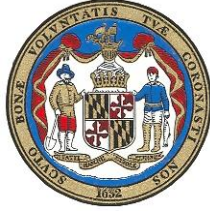


SB 189 - STO FAV Testimony.pdf

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Position: FAV



MARYLAND STATE TREASURER
Dereck E. Davis

Testimony of the Maryland State Treasurer's Office

Senate Bill 189 – Maryland Saves Data Sharing Act | Position: Favorable

Senate Budget and Taxation Committee

January 25, 2023

The State Treasurer's Office respectfully requests that the Committee give favorable consideration to Senate Bill 189 – legislation that advances the financial literacy and planning mission that the Maryland Small Business Retirement Savings Program (Maryland Saves) serves each day.

Since piloting in June 2022 and launching in September 2022, Maryland Saves has done considerable outreach to find employers whose employees would mutually benefit from a work-based retirement savings option. Connecting with those businesses has proven difficult as the Program lacks access to tax information that would help identify areas of need.

Expressly authorizing the Comptroller's Office to share specified tax information about Maryland businesses will broaden the Program's reach, streamline the registration process for business owners, and create a more efficient means for tracking employers. Program staff advise that Senate Bill 189 will save at least \$50,000 each year due to administrative efficiencies and will bring Maryland Saves more in line with similar programs in other states.

The need for greater access to retirement savings has been well documented over the years, particularly with the impending "silver tsunami." Senate Bill 189 makes available an additional tool through which Maryland Saves can be more successful in helping Marylanders.

For the foregoing reasons, STO requests that the Committee give Senate Bill 189 a favorable report. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.

Simmons Testimony SB189 1-25-23.pdf

Uploaded by: Glenn Simmons

Position: FAV



**TESTIMONY PRESENTED TO THE
SENATE BUDGET AND TAXATION COMMITTEE**

**SENATE BILL 189
MARYLAND SAVES DATA SHARING ACT
JANUARY 25, 2023**

Brief description of the bill – This bill will allow the Maryland Comptroller to disclose certain tax information to the Maryland Small Business Retirement Savings Board and certain contractors to enable effective and accountable administration of the Maryland Small Business Retirement Savings Program created by SB1001.

POSITION - SUPPORT

Testimony submitted by: Glenn Simmons, Executive Director/CEO

Mr. Chairman and members of the Senate Budget and Taxation Committee,

I am Glenn Simmons, Executive Director/CEO of MarylandSaves. MarylandSaves was created by the Maryland State Legislature in 2016 to enable Maryland small businesses and nonprofits to offer retirement coverage to their employees. Unfortunately, nearly 1 million Marylanders work full time, but can't save for emergencies or retirement because their employers don't have a plan and can't afford one. Our program, launched on September 15, 2022, is designed to permit small businesses to offer employee savings without cost. More than 1,200 businesses have already enrolled, with more than 16,000 employees added to our program.

In crafting the program, the legislature established the Maryland Small Business Retirement Savings Board, specified that its directors would be appointed by the Governor and the leadership of both the Senate and House of Delegates and comply with Maryland's ethics and open meeting laws, and specified the terms of the program. Maryland did not place the program within a State agency, so the Board created a public non-profit corporation to operate it.

The State does not require Maryland businesses to use the Program, but it does require businesses that don't offer a traditional retirement plan to enroll their employees, who may then opt out or have deductions made from their paychecks. Unfortunately, the current registration process is not integrated into tax reporting, and so many businesses must enroll manually.



MarylandSaves supports SB189. This bill will allow the Comptroller's Office to share information about Maryland businesses that would allow the program to create a much simpler and more streamlined registration process for business owners. Similar programs in other states all have access to their state's business data. Maryland's program should, too.

In addition to making it much easier for small businesses to access MarylandSaves, SB189 would also enable MarylandSaves to expand more quickly, and thereby be able to operate more quickly without the current State startup subsidy.

For these reasons, I respectfully urge a favorable report on House SB189.

Thank you for the opportunity to provide testimony on SB189. If you have any questions or need more information, please feel to contact me at glenn.simmons@marylandsaves.org or 410-818-4629.

SB 189 MD Saves Data Sharing Act.pdf

Uploaded by: Tammy Bresnahan

Position: FAV



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SB 189 Maryland Saves Data Sharing Act
Senate Budget and Taxation Committee
January 25, 2023

Good afternoon Chairman Guzzone and members of the Senate Budget and Taxation Committee. I am Tammy Bresnahan, Senior Director of Advocacy for AARP MD. On behalf of our almost 900,000 members, we would like to thank you for the opportunity to speak in support of SB 189 Maryland Saves Data Sharing Act. We thank Senator Rosapepe for introducing SB 189.

SB 189 authorizes the Maryland Small Business Savings Board and its authorized contractors to receive tax information from the Comptroller regarding business entities who may participate in the Maryland Small Business Saving Program also known as Maryland Saves.

Maryland Saves is the state of Maryland's retirement savings program that provides Marylanders with an easy and automatic way to save for the future. Maryland Saves is available to Maryland workers whose employer do not offer a workplace retirement plan. Savers contribute to a convenient and portable Individual Retirement Account (IRA) that moves right along with them as they change jobs.

Nearly half of workers in Maryland do not have access to a retirement plan at work, according to a study released by AARP on September 15, 2022. Some 947,000 people — 43% of Maryland's private sector employees ages 18 to 64 — work for an employer that does not offer either a traditional pension or a retirement savings plan. Beginning with the launch of Maryland Saves, Marylanders will have more options available to help build financial security.¹

Maryland is one of 16 states that have enacted a state-facilitated payroll deduction retirement savings like Maryland Saves. A state-facilitated retirement savings programs providing a worker with a way to build financial security at work using payroll deduction. State-facilitated retirement savings programs provide a growing number of workers with a way to build financial security at work using payroll deduction.

Having access to a retirement plan at work is critical for building financial security later in life. And we know people are much more likely to save for retirement if they can do so automatically through their paycheck. That's why AARP Maryland worked hard to enact Maryland Saves in 2017 to help provide an easy pathway for workers to build a safety net and grow the savings they need for a more secure future and retirement.

¹ <https://states.aarp.org/maryland/marylandsaves>



AARP's research found that employees at small businesses are less likely to have access to a retirement plan than those at larger workplaces in Maryland. About 74% of workers at companies with fewer than 10 employees and 58% who work in companies with 10 to 24 employees lack access to a plan. Even among employers with more than 100 workers, fully 462,000 employees do not have access to an employer-sponsored retirement plan.²

According to Maryland Saves, having access to employer information will assist them in enrolling workers. We respectfully encourage the Senate Budget and Taxation Committee to issue a favorable report on SB 189. Thank you for allowing us the time to speak to you about this very important legislation. If you have questions, please don't hesitate to contact me at tbresnahan@arp.org or by calling me at 410-302-8451.

² <https://states.aarp.org/maryland/marylandsaves>