
A large, light gray square graphic serves as a background for the title. Inside the square, the letters "SRPS" are displayed in a large, serif font. Below "SRPS", the words "Plan Summary" are written in a white, italicized script font. The background of the square features a faint, stylized pattern of vertical bars and circular shapes.

SRPS *Plan Summary*

This guide provides a general summary of certain features of the Maryland State Retirement and Pension System (“MSRPS”). The MSRPS is governed by law, including Division II of the State Personnel and Pensions Article of the Annotated Code of Maryland, and Title 22 of the Code of Maryland Regulations. If there is a conflict between the law and this guide, the law prevails.

CITATIONS

All citations “SPP” are to the State Personnel and Pensions Article of the Annotated Code of Maryland.

Teachers’ Retirement System

A COMPOSITE PICTURE

	2025	2024
Total Membership		
Active Vested	71	91
Active Non-Vested	0	0
Vested Former Members	50	61
Retired Members	18,978	20,007
Active Members		
Number	71	91
Average Age	75.2	74.4
Average Years of Service	49.0	48.2
Average Annual Salary	\$ 140,283	\$ 133,797
Retirees & Beneficiaries		
Number	18,978	20,007
Average Age	81.4	80.9
Average Monthly Benefit	\$ 4,407	\$ 4,241

1. Membership

System closed to new members hired on or after January 1, 1980. Members on December 31, 1979 continue to be members unless they elected to transfer into the Teachers’ Pension System (established January 1, 1980) prior to January 1, 2005.

Membership generally includes any teacher, helping teacher, principal, supervisor, superintendent, attendance officer or clerk employed in public day school within the State of Maryland, or supported and controlled by the State; any librarian or clerical employee of a library established or operated under the Education Article; any professional or clerical employee of a community college established or operated under the Education Article; or staff employee of the University System of Maryland, Morgan State University or St. Mary’s College who is a member as of January 1, 1998.

2. Member Contributions

Retirement System members participate under one of three elections (effective July 1, 1984):

- Plan A: Generally 7% of earnable compensation to maintain all benefits, including unlimited compounded cost-of-living adjustments.
- Plan B: Generally 5% of earnable compensation to maintain all benefits, except the compounded cost of living adjustments which are capped at 5%.
- Plan C: 5% of earnable compensation as determined under the employee contribution for the Teachers’ Pension System (Plan C provides a two-part benefit based on benefits of the Teachers’ Retirement System and the Teachers’ Pension System).

Interest earned on all employee contributions is 4% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

Normal retirement age is age 60.

4. Normal Service Retirement Allowance

Eligibility: 30 years of eligibility service or attainment of age 60.

Allowance: 1/55th of average final compensation for the three highest years as a member for each year of creditable service. Creditable service is based on a full normal working time for teachers – 10 months equals one year.

Plan C: For creditable service before election date, the amount determined by the service retirement formula for Teachers’ Retirement System; for creditable service after election date, the amount determined by the service retirement formula for the applicable component of the Teachers’ Pension System.

5. Early Retirement Allowance

Eligibility: 25 years of eligibility service and less than 60 years old.

Allowance: Service Retirement allowance reduced by 0.5% for each month that date of retirement precedes the earlier of age 60 or the date the member would have completed 30 years of eligibility service (maximum reduction of 30%).

Plan C: For creditable service before election date, the amount determined by the service retirement formula for Teachers' Retirement System (maximum reduction of 30%); for creditable service after election date, the amount determined by the service retirement formula for the applicable component of the Teachers' Pension System for each month retirement occurs prior to age 62 (maximum reduction of 42%).

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is mentally or physically incapacitated from the performance of the normal duties of the member's position, and that incapacity is permanent.

Allowance: The benefit is 1/55th of average final compensation for the three highest years as a member for each year of creditable service. The minimum benefit is 25% of average final compensation; the maximum benefit can be no greater than 1/55th of average final compensation for each year of creditable service the member would have accrued if employment continued to age 60.

Plan C: The benefit is the greater of the Teachers' Retirement System allowance noted above, or the ordinary disability benefit of the Teachers' Pension System.

