Legislature reconsider changes to the calculation of legislative retirement benefits proposed under 2015 House Bill 100."

The Legislature has taken no further action in either the 2017 or 2018 session to enact the reforms outlined in House Bill 100. That bill would end the current practice of pension spiking, meaning that part-time service would not be credited as full-time for the calculation of pension for those serving in full time positions for 42 months or more following legislative service. That bill would not have affected any service before July 1, 2015, e.g. members serving at the time the legislation was drafted during the 2015 session.

We believe, pursuant to the March 2, 2015, attorney general office's opinion, file number 15-50730, that this committee should again recommend and clearly state that the committee would consider the adoption of an updated version of HB 100 to be in accordance with Article III, section 23 of the Idaho Constitution. The Legislature's adoption of an updated version of HB 100, with a July 1, 2019 effective date would be entirely consistent with the AG's opinion letter, from March 2, 2015.

To show the wide appeal of the intent of House Bill 100, gubernatorial candidates Tommy Alquist, AJ Balukoff, Paulette Jordan, Raul Labrador and Brad Little all supported ending pension spiking.

Three separate attachments:

1. HB 100
2. March 2, 2015 AG opinion letter
3. June 7, 2016 Report of the Citizens' Committee on Legislative Compensation