

SENATE BILL 270

P6

5lr2091

By: **Senator M. Jackson (By Request – State Treasurer)**

Introduced and read first time: January 9, 2025

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2025

CHAPTER _____

1 AN ACT concerning

2 **Board of Trustees of the Maryland Teachers and State Employees Supplemental**
3 **Retirement Plans – Automatic Enrollment**

4 FOR the purpose of requiring the State Board of Trustees of the Maryland Teachers and
5 State Employees Supplemental Retirement Plans to implement an automatic
6 enrollment arrangement for certain State employees; authorizing certain employing
7 institutions to automatically enroll employees into a certain supplemental
8 retirement plan; requiring an eligible employer to deduct wages of an employee for
9 contribution to a supplemental retirement plan in accordance with an automatic
10 enrollment arrangement, unless the employee has elected to withdraw from or cease
11 to contribute to the supplemental retirement plan; and generally relating to the
12 automatic enrollment of State employees into supplemental retirement plans.

13 BY repealing and reenacting, with amendments,
14 Article – State Personnel and Pensions
15 Section 35–101
16 Annotated Code of Maryland
17 (2024 Replacement Volume and 2024 Supplement)

18 BY adding to
19 Article – State Personnel and Pensions
20 Section 35–206
21 Annotated Code of Maryland
22 (2024 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 **Article – State Personnel and Pensions**

4 35–101.

5 (a) In this title the following words have the meanings indicated.

6 (B) “AUTOMATIC ENROLLMENT ARRANGEMENT” MEANS A SUPPLEMENTAL
7 PLAN PROVISION THAT REQUIRES AN ELIGIBLE EMPLOYER TO DEDUCT ELECTIVE
8 DEFERRALS FROM AN EMPLOYEE’S WAGES FOR CONTRIBUTION TO A
9 SUPPLEMENTAL RETIREMENT PLAN UNLESS THE EMPLOYEE MAKES AN ELECTION
10 NOT TO CONTRIBUTE OR TO CONTRIBUTE A DIFFERENT AMOUNT.

11 [(b)] (C) “Board” means the State Board of Trustees of the Maryland Teachers
12 and State Employees Supplemental Retirement Plans.

13 (D) “ELIGIBLE EMPLOYER” MEANS THE EMPLOYER OF AN INDIVIDUAL
14 ELIGIBLE TO PARTICIPATE IN A SUPPLEMENTAL RETIREMENT PLAN.

15 [(c)] (E) “Supplemental retirement plans” means the deferred compensation,
16 tax sheltered annuity, salary reduction savings plans, and any other plans authorized by
17 this title.

18 35–206.

19 (A) ~~THE (1)~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
20 SUBSECTION, THE BOARD SHALL IMPLEMENT AN AUTOMATIC ENROLLMENT
21 ARRANGEMENT TO AUTOMATICALLY ENROLL ALL STATE EMPLOYEES HIRED ON OR
22 AFTER JANUARY 1, 2026, IN A SUPPLEMENTAL RETIREMENT PLAN.

23 (2) AN EMPLOYING INSTITUTION, AS DEFINED IN § 30–101 OF THIS
24 ARTICLE, MAY AUTOMATICALLY ENROLL EMPLOYEES INTO THE SUPPLEMENTAL
25 RETIREMENT PLAN THAT THE EMPLOYING INSTITUTION CHOOSES.

26 (B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN ELIGIBLE
27 EMPLOYER SHALL DEDUCT AN AMOUNT FROM THE WAGES OF AN EMPLOYEE FOR
28 CONTRIBUTION TO A SUPPLEMENTAL RETIREMENT PLAN AS PART OF AN
29 AUTOMATIC ENROLLMENT ARRANGEMENT, UNLESS THE EMPLOYEE HAS ELECTED
30 TO WITHDRAW FROM THE SUPPLEMENTAL RETIREMENT PLAN OR CEASE MAKING
31 CONTRIBUTIONS TO THE SUPPLEMENTAL RETIREMENT PLAN.