Accidental

Eligibility: Certification of the medical board designated by the Board of Trustees that member is totally and permanently incapacitated from the performance of the normal duties of the member's position as the natural and proximate result of an accident that occurred in the actual performance of duty at a definite time and place without willful negligence by the member.

Allowance: The benefit is 66.67% of average final compensation for the three highest years as a member, plus the annuity provided by accumulated member contributions. The maximum benefit cannot be greater than the average final compensation, including any annuitized accumulated contributions.

7. Death Benefits

Ordinary Death Benefit For Active Member With Less Than One Year of Service

Eligibility: Less than one year of eligibility service and not eligible for a special death benefit

Benefit: Return of accumulated contributions

Ordinary Death Benefit For Active Member With One Or More Years of Service

Eligibility: One or more years of eligibility service and not eligible for a special death benefit

Benefit:

Members who at the time of death are younger than age 55 or have less than 15 years of service.

One-time lump sum payment of member's annual earnable compensation at time of death plus accumulated contributions to the member's designated beneficiary.

Members who at the time of death are eligible to retire and are age 55 or older with at least 15 years of service.

The surviving spouse of a deceased member may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) a monthly allowance under Option 2 (100% survivor benefit). In cases where a deceased member is not survived by a spouse, the decedent's children may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) an allowance equal to 50% of the basic allowance that would have been paid to the deceased member, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. If any child is disabled, the benefit will continue for that child as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, the member's designated beneficiary shall receive a one-time lump sum payment consisting of the member's accumulated contributions and the member's annual compensation at the time of death.

Special Death Benefit For Active Member

Eligibility: Death arising out of or in the course of the actual performance of duty without willful negligence by the member.

Benefit: 66.67% of average final compensation for the three highest years as a member payable to a surviving spouse, decedent's children or dependent parents. Accumulated member contributions are paid to the designated beneficiary. Children of deceased members receiving a special death benefit will continue to receive this benefit, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. Disabled children receiving a special death benefit may receive a special death benefit as long as they remain disabled, regardless of age.

Death Benefit For Vested Former Member

If member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

Eligibility: Five years of eligibility service and separation from employment other than by death or retirement.

Allowance: Vested allowance payable at normal retirement age, provided member does not withdraw accumulated contributions.

If member dies before payment of the vested allowance starts, only accumulated member contributions are returned.

9. Cost of Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Any COLAs are effective July 1 for all allowances which have been in payment for one year.

- Selection A (Additional Member Contributions): Uncapped and compounded.
- Selection B (Limited COLA): Capped at 5% and compounded.
- Selection C (Combination Formula): For creditable service on or after the effective date of Selection C, generally, with limited exceptions, COLA is capped at 3% and compounded. For creditable service before the effective date of Selection C, COLA is calculated based on the applicable component (A or B) to which the member was subject prior to electing Section C.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

10. Optional Forms of Payment

Basic service allowance is a single life annuity.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.

Option 5: 100% “pop-up” joint and survivor annuity, which pays the designated beneficiary 100% of the retiree’s reduced allowance after the retiree’s death or returns the retiree’s benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree’s spouse or disabled child.

Option 6: 50% “pop-up” joint and survivor annuity, which pays the designated beneficiary 50% of the retiree’s reduced allowance after the retiree’s death or returns the retiree’s benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6, may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary, will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

Vested former members who are eligible to receive a vested allowance of less than \$50 a month may elect to receive a lump-sum payment equal to the present value in lieu of a monthly benefit.

11. Reduction for Benefits Payable under Workers’ Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers’ compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers’ compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Teachers’ Retirement System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers’ compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount.

Conversely, workers’ compensation payments are subject to an offset by the Workers’ Compensation Commission if a recipient is receiving an ordinary disability payment from the Teachers’ Retirement System for the same injury or illness. Any offset taken for an accidental disability from the Teachers’ Retirement System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree’s employer by the Workers’ Compensation Commission.

