

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 359

(Senator Jones-Rodwell)(Chair, Joint Committee on
Pensions)

Budget and Taxation

Appropriations

**State Retirement and Pension System - Unclaimed Money - Former Members,
Retirees, and Beneficiaries**

This bill allows the State Retirement Agency (SRA) to post the names of individuals and their last known employers on its website or otherwise publish the names for the purpose of notifying them that they have unclaimed money held by the agency. The bill applies only to former members, retirees, and beneficiaries of deceased retirees who are (1) entitled to a refund of accumulated contributions but have not made a claim; or (2) eligible to receive a vested allowance but have not filed an application for the allowance.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: None. The liabilities associated with refunded contributions and vested allowances have already been accounted for in annual actuarial valuations by the State Retirement and Pension System's actuary. Therefore, any increase in the number of refunds or vested allowances paid that result from the release of members' names will have no effect on State pension liabilities or contribution rates.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under the State's Public Information Act, SRA is not permitted to release information that would identify a member or former member by name. Retirement records are deemed to be confidential.

Background: SRA advises that it holds several thousand accounts for individuals who participated in the State Retirement and Pension System but did not vest and therefore are not eligible for an allowance. However, these individuals are eligible for a refund of their employee contributions (with interest), but they have not applied to receive their refunds. In addition, SRA reports holding several thousand accounts of vested former members who are eligible for a vested allowance but have not applied for the allowance.

With some success, the agency has attempted to contact these individuals by mailing notices to their last known addresses and using the Internal Revenue Service's mail forwarding service, among other strategies. Publishing their names on the agency's website may further increase its success in finding them.

Additional Information

Prior Introductions: None.

Cross File: HB 338 (Delegate Griffith)(Chair, Joint Committee on Pensions) - Appropriations.

Information Source(s): State Retirement Agency, Department of Legislative Services

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ncs/rhh

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