A Union of Professionals
AFT-Maryland

Kenya Campbell
PRESIDENT

LaBrina Hopkins
SECRETARY-TREASURER

Written Testimony to the Maryland House Appropriations Committee
SB 270 - Board of Trustees of the Maryland Teachers and State Employees Supplemental
Retirement Plans - Automatic Enrollment
March 25, 2025

UNFAVORABLE

AFT Maryland asks for an unfavorable report on SB 270, which mandates automatic enrollment of state employees into the Maryland Teachers and State Employees Supplemental Retirement Plans. While the intention behind this bill may be to promote retirement savings, its approach is fundamentally flawed and raises several concerns for employees, unions, and the principles of financial autonomy.

The core of SB 270 is the automatic enrollment of newly hired state employees into a supplemental retirement plan unless they take explicit action to opt out. This forces employees into financial decisions without their consent. While retirement planning is important, it should be a conscious and deliberate choice made by employees rather than an automatic default.

Employees should have the ability to evaluate their financial situations and decide whether participation in a supplemental retirement plan aligns with their financial priorities. Many employees, particularly those in lower-wage positions, may prefer to direct their earnings toward pressing financial obligations such as housing, childcare, or other essential living expenses.

Additionally, we are concerned that a Board would have the authority to determine the contribution amount. Under this bill, employees will see deductions from their wages, starting with a minimum amount set by the Board (not exceeding $25 per pay period). While this amount may seem small, it can be significant for employees managing tight budgets. Moreover, employees who fail to opt out in time may be enrolled without full awareness, only to later discover that deductions have been made from their paychecks without their explicit consent.

For these reasons AFT Maryland again asks for an unfavorable report. Thank you.