Teachers’ Pension System

A COMPOSITE PICTURE		
	2025	2024
Total Membership		
Active Vested	61,774	61,101
Active Non-Vested	54,700	54,124
Vested Former Members	23,063	23,433
Retired Members	66,969	64,968
Active Members		
Number	116,474	115,225
Average Age	45.5	45.4
Average Years of Service	12.0	11.9
Average Annual Salary	\$ 81,797	\$ 78,891
Retirees & Beneficiaries		
Number	66,969	64,968
Average Age	73.5	73.1
Average Monthly Benefit	\$ 2,442	\$ 2,346

1. Membership

Membership is generally a condition of employment for those teachers, faculty members, and educational employees, specified in SPP § 23-206 of the Annotated Code of Maryland, hired on or after January 1, 1980. Certain eligible higher education employees may elect to join an optional defined contribution retirement program provided by the State, known as the Optional Retirement Program (ORP). The ORP is separate and distinctive from the supplemental program administered by the Maryland Supplemental Retirement Plan.

All individuals who are members of the Teacher's Pension System on or before June 30, 2011, participate in the Alternate Contributory Pension Selection (ACPS) except for the members who transferred from the Teachers' Retirement System after April 1, 1998 or former vested members who terminated employment prior to July 1, 1998.

All individuals who enroll in the Teachers' Pension System on or after July 1, 2011, participate in the Reformed Contributory Pension Benefit (RCPB).

2. Member Contributions

Members of both the ACPS and the RCPB are required to make contributions of 7% of earnable compensation.

Contributions earn interest at 5% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

For members of the Alternate Contributory Pension Selection, normal retirement age is age 62.

For members of the Reformed Contributory Pension Benefit, normal retirement age is age 65.

4. Normal Service Retirement Allowance

ACPS Eligibility 30 years of eligibility service or attainment of one of the following:

- Age 62 with five years of eligibility service.
- Age 63 with four years of eligibility service.
- Age 64 with three years of eligibility service.
- Age 65 and older with two years of eligibility service.

ACPS Allowance The greater of (i) or (ii), plus (iii), as described below:

- (i) 1.2% of average final compensation for the three highest consecutive years as a member for each year of creditable service on or before June 30, 1998;
- (ii) 0.8% of average final compensation for the three highest consecutive years as a member up to the Social Security Integration Level (SSIL) plus 1.5% of average final compensation over the integration level for each year of creditable service on or before June 30, 1998; or

- (iii) the number of years of the member's creditable service on or after July 1, 1998 multiplied by 1.8% of the member's average final compensation for the three highest consecutive years as a member.

RCPB Eligibility: Combined age and eligibility service of at least 90 years or age 65 after 10 years of eligibility service.

RCPB Allowance: 1.5% of average final compensation for the five highest consecutive years as a member for each year of creditable service on or after July 1, 2011.

The SSIL is the average of all Social Security Wage Bases over the 35 calendar years prior to your retirement.

Note: Members who transferred into the Teachers' Pension System, on or after April 1, 1998, receive benefits based on the provisions of the NCPS in effect as of January 1, 1980, except for COLA benefits.

5. Early Retirement Allowance

ACPS Eligibility: Age 55 with at least 15 years of eligibility service.

ACPS Allowance: Service retirement allowance computed as of early retirement date, reduced by 0.5% for each month that early retirement date precedes age 62 (maximum reduction of 42%).

RCPB Eligibility: Age 60 with at least 15 years of eligibility service.

RCPB Allowance: Service retirement allowance computed as of early retirement date, reduced by 0.5% for each month that early retirement date precedes age 65 (maximum reduction of 30%).

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is mentally or physically incapacitated from the performance of the normal duties of the member's position, and that incapacity is likely to be permanent.

Allowance: The benefit is the service retirement allowance computed on the basis that service continues until normal retirement age. If disability occurs after age 62 (age 65 for RCPB), the benefit is based on creditable service at time of retirement.

Accidental

Eligibility: Certification of the medical board designated by the Board of Trustees that member is totally and permanently incapacitated from the performance of the normal duties of the member's position as the natural and proximate result of an accident that occurred in the actual performance of duty without willful negligence by the member.

Allowance: The benefit is 66.67% of average final compensation for the three highest consecutive years (five highest for RCPB) as a member plus the annuity provided by accumulated member contributions. The maximum benefit cannot be greater than the average final compensation including any annuitized accumulated contributions.