1 **(2) THE AMOUNT DEDUCTED FROM THE WAGES OF AN EMPLOYEE**
2 **EACH PAY PERIOD SHALL BE THE MINIMUM AMOUNT SET BY THE BOARD, NOT TO**
3 **EXCEED \$25, UNLESS THE EMPLOYEE ELECTS TO:**

4 **(I) HAVE A DIFFERENT AMOUNT DEDUCTED;**

5 **(II) CEASE MAKING CONTRIBUTIONS TO THE SUPPLEMENTAL**
6 **RETIREMENT PLAN; OR**

7 **(III) WITHDRAW FROM THE SUPPLEMENTAL RETIREMENT PLAN.**

8 **(C) AN EMPLOYEE ENROLLED IN A SUPPLEMENTAL RETIREMENT PLAN**
9 **UNDER AN AUTOMATIC ENROLLMENT ARRANGEMENT SHALL BE:**

10 **(1) OFFERED A VIRTUAL OR IN-PERSON COUNSELING APPOINTMENT**
11 **TO DISCUSS THE SUPPLEMENTAL RETIREMENT PLAN AND THE TIMELINE FOR**
12 **DISCONTINUING PARTICIPATION;**

13 **(2) PROVIDED A NOTICE WITH AN EXPLANATION OF:**

14 **(I) THE TERMS OF THE EMPLOYEE'S ENROLLMENT IN THE**
15 **SUPPLEMENTAL RETIREMENT PLAN, INCLUDING THE CURRENT CONTRIBUTION**
16 **AMOUNT PROVIDED FOR UNDER THE AUTOMATIC ENROLLMENT ARRANGEMENT;**

17 **(II) THE EMPLOYEE'S RIGHT TO INCREASE, DECREASE, OR**
18 **CEASE CONTRIBUTIONS TO THE SUPPLEMENTAL RETIREMENT PLAN;**

19 **(III) THE EMPLOYEE'S RIGHT TO DISCONTINUE PARTICIPATION**
20 **IN THE SUPPLEMENTAL RETIREMENT PLAN WITHIN 90 DAYS AFTER THE FIRST**
21 **AUTOMATIC DEDUCTION OF THE EMPLOYEE'S CONTRIBUTION FROM WAGES;**

22 **(IV) THE EMPLOYEE'S RIGHT TO RECEIVE A REFUND OF THE**
23 **EMPLOYEE'S ACCOUNT CONTRIBUTIONS AS SOON AS PRACTICABLE AFTER**
24 **DISCONTINUING PARTICIPATION WITHIN 90 DAYS AFTER THE FIRST AUTOMATIC**
25 **DEDUCTION OF THE EMPLOYEE'S CONTRIBUTION FROM WAGES; ~~AND~~**

26 **(V) THE EMPLOYEE'S RIGHTS REGARDING THE INVESTMENT OF**
27 **THE EMPLOYEE'S ACCOUNT AND THE INVESTMENT OPTIONS AVAILABLE UNDER THE**
28 **SUPPLEMENTAL RETIREMENT PLAN; AND**

29 **(VI) THE DEFAULT CONTRIBUTION AMOUNT ESTABLISHED**
30 **UNDER SUBSECTION (B) OF THIS SECTION THAT WILL BE IN EFFECT FOR THE**
31 **EMPLOYEE'S FIRST PAYROLL DEDUCTION; AND**

1 ~~(2)~~ **(3)** TREATED AS EXERCISING CONTROL OF THE ASSETS IN THE
2 SUPPLEMENTAL RETIREMENT PLAN ACCOUNT REGARDING THE AMOUNT OF
3 CONTRIBUTIONS AND EARNINGS.

4 **(D)** IF A PARTICIPANT IS ENROLLED IN A SUPPLEMENTAL RETIREMENT
5 PLAN UNDER AN AUTOMATIC ENROLLMENT ARRANGEMENT, THE BOARD SHALL
6 INVEST THE PARTICIPANT’S CONTRIBUTIONS IN A DESIGNATED DEFAULT
7 INVESTMENT OPTION IN ACCORDANCE WITH EACH APPLICABLE SUPPLEMENTAL
8 RETIREMENT PLAN.

9 **(E)** EACH UNIT THAT HIRES AN ELIGIBLE EMPLOYEE WHO IS NOT ALREADY
10 ENROLLED IN A SUPPLEMENTAL RETIREMENT PLAN SHALL PROVIDE THE BOARD
11 WITH THE INFORMATION NECESSARY TO COMPLETE THE ENROLLMENT OF THE
12 EMPLOYEE UNDER THE AUTOMATIC ENROLLMENT ARRANGEMENT.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only to
14 individuals eligible to participate in a supplemental retirement plan who commence
15 employment or who are reinstated on or after January 1, 2026.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2025.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.