



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

Benefits handbook

Revised
July 2011



Retirement
System for
Correctional
Officers
of the State
of Maryland

CORRECTIONAL OFFICERS'
RETIREMENT SYSTEM
OF THE STATE OF MARYLAND

Benefits Handbook

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July 2011 This booklet provides a summary of the features and benefits of your pension plan. Pension provisions outlined in this document are set forth in the State Personnel and Pensions Article of the Annotated Code of Maryland. If there are any questions of interpretation, the provisions of the State Personnel and Pensions Article will control to resolve them.



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

Message from the Board of Trustees

This booklet provides detailed information on the features and benefits of your retirement plan. Even though you're probably somewhat familiar with your benefits, we're sure this book will be a valuable resource. We've tried to explain your benefits in everyday language, with practical examples to make it easier for you to understand. Major topics addressed are:

- How to qualify for benefits
- How your benefits are earned
- How to file for benefits
- What you need to know when retiring
- How to calculate benefit income
- Where to get help with your retirement questions

The benefits described in this book are valuable to you and your family — not only when you retire, but now, while you work. We encourage you to use this booklet throughout your career and to contact the State Retirement Agency if you need assistance in any way. Our retirement benefits specialists can be reached at [410-625-5555](tel:410-625-5555) or toll-free at [1-800-492-5909](tel:1-800-492-5909). Useful information about your retirement benefits is also available on our website located at sra.maryland.gov.

You should also be aware of other benefits, such as health insurance. Contact your personnel office for more information.

Each of you has our very best wishes for a successful career.

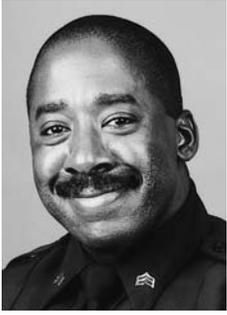


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MEMBERSHIP IN SRPS

The Maryland State Retirement and Pension System (SRPS) has a long history of providing retirement benefits to the employees of the “Free State.” Created in 1927 to provide pension benefits to the state’s public school employees, SRPS today covers close to 200,000 employees—from teachers and state personnel to our law makers in Annapolis.

The system is administered by the Maryland State Retirement Agency (SRA), which manages the day-to-day operations of the pension fund and handles all membership matters—from enrollment to the payment of benefits. The agency operates under the direction of a 14-member board of trustees, which establishes policy, oversees investments, and represents our various employee interests.

Participation and Eligibility

Our membership includes state and municipal employees, educators, law enforcement personnel, judges, and legislators. Each of these employee groups is covered under individual employee plans, or systems. This booklet deals with the Correctional Officers’ Retirement System. It covers the following employees:

- Correctional officers serving in any of the first six job classifications;
- Security attendants at Clifton T. Perkins Hospital Center;
- Correctional dietary, maintenance, laundry, or supply officers;
- Maryland Correctional Enterprises officer, officer trainee, plant supervisor, plant manager, or regional manager; and
- Detention center officers employed by a participating governmental unit that elects on or after July 1, 2006 to participate in the Correctional Officers’ Retirement System.

Exception: Membership does not apply to detention center officers in active employment with a participating governmental unit who, upon their employer's election to participate in the Correctional Officers’ Retirement System, do not elect to become a member on the effective date.

Exception: Membership does not apply to an employee of the Baltimore City Jail as of June 30, 1991 who:

1. became an employee of the Baltimore City Detention Center on July 1, 1991; and
2. who did not elect to become a member of the Correctional Officers' Retirement System on that date.

Membership begins when your employer places you on the payroll and submits your completed enrollment application.

Taking an Active Role

Throughout your career it's wise to take an active interest in your retirement plan. That's why we offer a number of resources to keep you informed of benefit matters affecting you now and in the future. These include your Personal Statement of Benefits, which provides an annual summary of your pension account, and our newsletter *The Mentor*, designed to keep you up to date on important benefit news and information. See "SRPS Resources" for details on these and other SRPS member publications and services.

Beneficiary Changes

You originally designated your beneficiaries when you enrolled. It is important that the beneficiary(ies) you have on file with the Retirement Agency be kept current to reflect any changes in your life. Common reasons for changing beneficiaries include a change in marital status or the arrival of a new family member. You may update your beneficiary designation at any time by completing a new *Designation of Beneficiary* (Form 4), available through your personnel office. Your new designation goes into effect as soon as it is received by the State Retirement Agency. You may designate both primary and contingent beneficiaries during your membership.

Primary Beneficiary: This is your first choice for the individual(s) who would receive survivor benefits should you die during membership. Remember, your spouse must be your **sole primary beneficiary** as one of the conditions for the monthly survivor benefit option. See discussion on Survivor Benefits on page 11, for more information.

Contingent Beneficiary: The individual(s) whom you designate to receive the one-time benefit in the event that all designated primary beneficiaries predecease you.

Approved Leave of Absence

At some time in your career, you may need to take an unpaid leave of absence. You may be eligible for the following specific types of approved leave:

- Personal illness
- Maternity/paternity
- Adoption
- Career-related study
- Government-sponsored or subsidized employment
- Service in a professional or employee organization

Only the types of leave listed here qualify. If you take an unpaid leave of absence for reasons other than those noted, your active membership ceases during the leave, and your accrued service credit may be affected.

FILING FOR LEAVE

It's extremely important that you file for leave properly. Proper filing ensures that should you die while away on an approved leave, your survivor benefit remains in effect. It also makes you eligible to purchase the leave period later on if you wish to add to your service credit.

Before your leave begins you must file an *Application to be Placed on a Qualifying Approved Leave of Absence* (Form 46) with the Retirement Agency. Also, the Form 46 is filed **in addition** to any forms your employer requires to grant your leave request. Your employer must also certify that the leave has been approved.

PURCHASING CREDIT

Members must pay contributions missed during a leave of absence, plus interest, to be eligible to receive retirement credit for the leave period. You must file a *Request to Purchase Previous Service* (Form 26). You may purchase the time you were on an approved leave of absence at any time you are an active member or, if you separate from employment, within 60 days after the leave of absence expires.

Terminating Membership

Membership ends if the member:

- (a) is separated from employment for more than four years,
- (b) withdraws his or her accumulated contributions,
- (c) becomes a retiree, or
- (d) dies.

While we hope you remain an SRPS member for many years to come, you may leave your job before your planned retirement date due to a career or personal change. It's important to review your SRPS benefits before leaving. If you answer "yes" to any of the questions on the following page, you may be eligible for benefits now or in the future. Check with your personnel office or contact the Retirement Agency before your last day of employment.

Questions to ask before leaving membership

- Am I vested? (See page 16) YES NO
- Do I qualify for normal service retirement?
(See page 17)
- Age 55 with at least five years of service credit for a member who is a correctional officer in the first six job classifications; or
 - Age 60 with at least five years of service credit for a member who is a maximum security attendant at the Clifton T. Perkins Hospital Center.
 - 20 years of service credit, regardless of age—the last five years of which must be as a security attendant at Clifton T. Perkins Hospital Center; as a correctional officer in any of the first six job classifications; a detention center officer employed by a participating governmental unit; a correctional dietary, maintenance, laundry or supply officer; a Maryland Correctional Enterprises officer, officer trainee, plant supervisor, plant manager, or regional manager; or in a combination of these positions. YES NO
- Do I qualify for early retirement? (former Baltimore City Jail employees only)
- On or before June 30, 1991, you were an employee of the Baltimore City Jail for at least five years;
 - A member of the Correctional Officers' Retirement System on or after June 30, 2006;
 - Have at least 10 years but less than 20 years of service; and
 - Employed at the Division of Pre-Trial Detention and Services YES NO
- Do I qualify to apply for disability? (See page 12)
- General Qualifications: **Ordinary Disability**
Permanently disabled from performing job duties, with five years of service YES NO
- General Qualifications: **Accidental Disability**
Permanently disabled by an on-the-job accident (no service requirement) YES NO
- Have I checked with my personnel office regarding the impact of terminating on other benefits offered through my employer such as health insurance? YES NO

IMPORTANT: If you feel you are eligible to apply for a disability benefit, please contact the Retirement Agency immediately.

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HOW YOU EARN OR ACCRUE SERVICE CREDIT

Earned Credit

As a member of the Correctional Officers' Retirement System of the State of Maryland, you earn service credit toward your retirement benefits for each month your employer submits your employee contribution.

Your employer reports your contribution and hours worked each pay period. The Retirement Agency then credits your account with the appropriate amount of service credit. You earn a month of credit for any month in which contributions are reported.

Your service credits are used to determine both your eligibility for benefits and to calculate the amount of your benefits. If you make a contribution in any month, you will receive credit for the entire month.

Claimed Credit— It's Up to You

In addition to the service credit you earn through payroll reporting, you may be eligible to claim additional credit in certain special situations. Please note that it is your responsibility to claim this credit by completing the required forms, available through your personnel office or the Retirement Agency. You must be a member to claim service. See page 3 for when membership ends. No additional credit can be claimed after you have left membership or have retired.

There are two types of service for which you may claim credit:

- Previous service earned in another system
- U. S. military service.

SERVICE EARNED IN ANOTHER STATE RETIREMENT SYSTEM OR IN A LOCAL RETIREMENT OR PENSION SYSTEM

A member may be eligible to transfer service credit from one system administered by SRPS to another. An example would be a teacher, who has earned service credit in the Teachers' Retirement System, who accepts a position as a correctional officer. The new job requires membership in the Correctional Officers' Retirement System. The member may transfer the service credit earned as a teacher from the Teachers' System to the Correctional Officers' System.

