



February 21, 2017

The Honorable Edward J. Kasemeyer
Budget and Taxation Committee
3 West, Miller Senate Building
Annapolis, MD 21401

Re: SB 486 – State Employees and Teachers - Cash Balance Plan – Support

Dear Senator Kasemeyer,

Senate Bill 486 establishes a cash balance plan under the State Retirement and Pension System. It requires that individuals who on June 30, 2018, are members of specified pension systems become members of the cash balance plan on July 1, 2018. Also requiring that individuals who are employed on or after July 1, 2018, by participating employers become members of the cash balance plan. Lastly also requiring the Board of Trustees of the State Retirement and Pension System to administer the cash balance plan.

The Legislative Committee of the Carroll County Chamber of Commerce supports this bill as we believe it will begin the process of converting to a more tenable retirement plan system for Maryland state employees.

It is a known fact that Maryland state retirement plans are underfunded. Many states face the same dilemma and must find a way to transition to a more sensible retirement system. At some point the problem will become irreversible. The state of Maryland is at a critical juncture as the competition to attract new business and individuals is increasing. Moreover, the move toward increased regulation has had a negative impact on our business climate. We need to reverse this cycle for the future generations of Marylanders or we continue to lose both residents and businesses and at the same time become unattractive to those who are looking become residents.

We therefore ask that your committee consider the positive long term benefits of Senate Bill 486 and give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Mike McMullin'.

Michael McMullin, President
Carroll County Chamber of Commerce

CC: Senator Justin Ready
Delegate Susan W. Krebs

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