

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1307 (Chairman, Rules and Executive Nominations Committee)
(Departmental - NE Md. Waste Disposal Authority)

Appropriations

**Optional Defined Contribution System - Participation by Northeast Maryland
Waste Disposal Authority**

This departmental pension bill authorizes employees of the Northeast Maryland Waste Disposal Authority to participate in the \$600 deferred compensation matching program for members of the Employees' Pension System (EPS).

The bill takes effect July 1, 2000.

Fiscal Summary

State Effect: Minimal. Oversight of the bill's requirements by the Maryland Supplemental Retirement Plans should require little or no additional resources by that agency. The State would not be required to provide any additional deferred compensation matching funds.

Local Effect: Personnel expenditures by the Northeast Maryland Waste Disposal Authority could increase by approximately \$5,400 per year for the \$600 deferred compensation employer match.

Small Business Effect: The Northeast Maryland Waste Disposal Authority has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Chapter 530 (HB 987) of 1998 created a \$600 employer match to the deferred compensation plan accounts of State employee members of the EPS.

Background: The Northeast Maryland Waste Disposal Authority is a participating employer in the EPS. Participating employers in the EPS pay for their own pension costs. Participating employers were not covered under the deferred compensation match provision of Chapter 530 but are free to operate their own deferred compensation programs, with or without matching provisions. The authority, by law, is authorized to use the Maryland Supplemental Retirement Plans as its deferred compensation provider, but is not permitted to utilize the statutory provisions regarding the matching program, specifically a separate account for employer contributions under Section 401(a) of the Internal Revenue Code.

Local Expenditures: The Northeast Maryland Waste Disposal Authority has nine employees. Assuming they all take full advantage of the \$600 match, the additional costs would be \$5,400.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Supplemental Retirement Plans, Northeast Maryland Waste Disposal Authority, Department of Legislative Services

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