Credit transfers between SRPS and non-SRPS systems also are possible in some situations. Service credit earned under a non-SRPS retirement or pension system operated under the laws of any political subdivision of Maryland can sometimes be transferred to an SRPS system, or vice versa. For example, a Baltimore County employee who becomes a correctional officer may transfer service credit earned in the Baltimore County retirement plan to the Correctional Officers' Retirement System. Likewise, a correctional officer who accepts a job with Baltimore County may be able to transfer his service credit into the new system. (Contact the new employer for transfer instructions.)

To transfer credit within SRPS, you must complete a *Request to Transfer* (Form 37). While to transfer credit earned outside of SRPS into an SRPS plan, you must complete a *Request to Purchase Previous Service* (Form 26). To qualify for the transfer of your credit, your employment must be continuous (no employment break between old and new job), you must apply to transfer credit within one year of starting the new job and you must transfer/deposit contributions as required.

MILITARY SERVICE

You may receive retirement credit for eligible military service as long as you have not (and will not) receive credit for this military service under any other pension system. This restriction includes military pensions. It does not apply to benefits paid under Social Security, the National Railroad Retirement Act, any National Guard or Reserve pension or to benefits received from any disability pension. Review the following section for eligibility requirements and service credit limits.

Former members who have terminated membership with at least 10 years of creditable service may apply for military credit. Retired members who are receiving a monthly benefit are not eligible to claim military credit.

Once retirement credit has been granted for military service, it cannot be removed at a later date.

Eligible Types of Military Service

For SRPS purposes, eligible military service is limited to the following:

- Membership in a reserve component of the Armed Forces of the United States on active duty or ordered or assigned to active duty, or on active or inactive duty for training that interrupts a member's service;
- Enlistment or induction into the Armed Forces of the United States;
- Membership in the Maryland National Guard;
- Participation in active or inactive duty training while a member of the National Guard or a reserve component of the Armed Forces of the United States;
- Service in the Merchant Marines from December 7, 1941 to December 31, 1946, or

- Active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration or the Coast and Geodetic Survey from:
 - a. December 7, 1941 to December 31, 1946;
 - b. June 25, 1950 to January 31, 1955, or
 - c. December 22, 1961 to May 7, 1975.

Active Duty Preceding Membership

You may claim up to a maximum of five years of credit for active military duty preceding your membership. You must have accrued at least 10 years of **creditable** service to apply for credit for military service that preceded SRPS membership.

Service in the Guard and Active/Inactive Duty Training—Preceding and During Membership
Special rules apply for service in the Maryland National Guard and active/inactive duty training in the National Guard or U.S. Armed Forces Reserves.

Maryland National Guard Service

For service in the Maryland National Guard, four months of military credit may be credited for each year of Guard service up to a maximum of 36 months of military credit. A member must still have 10 years of **creditable** service to claim this type of service.

Exception: If you are in the Maryland National Guard and are activated, you can claim this service immediately upon your return to active employment.

Active Duty Training

For active duty training in the National Guard or U.S. Armed Forces Reserves, one month of military credit may be credited for every 28 days of active duty training certified. No credit is granted for days less than 28. To claim this service, a member must have 10 years of **creditable** service and the active duty training must have occurred **prior** to enrollment in SRPS.

Military Duty or Training Interrupting Membership

If you are called to active military duty or assigned active or inactive duty for training while serving in the National Guard or a reserve unit during your membership, you should file an *Application to be Placed on a Qualifying Leave of Absence* (Form 46) before leaving employment. The filing of this form serves **only** to give your retirement plan notice of your absence for military service.

You may claim a maximum of five years of military credit upon returning to membership provided:

- You return to work with a participating employer within one year of your discharge from active duty *and*
- You do not accept other permanent employment between your date of discharge and your return to work.

How to Apply

To file for military credit, either preceding or interrupting membership, complete a *Claim of Retirement Credit for Military Service* (Form 43). Attach a copy of your military discharge papers (Form DD 214) indicating your active duty entrance and discharge dates. To claim National Guard or Reserve service, include a retirement credit record (Form NGB-23 or similar form).

Purchased Credit

Purchased credit refers to service credit you may buy through direct payment to the Retirement Agency for specific types of previous employment. If you are contemplating a purchase of service, you may wish to speak with a retirement benefits specialist for information on how the cost is calculated. Also remember that you must purchase service prior to retirement. Only members who are on paid employment or on a State Retirement Agency approved leave of absence may purchase service.

Retirement system costs fall into one of two categories: “normal cost” or “full cost.” The type of cost is determined by the type of employment service being purchased. In some cases a full cost purchase is prohibitively expensive.

NORMAL COST

At any time during membership, a correctional officer may purchase service credit at “normal cost” for the following types of service. “Normal cost” is a rate determined by the contributions that should have been paid for the period in question, plus the statutory rate of interest, currently 4% to the date of payment.

- *Retroactive/Missed Service*—A period of time during full-time permanent employment when contributions were not deducted, either prior to membership (retroactive) or during membership (missed). Cost is based on salaries paid during purchase period plus compounded interest to the date of payment.
- *SRA Approved Leave of Absence*—Approved only for personal illness, study, maternity/paternity (including adoption), service that is government sponsored and/or subsidized and service in a professional or employee organization. Cost is based on salary at the start of leave period plus compounded interest to the date of payment. In order to be eligible to purchase the leave time member must have filed an *Application to be Placed on a Qualifying Approved Leave of Absence* (Form 46) before the leave began. You may purchase the time you were on an approved leave of absence within 60 days after the leave expires if you are separated from employment. You may also purchase this leave time at any time you are an active member.
- *Redeposit*—Previous service credit withdrawn from SRPS. Cost is based on the amount withdrawn plus compounded interest to the date of payment.
- The period from July 1, 1970 to June 30, 1972, during which the member elected to delay enrollment in the Employees’ Retirement System.
- Any period of membership in the State Police Retirement System during which the member’s credit was not vested.

In addition, members of the Correctional Officers’ Retirement System may purchase service credits for employment:

- by the state or a participating governmental unit on a temporary or emergency basis
- by a board of supervisors of elections from January 1, 1972 to July 1, 1975
- as staff for the Commission to Revise the Annotated Code
- by the division of Employment Service when it was under federal control
- by the Maryland Tuberculosis Association during which the member operated radiologic equipment under the supervision of the state health department

- by the Department of Legislative Reference, the Office of the Attorney General, or as Secretary to the Speaker of the House of Delegates or President of the Senate during a session of the General Assembly (a year or part of a year equals one year of service)
- by a member of the Senate or House of Delegates or the office of the Secretary of the Senate or the Chief Clerk of the House of Delegates (130 days or more equals one year of service).

A member may file an application to purchase credit at normal cost at any time. The cost is determined by the contributions that should have been paid for the period in question at the statutory interest rate, which is currently 4%. You will need to complete a *Request to Purchase Previous Service* (Form 26) and attach verification of your employment, indicating your entrance and termination dates.

FULL COST

In the twelve months preceding retirement, a member of the Correctional Officers' Retirement System may purchase service credits at "full" cost for the following:

- Out-of-state public school teaching
- Private/parochial teaching
- Federal employment or out-of-state service with a political subdivision
- In-state non-participating municipal employment

An application to purchase service at full cost may only be made within the twelve months preceding retirement. The cost is determined by computing the additional reserves needed to fund the retirement benefit created by the additional purchased credit. A minimum of one month up to a maximum of 10 years may be purchased. You should apply to purchase service when you submit your application for an *Estimate of Service Retirement Allowances* (Form 9). You will need to complete a *Request to Purchase Previous Service* (Form 26) and attach verification of your employment, indicating your entrance and termination dates.

The State Retirement Agency no longer accepts installment payments for the purchase of service.

ROLLOVER PURCHASES

You may purchase eligible service credit with a rollover of funds from the following:

- Traditional IRA;
- Eligible Employer Plan, including a plan qualified under section 401(a) of the Internal Revenue Code such as a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, or money purchase plan;
- Section 403(a) annuity plan;
- Section 403(b) tax sheltered annuity; or
- Eligible Section 457(b) plan maintained by a governmental employer (government 457 plan).

Unused Sick Leave

You must retire within 30 days of terminating employment with a participating employer to receive additional **creditable** service for your accumulated unused sick leave. Since creditable service determines the amount of the benefit, unused sick leave accordingly, can increase the amount of your benefit. *It does not, however, affect when you are eligible to retire.*

When you file your retirement application, your employer will verify the total unused sick leave you have accumulated. You receive one month of additional creditable service for each 22 days of unused sick leave reported. If, after calculating additional credit at the rate of 22 days per month, there are 11 or more days remaining, you receive an additional month of creditable service.

The maximum number of sick days that can be used to calculate additional service is 15 days for each year of your membership.

Important Notes on Unused Sick Leave:

- Unused sick leave is credited only when calculating the retirement benefit. It is not used to qualify for retirement benefits.
- Unused sick leave is not used in the calculation of a vested benefit.

The following table shows how unused sick leave may be converted to retirement credit.

Unused Sick Leave Conversion Chart

Days of Unused Sick Leave	Months of Retirement Credit	Days of Unused Sick Leave	Months of Retirement Credit
001–010	0	275–296	13
011–032	1	297–318	14
033–054	2	319–340	15
055–076	3	341–362	16
077–098	4	363–384	17
099–120	5	385–406	18
121–142	6	407–428	19
143–164	7	429–450	20
165–186	8	451–472	21
187–208	9	473–494	22
209–230	10	495–516	23
231–252	11	517–538	2 Years
253–274	1 Year		

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YOUR BENEFITS

It might surprise you to learn that your retirement plan is not only for the future. In addition to providing income when you retire, your plan provides important coverage throughout your career. Current and future benefits are as follows:

Your Benefits Include

Coverage While You Work

- Survivor protection if you die before retirement.
- Disability coverage in the event that you are unable to continue working due to a disabling injury or illness.

