

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 120

(Senator Griffith)(Chair, Joint Committee on Pensions)

Budget and Taxation

State Retirement and Pension System - Designation of Beneficiary

This bill authorizes a member of the State Retirement and Pension System (SRPS) to designate a beneficiary either by submitting a notarized written designation to the State Retirement Agency (SRA) or electronically through SRA's secure access portal. It also makes corresponding clarifying changes to provisions related to the designation of beneficiaries by participants in the Deferred Retirement Option Program. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None. The bill is procedural in nature and has no effect on governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Members of SRPS must designate their beneficiaries by submitting a notarized written document to SRA. There is no option for designating a beneficiary electronically.

Background: SRA is entering the final phase of the development of the new Maryland Pension Administration System (MPAS). Completion of MPAS will allow the agency to shift many of its paper-based business practices to a more efficient automated process. The requirement in current law that designations be submitted in writing and notarized does not

allow for an electronic submission. The agency asked the Joint Committee on Pensions (JCP) to sponsor legislation allowing for the electronic submission of beneficiary designations, and JCP agreed to sponsor the legislation.

Additional Information

Prior Introductions: None.

Cross File: HB 64 (Delegate B. Barnes)(Chair, Joint Committee on Pensions) - Appropriations.

Information Source(s): State Retirement Agency; Department of Legislative Services

Fiscal Note History: First Reader - January 23, 2019
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