

TONY BRIDGES
Legislative District 41
Baltimore City

Appropriations Committee



The Maryland House of Delegates
6 Bladen Street, Room 315
Annapolis, Maryland 21401
410-841-3283 · 301-858-3283
800-492-7122 Ext. 3283
Tony.Bridges@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 14th, 2023

RE: HB0296 Maryland Teachers and State Employees Supplemental Retirement Plans –
Automatic Enrollment:

Good Afternoon Chair Barnes and Members of the Appropriation Committee:

The Maryland Supplemental Retirement Plans were designed to provide State employees with a retirement savings benefit to enhance their State pension income. State employees must elect to enroll in the Plans. Many are either unaware of the benefit or have not participated in educational sessions on the importance of retirement planning. State law does not currently authorize automatic enrollment in the Plans. This bill would authorize MSRP to enroll new State employees in a supplemental retirement plan as they begin state service, while allowing an opt out option. The earlier State employees participate in retirement plans, the more the employees will be able to save toward supplementing their retirement income. This bill would provide thousands of new State employees this important benefit opportunity, so that they will be able to supplement their retirement income to cover the gap that exists between pre-retirement income and post-retirement income.

In 2020 only 41.7 percent of new employees enrolled in Maryland's program. The majority of new employees did not benefit from average annual contributions. In DC a similar program is experiencing great success, with 91 percent of new employees enrolling in their workplaces' retirement plans under automatic enrollment, compared to only 27 percent participation under voluntary enrollment. After three years, 92 percent of individuals enrolled under auto enrollment were still participating in the plan. Auto Enrollment will result in employees saving for retirement early, and will stand to greatly benefit employees with lower salaries. In July 2016 the Maryland Small Business Retirement Savings Program and Trust Bill was passed. However, in over half a decade Maryland has failed to pass an autoenrollment bill that will include state employees. This legislation is long overdue and stands to benefit the majority of state employees; with that being said I ask the committee for a favorable report.