Retirement Benefits

- A basic monthly retirement allowance based on your age, service, and salary upon retirement.
- Options for a continuing allowance to your survivor.
- Annual cost-of-living adjustments.

Let's take a look at the eligibility requirements, payment formula, and filing procedures for each of these benefits.

Survivor Benefits

ELIGIBILITY REQUIREMENTS

Our survivor protection, also referred to as a death benefit, provides financial protection to your designated beneficiary(ies) if you die during active membership. Coverage goes into effect after one year of completed service for non-job related death. You are covered from your first day on the job for death in the performance of duty.

Survivor protection remains in effect as long as you are on payroll or an SRPS-approved unpaid leave of absence. (To secure your survivor benefit during a leave of absence you must have your employer's prior approval **and** must file a special leave form with the Retirement Agency **before** your leave begins—See section on Approved Leave of Absence, page 2.)

SPECIAL DEATH BENEFIT

If your death occurs out of or in the course of the actual performance of duty and without willful negligence, the following will be paid:

- A monthly benefit for your spouse of two-thirds of your average final compensation. If you have no spouse, your children under age 18 will divide the monthly payment until each attains age 18

AND

- Your accumulated contributions with interest paid to your designated beneficiary(ies).

If you have no spouse or minor children, then the regular death benefit (single payment of your annual salary and accumulated contributions with interest) will be paid to your designated beneficiary(ies).

PAYMENT OF ORDINARY DEATH BENEFIT

Single Payment

The survivor benefit is normally a single payment equal to:

- your annual salary at date of death,
plus
- any member contributions with accumulated interest.

Spouse Option

If you are married, your spouse may elect a monthly benefit instead of a single payment if **both** of the following conditions are met:

- member is eligible to retire, or at least age 55 with 15 years of creditable service upon death **and**
- spouse is designated as sole primary beneficiary.

The monthly survivor benefit is equal to the payment your beneficiary would receive had you retired under Option 2, the 100 percent survivorship option. (See "Choosing an Allowance Option," page 18, for more information.)

DEATH WHILE PERFORMING MILITARY SERVICE

If death occurs while you are a member performing qualified military service, a survivor benefit of either the ordinary death benefit or spouse option, if eligible, will be paid to your designated beneficiary(ies).

Disability Benefits

The State Retirement and Pension System provides important disability coverage in the unfortunate event that a serious injury, illness or injury due to military service permanently incapacitates you from performing your job duties. While we hope you never have to apply for disability, an accident or illness can happen at any time. For this reason, it is important that you be aware of the disability provisions of your plan.

Your Personal Statement of Benefits provides an estimate of the basic disability allowance. An employee of a state agency, who takes a disability retirement, is automatically eligible for continued health insurance coverage through the state.

Also, please be aware that disability retirement entails a two step process. Step 1 is applying for disability. The second step must be carried out if you are approved for disability benefits. At this point, you must file an application to actually retire.

TYPES OF DISABILITY

Ordinary versus Accidental Disability

The State of Maryland provides benefits for two types of disability: ordinary and accidental. Ordinary disability covers a permanently disabling medical condition that prevents you from performing the duties of your position. Accidental disability applies to a permanently disabling medical condition resulting from injuries sustained during an accident that occurred on the job.

ELIGIBILITY REQUIREMENTS

Individuals filing for disability must demonstrate that they are completely and permanently unable to perform the duties of their job, as determined by the Retirement Agency's medical board and approved by the board of trustees. Eligibility requirements specific to the two types of disability follow.

Two Types of Disability

Ordinary Disability

- A minimum of five years of service.
- Permanent incapacitation from performing one's job duties due to medical reasons (includes occupational disease).
- Approved by the medical board and the board of trustees.

Accidental Disability

There is no service requirement for accidental disability. Coverage is in effect immediately upon enrollment provided all of the following requirements are met:

- Claimant is totally and permanently disabled as the direct result of a specific accident(s) which occurs at a definite time and place. (Does not include occupational disease.)
- Accident occurs while claimant is performing assigned duties.
- Claimant is not responsible for the accident through willful negligence.
- Approved by medical board and board of trustees

STEP 1: APPLYING FOR DISABILITY BENEFITS

Filing Requirements

Members of the Correctional Officers' Retirement System must apply for both ordinary and accidental disability benefits during membership status while still on payroll or within four years of going off payroll. In special cases, a 24-month filing extension may be granted if you can prove you were mentally or physically incapacitated from filing within the deadline due to the disability itself.

How to File A Claim

Filing for a disability benefit can be a lengthy process. **(If your case involves a terminal medical condition, please contact the Retirement Agency for instructions on our expedited process.)** Several months can go by, from the time you file your claim to the point where a decision is made by the medical board and the board of trustees. Once approved by the board of trustees, you must then submit an application to accept a disability retirement. That's why you shouldn't wait until the last minute to apply. If you feel you may be eligible for disability retirement, contact a retirement benefits specialist immediately. Also, in the event you are incapacitated, let your family members know they should contact the Retirement Agency to find out what options are available to you.

Keep in mind that the medical evaluation is based on the documentation you provide detailing the disabling condition, the diagnosis, and the prognosis. It is in your best interest to submit as much supporting information as possible. To expedite your claim, all forms and supporting medical information should be submitted together. Disability applicants must file the following:

- **Statement of Disability** (Form 20): Provides information on the nature and cause of the disability. It requires your physician's medical report, which should include an opinion as to whether or not you are permanently disabled, and if so, why. It also includes the required Form 632 authorizing the release of medical records.
- **Job description:** The medical board evaluates the medical condition in relation to your job duties. The job description must be signed and dated by your supervisor.
- **All pertinent medical records:** Your doctor(s) will help you submit medical information in support of your claim (such as X-rays, test results, and hospital reports). The Form 20 has a complete list of pertinent medical data.
- **Application for an Estimate of Disability Retirement Allowances** (Form 21) This form authorizes the agency to provide benefit estimates under various allowance options. An estimate of the allowance options checked on this form is automatically generated if you are approved for disability benefits.
- **Preliminary Application for Disability Retirement** (Form 129) As a means of protecting the disability applicant, should the person die before submitting his or her application to accept a disability retirement, this form authorizes the agency's board of trustees to decide whether a disability allowance may be paid.
- **Notification of Social Security Claim/Award**

In addition to the above, for accidental disability you must provide the following:

- **Accidental Disability Documentation:** For accidental disability claims, the employee must also submit evidence to document that the accident was the direct cause of the disability.
- **Employer's First Report of Injury**
- **Copies of any Workers' Compensation decisions, awards or pending claims.**

QUESTIONS TO GUIDE YOU WHEN FILING A CLAIM FOR DISABILITY

If you answer “yes” to the questions that follow, you may file for disability benefits. Contact the Retirement Agency immediately.

General Requirements for Disability Benefits

1. Have you met filing requirements?
2. Are you permanently and totally disabled from performing your job duties?

Additional Requirements for Accidental Disability

1. Is your disabling condition directly caused by an accident?
2. Did the accident occur while you were performing your assigned duties?

CLAIM REVIEW / APPROVAL

Disability claims are evaluated by the Retirement Agency’s medical board, which reviews cases on a weekly basis. Currently, the physicians serving on the board represent a range of medical specialties. They are appointed by the system’s board of trustees and are not affiliated with the state.

The medical board’s recommendation regarding the disability claim is presented to the board of trustees for final action. In some cases, the medical board will request an examination by a consulting physician at the agency’s expense for the purpose of providing an additional medical opinion.

NOTIFICATION

The claimant is notified of the claim decision after the board of trustees rules on the action recommended by the medical board.

The review for an accidental disability usually takes three to four months. Reviews for ordinary disability cases take approximately two to three months. Complicated cases may take even longer.

STEP 2: IF APPROVED, FILE AN APPLICATION TO ACTUALLY RETIRE

RETIREMENT DATE

If your disability claim has been approved you may then submit a Form 13-23, *Application for Service or Disability Retirement*, at which time the Retirement Agency will determine your retirement date. Most retirees select the first day of the month as their retirement date, but it is not mandatory. Your health situation could dictate otherwise. Please contact a retirement benefits specialist for further information.

BENEFIT AMOUNT

The information that follows is based on the Basic Allowance, which is the maximum monthly payment available to the retiree, but it provides no beneficiary protection. Other options are available which provide a lower payment to the retiree depending on the degree of beneficiary protection. See “Choosing an Allowance Option” in this chapter for more information.

Ordinary Disability Benefit

The basic benefit is computed using the service retirement formula. A minimum benefit for most members will be 25% of the average final compensation. If you choose one of the optional allowances, the benefit will be less.

Accidental Disability Benefit

The basic benefit is equal to two thirds (.6667) of your average final compensation plus an annuity based on member contributions. If you choose one of the optional allowances, the benefit will be less.

Important Note on Workers' Compensation: It is VERY IMPORTANT that you be aware of the impact of Workers' Compensation benefits on an accidental disability retirement. Disability benefits are "coordinated" with benefits payable from Workers' Compensation. This does not reduce or affect your rights to apply for and receive Workers' Compensation benefits. It means that if you apply for and receive a Workers' Compensation award payable while retired, your accidental disability retirement benefit shall be reduced for an accidental personal injury but not for an occupational disease.

Retirement law directs us to withhold from your disability benefits an amount equivalent to the Workers' Compensation award, if the Workers' Compensation benefits and disability are based on the same event and are paid over the same period of time. However, the Retirement Agency does not offset your annuity (portion of benefit based on your contributions) and must leave enough benefit to cover the cost of your health insurance premiums. If you apply for Workers' Compensation benefits, please inform us immediately. Please include your Workers' Compensation case number in this notification.

