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Patrick Moran – President

**SB 270 – Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans – Automatic Enrollment
Appropriations Committee
March 25, 2025**

Position: UNFAVORABLE

AFSCME Council 3 represents 50,000 state, county, and municipal employees across Maryland, and we respectfully oppose House Bill 605. This bill mandates that the State Board of Trustees for the Maryland Teachers and State Employees Supplemental Retirement Plans implement automatic enrollment for state employees hired after January 1, 2026. While we acknowledge and appreciate efforts to enhance the retirement readiness of our members in state government, we believe this legislation takes the wrong approach to achieving that goal.

As amended, the bill sets the deduction as high as \$25 per pay period. Many of our members are living paycheck to paycheck, and while the intention behind this legislation may be noble, additional, unspecified deductions are simply unaffordable for many at this time. Additionally, we are concerned that a Board—on which we continue to have no dedicated representation on—would have the authority to determine the contribution amount.

Second, we are still concerned that the process to opt out or transfer funds after contributions have been made may be too complex for many of our members. This could limit their ability to make the financial decisions that best meet their needs. Our members consistently express a desire for greater support with financial planning services, enabling them to make informed choices that align with both their short-term and long-term financial goals. We worry that SB 270 limits this choice.

Finally, we believe SB 270 will disproportionately affect our lowest-paid state employees. When the Board sets a flat deduction amount, those with the lowest wages end up bearing the heaviest burden. For example, deducting \$25 per pay from an office secretary's paycheck will have a far greater impact on their finances than it would for the executive they support administratively.

For these reasons, we encourage the committee to provide an unfavorable report on SB 270. Thank you.