

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 200 (Chair, Budget and Taxation Committee)(By Request -
Departmental - Teachers and State Employees
Supplemental Retirement Plans)

Budget and Taxation

**Board of Trustees of the Maryland Teachers and State Employees Supplemental
Retirement Plans - Renaming**

This departmental bill renames the State Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans to be the State Board of Trustees of the State Employees Supplemental Retirement Plans. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: None. Renaming the board does not affect governmental finances.

Local Effect: None.

Small Business Effect: The Maryland Teachers and State Employees Supplemental Retirement Plans (MSRP) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: The various plans under MSRP are administered by a board of trustees, as established in Title 35 of the State Personnel and Pensions Article. The board has responsibility over four plan options: 401(k) and 457(b) plans for State employees; 403(b) plans for employees of State educational institutions; and a 401(a) State matching plan that was relaunched in fiscal 2024. MSRP staff supports the board of trustees' work in selecting investment options and overseeing operations. MSRP staff also provides educational programs and information to State employees and human resources personnel.

MSRP finances operations through a fee imposed on members' accounts based on a percentage of assets in the plans and a flat-rate monthly charge. The board fee is currently composed of a 0.0425% asset fee and a monthly per account charge of \$0.50 on every account with at least \$500 (except for 401(a) match plan accounts). The board contracts with Nationwide Retirement Solutions, Inc. (Nationwide) for plan administration. The Nationwide contract requires a management fee of 0.0775% of assets. Therefore, the reported total participant fee is 0.11% of plan assets and a \$0.50 charge on specified accounts.

Background: The board's name includes "teachers" because teachers who work for local school systems are eligible to participate in the 403(b) plan administered by the board. However, no teachers currently participate as local school systems offer their own supplemental retirement plans. According to the board, the inclusion of "teachers" has caused confusion among State employees, as some are not sure if they are eligible to participate in the board's plans because they are not teachers.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 144 (Chair, Appropriations Committee)(By Request - Departmental - Teachers and State Employees Supplemental Retirement Plans) - Appropriations.

Information Source(s): Maryland Teachers and State Employees Supplemental Retirement Plans; Department of Legislative Services

Fiscal Note History: First Reader - January 17, 2025
js/ljm

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Board of Trustees of the Maryland Teachers and State Employees
Supplemental Retirement Plans - Renaming

BILL NUMBER: SB 200

PREPARED BY: Maryland Teachers and State Employees Supplemental Retirement
Plans

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

None