REEMPLOYMENT RESTRICTIONS

Only members who retire on ordinary disability are subject to certain earnings restrictions if they become reemployed. Your earnings limit is listed on the *Notice of Retirement Allowance* sent to you upon retirement. If you exceed your earnings limitation, your retirement allowance is reduced one dollar for every two earned in excess of your earnings limit. After 10 years of retirement the reduction is one dollar for every five exceeding the limit. Earnings restrictions are lifted on January 1 of the year you reach retirement age. For a summary of situations that may cause your disability benefit to be suspended, whether ordinary or accidental, see "Suspension of Disability Retirement" on page 34.

Vesting

As an active member, you should also be aware that your accumulated benefits are protected if you leave the State Retirement and Pension System and you are vested. If you should leave your job for any reason, you are guaranteed to receive a future benefit for the years and months of service earned before termination.

ELIGIBILITY

Members enrolled on or after July 1, 2011, become vested once they have accrued at least 10 years of eligibility service. Members enrolled before July 1, 2011, are vested after five years of eligibility service you are vested.

Normal Service Retirement

PAYMENT

A vested allowance is payable at age 55 for correctional members and age 60 for security attendants at the Clifton T. Perkins Hospital Center. The calculation of a vested allowance uses the normal service retirement formula. The calculation uses your average final compensation and creditable service at termination. Unused sick leave is not included in the calculation of your vested allowance. See Chapter 4, “Calculating Your Benefits,” for more information.

NOTIFICATION

Approximately three months before a vested member attains normal service retirement age, the vested member should contact the Retirement Agency and request an *Application for an Estimate of Service Retirement Allowances* (Form 9) or print one from the agency website. After returning the completed form, the member will receive an estimate of his or her vested allowance under various allowance options. It is important to keep the Retirement Agency apprised of any address changes that occur over the years.

Your eligibility for retirement depends on two factors: how long you’ve been working to earn retirement credit and how old you are. Let’s look at a normal service retirement which is retirement with full benefits.

To Qualify for Service Retirement

You qualify for a normal service retirement when you meet any of the following age or service criteria:

- Age 55 with at least five years of service credit in any of the first six job classifications; a detention center officer employed by a participating governmental unit; a correctional dietary, maintenance, laundry or supply officer; a Maryland Correctional Enterprises officer, officer trainee, plant supervisor, plant manager, or regional manager; or in a combination of these positions;
- Age 60 with at least five years of service credit for a member who is a security attendant at the Clifton T. Perkins Hospital Center; or
- 20 years of service credit, regardless of age—the last five years of which must be in a position or combination of positions described above.

Retirement Allowance

Your annual pension income is based on your service and average final compensation upon retirement. See the sample benefit calculations on page 21 for more information on how this benefit is calculated.

NOTE: With the exception of salary increases due to promotions, salary increases of 20 percent or greater are not automatically included in the calculation of average final compensation (AFC). These “extraordinary salary increases” are subject to review by the system’s board of trustees on a case-by-case basis.

EARLY RETIREMENT - DIVISION OF PRE-TRIAL DETENTION AND SERVICES EMPLOYEES ONLY

Only employees of the Division of Pre-Trial Detention and Services are eligible for an early service retirement, if they meet certain conditions.

To Qualify for Early Service Retirement

You qualify for early service retirement when you meet **all** of the following criteria:

- On or before June 30, 1991, you were an employee of the Baltimore City Jail for at least five years;
- You are a member of the Correctional Officers' Retirement System on or after June 30, 2006; and
- You have at least 10 years but less than 20 years of service.

Retirement Allowance

The early service retirement is calculated the same way as the service retirement with no reduction.

Choosing an Allowance Option

When you retire, you will be able to choose from a number of payment plans. These plans range from the Basic Allowance, which provides the highest monthly allowance for you alone, to options that reduce your monthly payment but provide varying degrees of protection to your beneficiary(ies) upon your death.

You cannot change your option selection after your first payment becomes normally due. We urge you to discuss your needs with your family and financial advisor. Contact the State Retirement Agency if you need assistance in deciding which option best suits your situation. Also keep in mind that the option you choose may affect your beneficiary's eligibility for continued health coverage after your death. Check with your personnel office.

You should carefully review your personal circumstances before selecting an option. Think about how much income you will need to maintain an acceptable standard of living during retirement, as well as the needs of your survivor(s).

The Basic Allowance

This provides the maximum lifetime allowance to the retiree with all payment ceasing upon the retiree's death. There is **no** beneficiary coverage. If you believe your spouse or other survivor may need some form of income continuation after your death, you may wish to consider one of the following options.

Single-Life Annuities

These options are classified as single-life because they provide benefits over the retiree's lifetime only. Upon the retiree's death, any reserve funds remaining in the account are distributed in a single payment to the retiree's designated beneficiaries.

Multiple beneficiaries may be named under the Single-Life Annuities. These beneficiaries may be changed as often as desired.

OPTION 1—Full Return of Present Value of Retiree's Basic Allowance

Provides a lower monthly benefit than the Basic Allowance, but guarantees monthly payments that equal the total of your retirement benefit's Present Value. The Present Value of your benefit is figured at the time of your retirement. If you die before receiving monthly payments that add up to the Present Value, the remaining payments will be paid in a single payment to your designated beneficiary or beneficiaries who remain alive.

OPTION 4—Full Return of Employee Contributions

Provides a lower monthly benefit than the Basic Allowance, but guarantees the return of your accumulated contributions and interest as established when you retire. If you die before you have recovered the full amount of your accumulated contributions and interest, the remainder will be paid in a single payment to your designated beneficiary or beneficiaries who remain alive.

Dual-Life Annuities

These options pay benefits over **two** lifetimes. They provide a benefit throughout the life of the retiree and then provide a continuing monthly benefit to a **single** surviving beneficiary. The benefit amount is based on the retiree's age *and* the age of the beneficiary at the time of the member's retirement. Because these options provide a continuing monthly payment to a beneficiary, they normally result in a smaller benefit payment than Option 1 or 4. Again, this is because benefits are expected to be paid over two lifetimes, the retiree's and the beneficiary's, rather than the retiree's alone.

Only one beneficiary may be named under the Dual-Life Annuities. This beneficiary may be changed, but it will cause a re-calculation of the retiree's benefit amount.

OPTION 2—100% Survivor's Benefit

Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death the same monthly benefit will continue to be paid to your surviving beneficiary for his or her lifetime. No further payments will be made after the deaths of you and your beneficiary. If you choose this option, you must send proof of your beneficiary's date of birth with your final retirement application.

OPTION 3—50% Survivor's Benefit

Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death one half of the monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. No further payments will be made after the deaths of you and your beneficiary. If you choose this option, you must send proof of your beneficiary's date of birth with your final retirement application.

OPTION 5—100% Survivor’s Benefit with Pop-Up Provision

Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death the same monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. It also provides that your monthly benefit will “pop-up” to the Basic Allowance for your lifetime if your beneficiary dies before you. If your original beneficiary dies and you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated under Option 5 based on the new beneficiary designation. If you choose this option, you must send proof of your beneficiary’s date of birth with your final retirement application.

OPTION 6—50% Survivor’s Benefit with Pop-Up Provision

Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death one half of the monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. It also provides that your monthly benefit will “pop-up” to the Basic Allowance for your lifetime if your beneficiary dies before you. If your original beneficiary dies and you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated under Option 6 based on the new beneficiary designation. If you choose this option, you must send proof of your beneficiary’s date of birth with your final retirement application.

Special Limitation on Beneficiary under Option 2 and Option 5

If you choose Option 2 or Option 5, your beneficiary cannot be more than 10 years younger than you unless the beneficiary is your spouse or disabled child.

If you are naming your disabled child at retirement, you need to have verification from a physician of your child’s disability. Form 143 *Verification of Retiree’s Disabled Child for Selection of Option 2/5 Beneficiary* must be completed and attached with your application for retirement.

NOTE: You cannot change your option selection after your first payment becomes normally due. We urge you to discuss your needs with your family and financial advisor. Contact the State Retirement Agency if you need assistance in deciding which option best suits your situation.

Additionally, the option you choose may affect your beneficiary’s eligibility for continued health coverage after your death. For state retirees, only the selection of a dual-life annuity with the spouse as beneficiary (Options 2,3,5 or 6) continues health program coverage to the surviving spouse (see “Health Insurance” for more details) after your death.

Applying for a Service Retirement

It is important that you allow yourself sufficient time to make informed decisions about your retirement and meet the various filing deadlines. You should begin the application process approximately six months to one year from your desired retirement date and review the options available to you **before** you submit your final application. See Chapter 6 for a checklist that includes some important financial and personal planning matters.

4



CALCULATING YOUR BENEFITS

This section illustrates how to calculate dollar figures for the various SRPS benefits. The samples provided are examples only. The Retirement Agency will furnish you with a precise calculation when you file for benefits.

Key Elements of the Benefit Formula

1. *Average Final Compensation (AFC)*: the average of the three highest annual salaries during your career. (If you become a member on or after July 1, 2011, your AFC is the average of your five highest annual salaries.)

Note: With the exception of a salary increase due to a promotion, any increase exceeding 20% is excluded from the calculation of average final compensation unless approved by the board of trustees.

2. *Creditable Service*: your total creditable service (including additional credit granted for unused sick leave) as of your retirement date.

Assumptions Used In Sample Calculations

Each of the following sample calculations is based on the Basic Allowance, which provides the highest monthly retirement income to the retiree, but provides no beneficiary protection.

Normal Service Retirement

FORMULA—SRPS guarantees the total Basic Allowance will equal 1/55th of the average final compensation for each year of creditable service.

Service Retirement Benefit =

$$\frac{\text{Total years and months of creditable service} \times \text{AFC}}{55 \text{ (Guarantee)}} = \text{Basic Annual Allowance} \quad \text{(divide by 12 for basic monthly allowance)}$$

Let's now look at how these components fit into the equation by way of example.

