

UNFAVORABLE
Senate Bill 322
Maryland Teachers and State Employees Supplemental Retirement Plans –
Automatic Enrollment

House Appropriations Committee
March 27, 2024

Christian Gobel
Government Relations

The Maryland State Education Association respectfully opposes Senate Bill 322. Senate Bill 322 would require the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans (MSRP) to auto enroll all eligible state employees hired on or after January 1, 2025 in a supplemental retirement plan. Under the bill, an eligible employer must deduct an amount from the employee's wages for a contribution to a supplemental retirement plan, unless the employee withdraws from the plan or elects to stop making contributions to the plan. The MSRP would have the authority to establish the minimum deduction amount from the employee's wages, unless the employee elects a different deduction amount, ceases all contributions to the plan, or withdraws from the plan.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

While this legislation does not directly impact MSEA's members, our union shares the concerns raised by AFSCME regarding the detrimental impact this legislation could have on the state's public servants. MSEA appreciates the sponsor's intent with finding ways to ensure workers have savings in place for a secure retirement, however, certain public employees who are living paycheck-to-paycheck and struggling to make ends meet should not be burdened with automatic enrollment into a supplemental retirement plan that they may not be able to afford.



Rather, state employees should maintain the choice of whether they wish to opt-in to a supplemental retirement plan, which will provide more time and flexibility to make an informed decision about their personal finances. Additionally, MSEA echoes AFSCME's concerns that there are no employee representatives on the MSRP. MSEA believes that public employees' retirement interests would be better served by having employee representation on the MSRP.

We respectfully urge the committee to issue an Unfavorable Report on Senate Bill 322.