



News Release

Pension System Investment Committee Votes to Adopt Workforce Principles for Portfolio Management Companies

Approval marks initial step in adoption of workforce standards for the Maryland State Retirement and Pension System

ANNAPOLIS, Md. (May 29, 2025) — Today, **Comptroller of Maryland, Brooke E. Lierman**, chair of the [Investment Committee](#) of the Maryland State Retirement and Pension System Board of Trustees, announced that the Committee voted to adopt Responsible Workforce Management Principles to guide its investment decisions for its private equity portfolio, which represents \$15 billion of the \$70 billion pension fund. The goal of the framework, a first for Maryland, is to ensure that private equity firms the state utilizes for portfolio management have adopted policies and practices that support workers' rights and protections, promote health and safety, and provide fair compensation and benefits that could result in strong investment returns.

"This vote demonstrates our commitment to our fiduciary goals as a system. Private equity firms with whom we invest the hard-earned dollars of our beneficiaries should develop workforce management practices that respect workers' rights and protections, health and safety, while also providing fair compensation," Comptroller Lierman shared. "Following principles like these ensures a well-trained and fairly compensated workforce, and that in turn helps deliver better returns over the long term to our plan members."

The principles approved by the Investment Committee provide a framework for evaluating private equity managers in contention to manage a portion of the SRPS investment portfolio. Factors such as fair wages, benefits, safety, retention, diversity, and training are considered influential in the long-term stability and performance of investment management firms.

“Private markets have grown as a share of pension fund portfolio allocations – including here in Maryland – but private asset classes deprive investors of the governance tools of public markets,” **Eileen O’Grady**, Director of Programs for the Private Equity Stakeholder Project, testified during the committee meeting Wednesday. “This makes it imperative that institutional investors set workforce management policies for risk mitigation and value creation. For that reason, we applaud the Investment Committee for taking this important step.”

By adopting these principles, Maryland again confirms its leadership role among pension systems in the country. Although growing in adoption, only several other state public pension funds have adopted these principles to date, including New York State and CALPERs, although a growing number of consultants and major financial institutions like BlackRock, State Street Global Advisors, and Goldman Sachs Asset Management have all adopted similar workforce-centered standards, with an emphasis on the relationship to investment risk and performance.

“Adoption of these principles puts the State of Maryland at the forefront of good governance and best practices in private equity investing,” said **Monte Tarbox**, public advisor to the investment committee and retired executive director of investments for the National Electrical Benefit Fund. “This action creates the board and staff with stronger tools to hold private equity firms accountable and prevent workforce issues private equity funds have experienced in recent months.”

The full Maryland State Retirement and Pension System board is expected to vote on the Responsible Workforce Management Principles during its meeting on June 17, 2025.

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