Example 1A: Service Retirement at Age 60

You are age 60, with 25 years and 3 months of creditable service. Your average final compensation is \$38,880. The basic benefit is calculated as follows:

$$\frac{25.25 \text{ years} \times \$38,880 \text{ (AFC)}}{55} = \$17,849.45 \text{ (annual allowance)}$$
$$\$17,849.45 \div 12 = \mathbf{\$1,487.45 \text{ monthly allowance (Basic Benefit)}}$$

Example 1B: Service Retirement with 30 Years of Service

If you are age 55 with 30 years of service, then the formula is calculated as follows:

$$\frac{30 \text{ years} \times \$38,880 \text{ (AFC)}}{55} = \$21,207.27 \text{ (annual allowance)}$$
$$\$21,207.27 \div 12 = \mathbf{\$1,767.27 \text{ monthly allowance (Basic Benefit)}}$$

Early Service Retirement

Available to Eligible Division of Pre-Trial Detention and Services Employees Only

FORMULA—The calculation of an early service benefit uses the normal service retirement formula.

Example 2: Early Service Retirement

An eligible Division of Pre-Trial Detention and Services employee leaves membership with 14 years of creditable service. His average final compensation is \$38,880. His early service retirement benefit is calculated as follows:

$$\frac{14 \text{ years} \times \$38,880 \text{ (AFC)}}{55} = \$9,896.73 \text{ annual Basic Allowance}$$
$$\$9,896.73 \div 12 = \$824.73 \text{ monthly Basic Allowance}$$

Vested Benefit

FORMULA—A vested benefit (deferred allowance) is calculated in the same manner as the normal retirement benefit. The two key elements in the benefit formula are:

- **Average final compensation (AFC)** at termination of membership
- **Creditable service** at termination of membership (does not include unused sick leave)

Example 3: Vested Retirement (Full Benefit)

Let's assume that you leave membership with 16 years of creditable service and your average final compensation is \$35,325. Your vested benefit, payable at age 55

or 60, (depending on whether you are a correctional officer or maximum security attendant) is calculated as follows:

$$\frac{16 \text{ years} \times \$35,325 \text{ (AFC)}}{55} = \$10,276.36$$

$$\$10,276.36 \div 12 = \text{\$856.36 monthly allowance (Basic Benefit)}$$

NOTE: Unused sick leave is not included as additional service in the calculation of your deferred benefit.

Ordinary Disability

FORMULA—The calculation of an ordinary disability benefit is usually the normal service retirement formula. In some cases a minimum benefit will apply.

Example 4: Ordinary Disability Retirement

Here's how the benefit would be calculated for an employee age 60 with 20 years of creditable service and an average final compensation of \$38,880:

$$\frac{20 \text{ years} \times \$38,880 \text{ (AFC)}}{55} = \$14,138.18$$

$$\$14,138.18 \div 12 = \text{\$1,178.18 monthly allowance (Basic Benefit)}$$

NOTE: A claim must be approved by the medical board and the board of trustees before the Retirement Agency can issue a calculation of benefits. An application for disability retirement must be filed at that time in order to actually retire. For estimates of the Basic Allowance for both ordinary and accidental disability, refer to your annual Personal Statement of Benefits.

Accidental Disability

FORMULA—Unlike ordinary disability, accidental disability does not make use of the normal service retirement formula. The accidental benefit is based on two-thirds of an employee's average final compensation at the time of disability, plus an annuity based on accumulated employee contributions.

Example 5: Accidental Disability Retirement

To illustrate, let's look at an employee who retires under accidental disability at age 41. His average final compensation is \$35,325, and his employee contributions and interest are \$26,928. The two step formula uses a second calculation to determine the annuity based on the employee contributions.

STEP 1: Determine two-thirds of the average final compensation (AFC)

$$\$35,325 \text{ (AFC)} \times .6667 = \$23,551.18$$

$$\$23,551.18 \div 12 \text{ months} = \$1,962.60$$

PLUS

STEP 2: Calculate the annuity

$\$26,928.00 \div 8.879 = \$3,032.77$
(Employee (NAF**) Contributions plus interest*)

$\$3,032.77 \div 12 \text{ months} = \252.73

$\$1,962.60 + \$252.73 = \mathbf{\$2,215.33 \text{ monthly allowance (Basic Benefit)}}$

* Employee contributions plus interest will vary for each employee.

** (NAF) Normal Annuity Factor is a number set according to age. The Retirement Agency consults an actuarial table (which is published in the Code of Maryland regulations) for each person's NAF.

NOTES:

- A disability claim must be approved by the medical board and the board of trustees before the Retirement Agency can issue an estimate of benefits.
- Accidental disability benefits are offset against Workers' Compensation paid or payable for the same accident, over the same period of time.

Survivor Benefits

Example 6A: Special Death Benefit

Consider a member who is killed on the job in the performance of duty. The member's annual salary is \$38,880 and the member has \$4,000 of accumulated contributions with interest. The member's spouse* is his sole primary beneficiary.

$\$38,880 \times .6667 = \$25,921.30$ **annual Basic Allowance**

$\$25,921.30 \div 12 = \$2,160.11$ **monthly Basic Allowance**

The spouse also receives a single payment of the member's \$4,000 accumulated contributions with interest.

* If the member is unmarried at the time of death, this benefit is payable to the member's minor children or, if no children, to the member's dependent parents. If the member has no spouse, minor children, or dependent parent, then the Ordinary Death Benefit will be paid to the member's designated beneficiary.

Example 6B: Ordinary Death Benefit

A correctional officer member dies at age 55 after 18 years of membership with two primary beneficiaries listed on the record. The annual salary at time of death is \$35,325, with employee contributions of \$22,000.

The salary and the accumulated contributions are divided equally between the two primary beneficiaries, providing a one-time payment of \$28,662.50 to each beneficiary.

In lieu of the one-time survivor benefit, a monthly survivor benefit may be paid to the surviving spouse over the spouse's lifetime, if the following conditions are met:

- At the time of death, the member is eligible to retire or at least age 55 with 15 years of creditable service **and**
- Spouse is designated as sole primary beneficiary.

Example 6C: Spousal Monthly Annuity Option

Same situation as described in Example 6, but here the spouse is designated as the sole primary beneficiary. Since the conditions for the monthly survivor benefit are met, the spouse may choose the one-time benefit of the annual salary plus contributions and interest equaling \$57,325, or a monthly survivor benefit calculated like the benefit payment under an Option 2 allowance for a service retirement. We'll also assume the spouse's age is 53.

The monthly survivor benefit is calculated using the normal service retirement formula. The Option 2 factor of .8482, is determined by using the actuarial tables based upon both the member's age (55) and the beneficiary's age (53) at the time of member's death.

Step 1: Use Normal Service Retirement Formula

$$\frac{18 \text{ years} \times \$35,325(\text{AFC})}{55} = \$11,560.91$$

Step 2: Apply Option 2 factor

$$\begin{aligned} \$11,560.91 \times .8482 &= \$9,805.96 \\ \$9,805.96 \div 12 &= \$817.16 \text{ monthly spouse benefit} \end{aligned}$$

The spouse receives \$817.16 per month with any future cost-of-living adjustments, in lieu of the one-time payment.

5



FUNDING YOUR BENEFITS

Types of Contributions

EMPLOYER CONTRIBUTIONS

The Correctional Officers' Retirement System is contributory. Your employer, however, contributes the largest amount necessary to fund your benefits. The employer contribution rate is established annually by the board of trustees based upon an annual actuarial valuation.

EMPLOYEE CONTRIBUTIONS

Mandatory Contributions

You are required to make an employee contribution. Members contribute at the rate of 5% of their earnable compensation.

Employer Pick-Up Contributions

Since January 1989, the state has participated in an "employer pick-up program." Under a pick-up program, an employee's contributions are treated as "employer" contributions for federal income tax purposes. Federal income tax on those contributions is deferred until termination of membership and withdrawal of contributions, or retirement.

The employer pick-up program affects federal income tax only. Employee contributions remain subject to Maryland income tax during active membership.

You should speak with your tax advisor if you have any further questions.

SUPPLEMENTAL CONTRIBUTIONS

Your pension benefits, along with Social Security, will provide an important financial foundation for your retirement. These benefits, however, are likely to be only a part of the total financial picture. You may wish to supplement your retirement savings through the following:

Maryland Supplemental Retirement Plans (State Employees Only)

The Maryland Supplemental Retirement Plans offer State employees a low cost way to save additional money for retirement—through the 457 Deferred Compensation Plan, 401(k) Savings & Investment Plan, and 403(b) Tax Deferred Annuity Plan. All

System Investments

contributions are made through payroll deduction. You choose to contribute before- or after-taxes (Roth), or use a combination. You choose how much to save and how to invest your contributions.

The State Retirement Agency does not administer this program. For further information, contact the Maryland Teachers & State Employees Supplemental Retirement Plans by telephone at 410-767-8740 or 1-800-543-5605. Information also can be obtained from the website www.msrp.state.md.us.

The state is required to contribute a certain percentage of payroll each year to fund pension benefits. The contribution rate is established annually by the board of trustees based upon an annual actuarial valuation. These contributions, along with employee contributions, are invested under the direction of the system's board of trustees.

SYSTEM SAFEGUARDS

To safeguard the proper operation and funding of this multi-billion dollar pension fund, operations are monitored both internally and externally. The system's financial activities are subject to an annual audit by the state's external auditor and the system's administrative activities are subject to a tri-annual audit by the state's legislative auditor. Additionally, the system's financial and administrative activities are subject to routing internal audits. Funding requirements are calculated by an independent actuary, who prepares an annual valuation of the system's assets and liabilities. Before investment programs are undertaken by the board, they are reviewed by the board's investment committee, which includes three outside investment experts. All financial decisions require that assets be invested prudently and conservatively in the best interest of our members.

