



HOUSE APPROPRIATIONS COMMITTEE

House Bill 296

Maryland Teachers and State Employees Supplemental Retirement Plans - Automatic Enrollment

February 14, 2023

Favorable with Amendment

Chair Barnes, Vice Chair Chang and members of the committee, thank you for the opportunity to offer testimony on House Bill 296.

The bill requires the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans (MSRP) to automatically enroll all eligible State employees hired on or after January 1, 2024, in a supplemental retirement plan.

Currently, the Board of Trustees of the MSRP does not have a stake in the plans sponsored by the University System of Maryland (USM). The USM would like to work with the sponsor and committee staff to make clear that university-sponsored plans are separate and apart from the plans that would otherwise be affected by House Bill 296. As a starting point, and pending more conversation with the sponsor, the USM suggest the following amendments:

- 1) Amending the definition of Eligible Employer in SPP Section 35-205:

“ELIGIBLE EMPLOYER” MEANS THE EMPLOYER OF AN INDIVIDUAL ELIGIBLE TO PARTICIPATE IN A SUPPLEMENTAL RETIREMENT PLAN, OTHER THAN AN EMPLOYER WHICH OFFERS SUPPLEMENTAL RETIREMENT PLANS ESTABLISHED AS PERMITTED BY SECTION 30-210(b) OF THIS ARTICLE.

- 2) And amending 35-206 as follows:

(A) THE BOARD SHALL IMPLEMENT AN AUTOMATIC ENROLLMENT ARRANGEMENT TO AUTOMATICALLY ENROLL ALL STATE EMPLOYEES OF AN ELIGIBLE EMPLOYER HIRED ON OR AFTER JANUARY 1, 2024, IN A SUPPLEMENTAL RETIREMENT PLAN.

Thank you for allowing the USM to share our position on House Bill 296 and for your consideration of our proposed amendments.



About the University System of Maryland

The University System of Maryland (USM)—one system made up of 12 institutions, three regional centers, and a central office—awards 8 out of every 10 bachelor’s degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of 21 members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM’s 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country’s largest public online institution.

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