



House Bill 1414

State Retirement and Pension System - Board of Trustees - County Representation

MACo Position: **SUPPORT**

Date: March 20, 2013

To: Appropriations Committee

From: Robin Clark and Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1414. This bill would require the Board of Trustees for the State Retirement and Pension System to study and report on the statutory provisions necessary for county governments to provide alternate pension options to county board of education employees.

This year, county governments have assumed financial responsibility for part of the pension costs of their county board of education employees who are members of the State Retirement and Pension System Teacher's Plan. Evaluating alternate pension options for county board employees would assist State, local and education stakeholders to understand the costs and consequences of any future changes to these offerings, and help guide any future policy considerations.

HB 1414 provides for research into the financial and operations implications of a change in the pension offering for a county's teachers. The report would summarize the financial impact of transferring actuarial liabilities, unfunded liabilities, and employer contributions. The report would also provide recommendations on how to ensure portability of vested pension benefits for county school board employees who move to positions in other counties. Finally, the Board would share any considerations for counties establishing alternative defined benefit or defined contribution plans.

To promote understanding of transitional considerations for teacher pension offerings, MACo urges the Committee to give HB 1414 a **FAVORABLE** report.