A summary of how your assets are being managed is published annually in the Retirement Agency's newsletter, *The Mentor*.

YOUR BOARD OF TRUSTEES

Your board of trustees plays an important role in the stewardship of the State Retirement and Pension System. The board guides system operations, establishes investment policies, formulates administrative policy, and oversees the management of system assets.

Some trustees serve on the board because of their position in state government; others are appointed by the Governor because of their particular expertise; while others are elected by you, our members.

6



PREPARING FOR RETIREMENT

Primary Retirement Forms

All retirement forms are available through your personnel office. You also can print most of the forms from our website at sra.maryland.gov.

Title	Form Number	Purpose
Designation of Beneficiary	4	To designate multiple beneficiaries at retirement, under options 1 or 4, and to make any later beneficiary changes
Application for an Estimate of Service Retirement Allowances	9	To obtain an estimate of various payment options for normal or early service retirement within one year of expected retirement date.
Application for Service or Disability Retirement	13-23	To apply for service and disability retirement
Request to Purchase Previous Service	26	To transfer or purchase eligible periods of employment.
Claim of Retirement Credit for Military Service	43	To claim credit for military service.
Direct Deposit Electronic Fund Transfer Sign-Up	85	To authorize SRPS to transfer your monthly retirement allowance directly into your bank account.
Reemployment After Retirement	127	To inform new retiree of the consequences of reemployment after retirement.
Federal and Maryland State Tax Withholding Request	766	To authorize federal and Maryland state withholding options to be applied to your monthly retirement allowance.

Filing Checklist

Forms provide the necessary information to initiate important benefits and services on behalf of SRPS members—anything from a change in beneficiaries to the payment of your first retirement check. Because incomplete or inaccurate information hinders benefits processing, it is essential that all forms be properly executed.

Before you file a retirement form, refer to the following checklist:

- Have you read all explanatory information before signing?
- Is your Social Security number correct?
- If necessary, has your retirement coordinator provided requested information and signed the form?
- Does the form require notarization?
- Did you keep a copy of the form for your files?
- Did you include required supporting documents with your form?
- Did you include proof of date of birth of designated beneficiary in order to receive estimates under Options 2, 3, 5 or 6 (survivorship optional allowance)?

Retirement Checklist

As you prepare for retirement, there is a general timetable you should try to follow in order to get the best service from the Retirement Agency. The timetable below illustrates the best time frames during which you can comfortably begin to file some of the required forms and make the necessary contacts with the Retirement Agency.

One to Three Years Prior to Retirement

- () Inquire about attending one of the Retirement Agency's Pre-retirement Seminars. Contact the Retirement Office or your personnel department for details.

Twelve Months Prior to Retirement

- () Request an estimate of benefits (Form 9).
- () Apply to purchase any eligible service (Form 26) with your request for an estimate.
- () Apply for any eligible military credit (Form 43).
- () Contact the nearest Social Security office for an estimate of your Social Security benefits. You can obtain an estimate request form by calling the Social Security Administration at 1-800-772-1213.

Six Months Prior to Retirement

- () If needed, schedule an appointment with a retirement benefits specialist to review your estimated benefits. It is recommended that you bring a copy of your latest estimate so you and the specialist can discuss this information at the meeting.
- () Discuss your estimated benefits/options with your family and financial advisor.

- () Contact your personnel office to inquire if you may continue employer-provided benefits, such as health insurance, after retiring.
- () Obtain proof of birth for beneficiary if you are planning to select Option 2, 3, 5 or 6.
- () Prepare a retirement budget, estimating your retirement expenses against your state pension benefit, Social Security, and any other income.
- () Obtain a complete medical check-up.
- () Update or prepare a will.

Three Months Prior to Retirement

- () Contact Social Security to file for benefits—age 62 or older.

Two Months Prior to Retirement

- () Contact your personnel office and file your final retirement application (Form 13–23).
- () Provide proof of birth for designated beneficiary (Options 2, 3, 5, 6).
- () If eligible, complete authorization forms to continue your health coverage, and any other benefits provided by your employer.
- () Complete a *Direct Deposit Electronic Fund Transfer Sign-Up* (Form 85) for the electronic transmission of your payment to your bank, savings institution, or credit union (mandatory).
- () Complete the *Re-employment After Retirement* (Form 127) to acknowledge an understanding of the consequences of re-employment after retirement (mandatory).
- () Complete a tax withholding form (Form 766) for federal and state tax withholding.

One Month Prior to Retirement

- () Submit your notice of retirement to your employer in accordance with the applicable policies.

7



DURING RETIREMENT

There are a number of matters to be aware of during retirement, from the manner in which pension payments are made, to the importance of staying in touch with the Retirement Office throughout the years.

Method of Payment

To ensure the timely delivery of benefit payments, the Retirement Agency has instituted a mandatory direct-deposit policy for the payment of monthly benefits.

Payments are issued on the last day of each month. Because the payments are sent electronically, funds post immediately to the retiree's bank account. With your first direct deposit, you will receive by mail an advice slip listing your payment amount and withholdings (taxes, health insurance, etc.). Thereafter, advice slips are issued in January, July and whenever your net amount changes.

Tax Reporting

Each January, the State Retirement Agency sends to your home or other mailing address on your file an IRS form, 1099-R tax statement, providing information you need to file annual federal and state tax returns.

When you file for retirement, you are asked to complete a tax withholding form (Form 766). If you elect not to have taxes withheld as a deduction from your monthly allowance, you may be required to make quarterly estimated payments to the appropriate taxing authority.

The State Retirement Agency does not provide tax advice. Payment of tax is your responsibility. You should contact a tax consultant or the appropriate taxing authority for specific information regarding your tax liabilities.

Cost-of-Living Adjustments

A cost-of-living adjustment (COLA) may be applied to retired correctional officer's retirement allowance each July to help benefit payments keep pace with inflation. The annual adjustment is tied to the U. S. Department of Labor's Consumer Price Index (CPI), which is the standard unit of measurement for price changes nationwide. A member must be retired at least one year as of July 1 to be eligible to receive the adjustment.

During years in which the CPI produces a negative COLA, a “zero” COLA will be applied. The negative COLA then is carried over and applied against the positive COLA to be paid the following year. If negative COLAs occur for two consecutive years, the total negative amount is carried over to be applied against the next positive year or years.

ADJUSTMENT CAPS

The COLA rate may be capped if it exceeds the limits set by your plan.

Members enrolled on or after July 1, 2011

Eligible retirees will receive a COLA capped at 2.5% when the system’s investment fund earns or exceeds its assumed actuarial rate of return (currently 7.75%) or capped at 1% in years when the assumed actuarial rate is not met.

Members enrolled before July 1, 2011

A two-part adjustment applies. For service earned before July 1, 2011, the COLA rate for eligible retirees is uncapped and is not tied to investment performance. For service earned on or after July 1, 2011, the same caps apply as for members hired on or after July 1, 2011.

Address Changes

It’s important that you maintain a current mailing address on file with the Retirement Agency for tax statements, newsletters, and special bulletins issued throughout the year. To ensure prompt delivery of this information, you must keep the Retirement Agency apprised of any address changes during your retirement. For your protection, you are required to notify the Retirement Agency of address changes in writing. We cannot accept this information by phone.

Reemployment

When you retire and begin receiving retirement benefits, your intention should be to permanently retire from employment with the state or participating governmental employer. Under no circumstances should your decision to retire be conditioned upon an offer of reemployment, and in fact, no offers of reemployment should be discussed by you and your employer prior to your retirement. Such a pre-existing reemployment agreement would signify that there was no intention on your part to retire.

If after retirement you consider reemployment with the same employer from whom you retired (note: all units of Maryland state government, including the University of Maryland System, are considered one employer), you need to be aware of the following important information.

There can be significant consequences to you and the State Retirement and Pension System if you retire before the normal retirement age of your plan and/or before age 59 ½, and are reemployed with the same employer without a bona fide separation of service.

The Internal Revenue Service (IRS) can impose a significant tax penalty on your income if you are under the age of 59 ½, retire and begin receiving your monthly retirement benefits, and are reemployed by the same employer from whom you

retired. In order to avoid this penalty there must be a bona fide separation from service between you and your former employer.

If you retire before your normal retirement age, there are also serious tax consequences to the State Retirement and Pension System if a bona fide separation from service does not take place following your retirement and prior to your reemployment with the same employer.

While the IRS has not specifically defined what constitutes a bona fide separation from service, the more differences between your last job before retirement and the job being performed upon your reemployment, and the longer the break between the date of your retirement and the date of your reemployment, the more likely it is that there has been a bona fide separation of service. If you are reemployed to perform the same job, even if there is a reduction in your work schedule, this would not likely qualify as a bona fide separation of service unless there is a lengthy break in employment. Even arrangements where you are rehired as an "independent contractor" may not meet the IRS' standard.

If after retirement you consider reemployment with the same employer from whom you retired, you may wish to review and discuss this information with the employer and your tax advisor. Failure to do so could result in a significant tax penalty on your income.

WHAT IS AN EARNINGS LIMITATION?

An earnings limitation is the maximum annual income an SRPS retiree may earn through reemployment (employment after retirement) without being subject to a reduction of his or her monthly retirement allowance. Your earnings limitation will be listed on the Notice of Retirement Allowance sent to you when you retire.

For a service retiree, this limit is the difference between your average final compensation (AFC) at retirement and your annualized Basic Allowance. With the exception of a January 1 retirement, the earnings limit applies beginning the year following the year of retirement.

