



MARYLAND STATE & D.C. AFL-CIO

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**SB 270 - Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans - Automatic Enrollment
House Appropriations Committee
March 25, 2024**

OPPOSE

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in opposition to SB 270. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

SB 270 requires all state employees hired on or after January 1st, 2026 to be automatically enrolled into a supplemental retirement plan in addition to the money they contribute to the regular retirement plan. SB 270 proposes all new employees will be automatically enrolled in the MSRP without their approval and must take on the burden of opting-out on their own. These programs should be negotiated through the collective bargaining process, not prescribed by law. Over the last half-century, workers have faced countless attacks on their ability to retire comfortably. The transition from employer sponsored defined benefit pension plans to primarily employee funded 401(k) plans has left millions of workers without enough financial security to ever consider retirement. The MSRP is a supplemental plan, meant to augment the retirements of some state employees, and should remain optional for employees.

Labor unions have seen a familiar playbook emerge regarding cuts to retirement benefits. The first step of this process is often offering supplemental or optional 401(k) plans, followed by making enrollment mandatory, eventually offering workers a choice of opting out of traditional defined benefit plans, ultimately resulting in the outright elimination of retirement plans that actually guarantee retirement security.

We ask for an unfavorable report on SB 270.