AFC – annualized Basic Allowance = Annual Earnings Limitation

For reemployment purposes, **annual earnings** are the annual reemployment compensation *received* by a retiree during a calendar year (i.e., the total compensation reported to the IRS for earnings paid by the employer during the calendar year).

REEMPLOYMENT WITH THE SAME EMPLOYER YOU WORKED FOR PRIOR TO RETIREMENT

Your retirement check may be reduced if you return to work for the same employer you worked for prior to retirement. All units of Maryland state government, including the University of Maryland System, are considered to be *one employer* under these rules. Retirement payments may be reduced if earnings exceed the earnings limit.

A retiree who is rehired by the same employer must have a break in service of 45 days.

A retiree who is reemployed on a contractual basis for not more than four years by the Division of Corrections, Division of Pretrial Detention and Services or Patuxent

Institution in the Department of Public Safety and Correctional Services as a correctional officer in a correctional facility defined in § 1-101 of the Correctional Services Article is exempt from an earnings limit.

Notification requirements

Prior to accepting work with a participating employer, you are required by law to notify the Retirement Agency in writing of your employer, anticipated earnings and dates of employment. Contact the Retirement Agency for more information.

REEMPLOYMENT WITH EMPLOYERS OTHER THAN THE STATE OF MARYLAND

Earnings limits do not apply for service retirees who work for employers other than the State of Maryland.

SPECIAL RULES FOR DISABILITY RETIREES

Persons who accept an ordinary disability retirement are subject to an earnings limit if employed by a participating employer until reaching age 60. For an ordinary disability retiree, the earnings limit is the difference between your average final compensation (AFC) at retirement plus \$5,000 *and* your annualized Basic Allowance.

$$\text{AFC} + \$5,000 - \text{annualized Basic Allowance} = \text{Annual Earnings Limitation}$$

Persons who accept an accidental disability retirement are exempt from earnings limitations.

Suspension of disability retirement

An ordinary or accidental disability allowance may be temporarily suspended if the retiree is not eligible to receive a service retirement and:

- Began receiving a disability retirement on or after July 1, 1998 and
- Is employed by a participating employer at an annual compensation that is at least equal to the retiree's average final compensation.

If suspended, the retiree's allowance will be reinstated on the first day of the month following the month in which the retiree ceased employment with the participating employer. (A *participating employer* is any employer that offers SRPS benefits.) The retiree's allowance at the time of reinstatement will be adjusted to reflect the accumulated cost-of-living adjustments during the period of suspension. There is no additional benefit accrued while reemployed by a participating employer.

REEMPLOYMENT AT A GLANCE

Review the following table for reemployment provisions that apply to you.

Type of Employment	Service Retirement	Ordinary Disability	Accidental Disability
Employment with the same employer you worked for prior to retirement	2	3*	1*
Employment with a different participating employer	1	3*	1*
Employment with a non-participating employer	1	1	1

* The amount earned may cause a disability retiree's allowance to be temporarily suspended. See *Suspension of disability retirement*.

Key to numbers in the chart

1. No salary restrictions apply. Retiree will continue to receive full monthly allowance regardless of employment income.

2. Retirement allowance is reduced \$1 for every \$1 earned in excess of earnings limit.

Exception: The earnings limit is waived after nine years of retirement. With the exception of a January 1 retirement date, the nine-year period begins on January 1 of the year following the year of retirement.

Exception: Retirees who are elected to office as local officials or constitutional officers of a participating municipal corporation are exempt from an earnings limit.

Exception: Retirees who are reemployed on a contractual basis for not more than four years by the Division of Corrections, Division of Pretrial Detention and Services or Patuxent Institution in the Department of Public Safety and Correctional Services as correctional officers in a correctional facility defined in § 1-101 of the Correctional Services Article are exempt from an earnings limit.

3. Retirement allowance is reduced \$1 for every \$2 earned in excess of earnings limit. After 10 years of retirement, the reduction is \$1 for every \$5 over the limit. With the exception of a January 1 retirement date, the 10-year period begins on January 1 of the year following the year of retirement. Ordinary disability retirees become exempt from the salary limits on January 1 of the year they reach age 60.

Garnishment of Pension Benefits

Generally, a retiree's retirement benefits are not subject to assignment, garnishment, execution, or attachment. These situations may occur, however, in cases involving divorce, alimony, child support, and tax liens. A portion of the benefit may be

assigned or transferred to a former spouse by court order or agreement incorporated in a court order. Furthermore, liens can be placed against a pension for child support, alimony or delinquent payment of federal or state tax.

Health Insurance

GENERAL BENEFITS

When you retire, you may request various voluntary deductions from your monthly retirement payments for benefits such as health and life insurance. The availability and cost of these benefits vary by employer. Check with your agency personnel office and agency benefits coordinator for information on what benefits you may continue after retirement.

Probably the most important benefit to you and your family is health insurance. Continuing health coverage through your employer may be available to retirees who meet the eligibility requirements. Health benefits for retired state employees are administered by the Department of Budget and Management, Employee Benefits Division.

ELIGIBILITY

Service Retirement

Upon retirement, you may be eligible for continued health care coverage under the state's health program.

As a retiree, you are eligible for either partial or full subsidy of your state health benefits if you meet one of the following criteria:

- You have at least 16 years of state creditable service,
- You retired directly from state service with a state retirement allowance and with at least five years of state creditable service,
- You left state service (deferring your retirement allowance) with at least 10 years of state creditable service and within five years of normal retirement age (see "Vested Retirement" in this section), or
- You retired directly from state service with a disability retirement allowance.

A state employee who retires with less than five years of creditable service is not eligible for participation in the state health program unless retiring directly from state service with a disability retirement benefit.

The surviving spouse of a deceased retiree with health benefits is eligible to receive continuing state health coverage provided the surviving spouse is receiving a **monthly** allowance under options 2, 3, 5 or 6. A surviving spouse can only cover dependents who would also be eligible dependents of the original state retiree. A surviving child, permanently disabled prior to age 19, who is receiving a monthly allowance is also eligible for continued state health coverage.

Vested Retirement

A former **state** employee who is vested qualifies for state health program coverage when applying to receive the vested allowance provided:

- The member left state service (deferring his or her retirement allowance) with at least 10 years of state creditable service and within five years of normal retirement age, or
- The member terminates state employment with at least 16 years of state creditable service.

Disability Retirement

A **state** employee who takes a disability retirement (accidental or ordinary) is automatically eligible for continued health insurance coverage through the State health program. No service requirements apply. Health benefits rules for the surviving spouse of a disabled retiree are the same as those described for the surviving spouse of a service retiree.

ENROLLMENT

When you complete your final application to retire, your personnel department and your agency benefits coordinator will provide you with the appropriate health insurance application. Remember, it is up to you to apply for continuing health coverage. These benefits are not automatically continued. The plans are offered during open enrollment and may vary yearly. Plans offered for state retirees include:

- **Medical Plan** which includes vision and behavioral health benefits.
- **Prescription Drug Plan**
- **Dental Plan**
- **Term Life Insurance** (Available only to retirees who were actively employed by the state on or after January 1, 1995, and have term life insurance as an active employee at the time of retirement. Dependents not covered at the time of retirement may not be added to life insurance coverage upon retirement. Retirees can continue life insurance at the same amount or a reduced amount. The coverage amount cannot be increased at or after the time of retirement.)
- **Long Term Care** (You must return a conversion form to the plan within 90 days of your last day of work.)

A retiring State employee is not eligible for:

- Flexible spending accounts
- Accidental death and dismemberment insurance (Conversion policy available within 30 days of retirement.)

After retirement, enrollment in any state health plan or changes to coverage can occur during normal open enrollment periods (in the spring of each year for an effective date of July 1 of the same year) or within 60 days of a qualifying event.

COST

The state subsidizes health premium costs for retired **state** employees. The amount of this subsidy is determined according to each retiree's state creditable service. A state employee who retires with 16 or more years of state creditable service (or with a disability benefit) receives the same subsidy provided to an active employee.

A **state** employee retiring with at least five (but less than 16) years of state creditable service receives a prorated subsidy. The subsidy equals .5208% (.005208) of the health premium cost for each month of state creditable service, up to 100% with 16 years. The retiree pays the uncovered portion of the prorated subsidy in addition to the normal retiree's portion of the premium. This cost is deducted from the retiree's monthly pension check.

In the event that the monthly pension check does not cover a full monthly premium, the retiree will be billed for the premium directly and must send in monthly premium payments with coupons provided by the Employee Benefits Division.

Membership in the state health program does not constitute a contract. The provisions of the program are subject to annual review and modification. Costs may vary each year.

EFFECTS OF MEDICARE

Medicare is the Federal health insurance program administered by the Social Security Administration for persons who:

- Have been certified by the SSA as disabled (must have Parts A and B within two years of the date of disability) **or**
- Are age 65 or older.

A retired state employee and his or her eligible dependents **must sign up for Medicare Parts A and B as soon as they are eligible by way of age or disability** in order to have full claims coverage. The state health program is, thereafter, supplemental to Medicare. Anyone covered under the state retirees' health benefits program who does not have Medicare Parts A and B when eligible will become responsible for approximately 80% of claims amounts that would have been paid by Medicare.

This is Not a Contract

The preceding information summarizes the health benefits generally available to retirees of the State of Maryland and the procedures to be followed to secure benefits. Wherever conflicts occur between the contents of this information and the contracts, rules, regulations, or laws governing the administration of the various programs, the terms and conditions set forth in the various program contracts, rules, regulations or laws shall prevail. Space does not permit listing of all limitations and exclusions which apply to each plan. Before using your benefits, contact the Employee Benefits Division for coverage information.

For additional information on matters regarding health benefits, contact:

State Department of Budget and Management
Employee Benefits Division
301 West Preston Street, Room 510
Baltimore, MD 21201
410-767-4775
1-800-30-STATE (outside Baltimore-Washington area)
www.dbm.maryland.gov/benefits

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SRPS RESOURCES

The State Retirement Agency offers a number of resources to help you stay informed of benefit matters throughout your career. Some of these resources provide you with information specific to your account, while others provide general information on your retirement plan. The more you know about your retirement plan, the better able you are to prepare for the future. We encourage you to take advantage of all available resources and to contact us whenever you need special assistance.

Retirement benefits specialists are available by phone from 8:30 a.m. to 4:30 p.m. weekdays to answer basic benefit questions.

State Retirement Agency-Member Services Division

410-625-5555

1-800-492-5909 (toll-free)

For your convenience, you may choose to use the agency's automated phone system to obtain account information, schedule an appointment or hear up-to-date news on your pension plan. You can access the automated phone system at any time. The TDD/TTY number for automated information is 410-625-5535.

The following selections are available using your touch-tone phone:

- 0 Staff Assistance**
- 1 Hot Topic**
Listen to a recorded message with the latest news and information from the Retirement Agency.
- 2 For Retirees & Beneficiaries receiving a monthly payment**
Retrieve account information, verify your current mailing address and request forms for retirees and beneficiaries receiving a monthly payment.
- 3 For Current or Vested Members**
Retrieve account information, check beneficiary information on file and request forms for current members and vested members.

4 **Appointments**

Schedule a counseling session at our Baltimore office or the regional location nearest you.

5 **Survivor Benefits**

Report the death of a member or retiree.

To protect the confidentiality of member accounts, a member must enter his or her Social Security number and four-digit personal identification number (PIN) before accessing personal account information via the automated phone system. Your initial PIN is the month and year of your enrollment. At retirement, your PIN changes to the month and year of your retirement.

Your PIN is listed on your Personal Statement of Benefits.

Counseling

OFFICE VISITS

You may schedule an appointment to meet with a retirement benefits specialist if you require assistance that cannot be provided by phone or letter. While walk-in counseling appointments are welcome, we recommend that members schedule appointments in advance for quickest service.

Office Location:
120 East Baltimore Street, 14th floor
Baltimore, Maryland 21202-6700
Counseling Hours: 9:00 a.m. to 3:30 p.m.
To schedule an appointment:
410-625-5555
1-800-492-5909
Press 4 on your touch tone phone

Regional Counseling

From September to May of each year, specialists are available monthly at locations across the state. Contact your personnel office or the Retirement Agency for specific dates and locations. Counseling is by appointment only.

Inquiries by Letter

The Retirement Agency maintains a correspondence unit to respond to written inquiries regarding benefit matters. When making an inquiry in writing, remember to be specific about the information needing clarification and include copies of any related documents, such as your Personal Statement of Benefits. Be sure to identify yourself by full name, mailing address and Social Security number. You should also provide a daytime telephone number.

Correspondence should be addressed to:

The State Retirement Agency
120 East Baltimore Street, 14th Floor
Baltimore, MD 21202-6700

You also may e-mail your inquiry to the Retirement Agency. Address e-mail correspondence to:

sra@sra.state.md.us

Address Changes

It is important to keep the Retirement Agency informed of any address changes that occur during your career and retirement.

Active Members—Provide your employer with your new address. Your retirement account will automatically be updated with your new address when your employer submits your next payroll record.

Retirees and Deferred Vested Members—For your protection, you are required to notify the Retirement Agency of address changes in writing. The agency cannot accept this information by telephone.

Newsletter

Our quarterly newsletter, *The Mentor*, provides easy-to-read facts and information on your pension plan—from filing tips to changes in the law that could affect you and your family. After you retire, we continue to stay in touch with you through our informative retiree newsletter, *Retiree News & Notes*.

Website

The State Retirement Agency maintains an internet website which features basic information about the State Retirement and Pension System, annual financial reports, an archive of recent agency newsletters, agency forms, and links to other sites of interest.

You may visit the agency's website at: sra.maryland.gov

Personal Statement of Benefits

As an active member as of June 30, each fall you will receive an individualized statement of your retirement benefits. Your Statement of Benefits highlights everything you need to know about your account—from the amount of service credit and beneficiaries on record to estimates of future pension income. We encourage you to use this statement to verify the accuracy of your account data.

Seminars

The Retirement Agency offers pre-retirement seminars. Contact your Retirement Coordinator for information on current seminars. Registration forms for these seminars can be found on the agency's website.

Your Retirement Coordinator

For certain retirement matters, you need go no further than your own personnel office for assistance. Your employer has designated a special person, usually in your personnel office, to serve as a retirement coordinator. It's his or her job to assist you with basic retirement matters, such as filing the necessary forms to keep your account records up to date and your benefits in force.

Your retirement coordinator is not an agent of the State Retirement and Pension System and is not authorized to advise you on specific matters. For this type of assistance, you must contact the Retirement Agency.

Special Communications Concerns

CONFIDENTIALITY

Under Maryland's Public Information Act, all information in a member's retirement account is confidential, including addresses, telephone numbers, birth dates and enrollment dates. Accordingly, the Retirement Agency can disclose information only to the member who holds the account. Authorization to release this information to a third party must be furnished in writing by the member. There are exceptions to this rule including (but not limited to):

- The member's employer.
- After the death of the member, the member's beneficiary, personal representative or other person who has a valid claim to the member's benefits.
- Court-ordered release of information to a third party.

Note: Certain member information for elected and appointed officials is exempt from the confidentiality rule.

CONFLICTS / APPEALS

Division II of the State Personnel and Pensions Article of the Annotated Code of Maryland takes precedence in resolving questions regarding the policies and benefits of the State Retirement and Pension System. If a member disagrees with information concerning his or her account or entitlement to benefits, the board of trustees may grant the individual an administrative hearing.

Any request for an appeal must be filed in writing to the executive director of the State Retirement Agency. Contact a retirement benefits specialist for additional information on the appeal process.



GLOSSARY OF TERMS

Accidental Disability	Total and permanent disability resulting from an on-the-job accident which occurs while carrying out one's job duties.
Actuary	An expert who analyzes risks and computes rates according to probabilities which are based on known experience.
Annuity	Income payable for the lifetime of the retired member in equal monthly payments.
Average Final Compensation (AFC)	For members hired on or after July 1, 2011, the AFC is the average of their <i>five</i> highest earning years. The AFC for members hired before July 1, 2011, is the average of their <i>three</i> highest earning years.
Basic Allowance	Maximum benefit payable to a retiree based on member's total creditable service and average final compensation. Provides no beneficiary coverage. Payments cease upon retiree's death.
Beneficiary	Individual(s) named by a member or retiree to receive benefits in the event of the member or retiree's death.
Claimed Credit	Additional retirement credit including service transferred from other pension systems and military service. Member must apply for this credit, unlike earned credit which accrues automatically.
Contingent Beneficiary	Individual(s) named to receive benefits in the event that there are no primary beneficiaries who survive the member/retiree.
Cost-of-Living Adjustment (COLA)	Annual adjustment of state pension benefit based on changes to the Consumer Price Index.

Creditable Service

Service credit used for calculating the *amount* of a benefit, and credit used to determine *when* a member qualifies to receive a benefit.

Early Service Retirement

An early retirement benefit applying only to eligible Division of Pre-Trial Detention and Services employees who meet certain criteria.

Earned Credit

Retirement credit earned through payroll reporting.

Fiscal Year

The annual period beginning July 1 and ending June 30.

Leave of Absence

An employer-approved, SRPS-authorized absence from work without pay, granted for the following specific purposes: personal illness; maternity/paternity; adoption; career-related study; government sponsored or subsidized employment; and service in a professional or employee organization.

Medical Board

A panel of three or more doctors, appointed by the SRPS Board of Trustees, who determine eligibility for disability retirement.

Membership

Membership begins your first day on the payroll. Membership ends if you are separated from employment for more than four years. Other circumstances which end membership are when a member: withdraws his or her accumulated contributions; becomes a retiree; or dies.

Military Duty

Period of eligible duty with any of the Armed Forces of the United States, as verified by military discharge papers.

Municipality

A city, county or other local government or any other employer specifically named in retirement law.

Normal Service Retirement

Retirement at age 55 with at least five years of service credit for a correctional member or age 60 with at least five years of service credit for a security attendant, or after 20 years of service credit, with a full monthly benefit. For at least five years immediately before retirement, the member must have worked either as a security attendant at Clifton T. Perkins Hospital Center; a correctional officer in any of the first six job classifications; a

Ordinary Disability

detention center officer employed by a participating governmental unit; a correctional dietary, maintenance, laundry or supply officer; a Maryland Correctional Enterprises officer, officer trainee, plant supervisor, plant manager or regional manager; or a combination of these positions.

Permanent disability caused by any physical or mental illness or medical condition other than an on-the-job accident. Member must have at least 5 years of service credit to apply.

Participating Employer

Public employers offering State Retirement Agency of Maryland benefits to their personnel. Includes state agencies; public schools and libraries; state universities and colleges; community colleges, participating counties, cities and towns, and municipal corporations.

Primary Beneficiary(ies)

Individual(s) with first claim to a member/retiree's benefits.

Retirement Coordinator

An employee, usually a personnel officer of a participating employer, who is trained to assist members with basic retirement matters such as the completion of SRPS forms.

SRA

State Retirement Agency. The state agency that administers the State Retirement and Pension System.

SRPS

State Retirement and Pension System

Vesting

Entitlement to retirement benefits at a later date. A member enrolled on or after July 1, 2011, is vested after 10 years of service. A member enrolled before July 1, 2011, is vested after five years of service.

Vested Allowance

A deferred benefit payable at age 55 for eligible correctional members except age 60 for eligible security attendants at Clifton T. Perkins Hospital Center. See "Vesting" in this glossary for eligibility requirements.