7. Death Benefits

Ordinary Death Benefit For Active Member With Less Than One Year of Service

Eligibility: Less than one year of eligibility service and not eligible for a special death benefit.

Benefit: Return of accumulated contributions

Ordinary Death Benefit For Active Member With One Or More Years of Service

Eligibility: One or more years of eligibility service and not eligible for a special death benefit

Benefit:

Members who at the time of death are not members of the Reformed Contributory Pension Benefit, are younger than age 55 and have less than 15 years of service or are members of the Reformed Contributory Pension Benefit, are younger than age 60 and have less than 15 years of service. One-time lump sum payment of member's annual earnable compensation at time of death plus accumulated contributions to the member's designated beneficiary.

Members who at the time of death: (1) are eligible to retire; (2) have accrued at least 25 years of eligibility service; (3) are not members of the Reformed Contributory Pension Benefit and are age 55 or older with at least 15 years of service; or (4) are members of the Reformed Contributory Pension Benefit and are age 60 or older with at least 15 years of service.

The surviving spouse of a deceased member may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or

(2) a monthly allowance under Option 2 (100% survivor benefit). In cases where a deceased member is not survived by a spouse, the decedent's children may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) an allowance equal to 50% of the basic allowance that would have been paid to the deceased member, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. If any child is disabled, the benefit will continue for that child as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, the member's designated beneficiary shall receive a one-time lump sum payment consisting of the member's accumulated contributions and the member's annual compensation at the time of death.

Special Death Benefit For Active Member

Eligibility: Death arising out of or in the course of the actual performance of duty without willful negligence by the member.

Benefit: 66.67% of average final compensation for the three highest consecutive years as a member, except for member's participating in the RCPB component for which the average final compensation is the five highest consecutive years as a member, payable to a surviving spouse, decedent's children or dependent parents. Accumulated contributions are paid to the designated beneficiary. Children of deceased members receiving a special death benefit will continue to receive this benefit prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. Disabled children receiving a special death benefit may receive a special death benefit as long as they remain disabled, regardless of age.

Death Benefit For Vested Former Member

If a member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

ACPS Eligibility: Five years of eligibility service and separation from employment other than by death or retirement.

ACPS Allowance: Accrued retirement allowance payable at age 62 provided member does not withdraw accumulated contributions. A member who has completed 15 years of eligibility service may begin to receive benefit payments at any time on or after attainment of age 55, reduced by 0.5% for each month that benefit commencement date precedes age 62 (maximum reduction of 42%).

If member dies before payment of the vested allowance starts, only accumulated member contributions are returned.

RCPB Eligibility: 10 years of eligibility service and separation from employment other than by death or retirement

RCPB Allowance: Accrued retirement allowance payable at age 65 provided member does not withdraw accumulated contributions. A member who has completed 15 years of eligibility service may begin to receive benefit payments at any time on or after attainment of age 60, reduced by 0.5% for each month that benefit commencement date precedes age 65 (maximum reduction of 30%).

If member dies before payment of the vested allowance starts, only accumulated member contributions are returned.

For an allowance based on creditable service earned on or after July 1, 2011, the COLA adjustment is capped at 2.5% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was greater than or equal to the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year. The adjustment is capped at 1% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was less than the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

Any adjustments are effective July 1.

9. Cost of Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Effective July 1, 1998, and for an allowance based on creditable service before July 1, 2011, the adjustment is capped at a maximum of 3% compounded and is applied to all allowances which have been in payment for one year.

10. Optional Forms of Payment

Basic service allowance is a single life annuity.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6 may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary, will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

Vested former members who are eligible to receive a vested allowance of less than \$50 a month may elect to receive a lump-sum payment equal to the present value in lieu of a monthly benefit.

11. Reduction for Benefits Payable under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Teachers' Pension System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the Teachers' Pension System for the same injury or illness. Any offset taken for an accidental disability from the Teachers' Pension System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

Employee's Retirement System

A COMPOSITE PICTURE		
	2025	2024
Total Membership		
Active Vested	4,848	4,783
Active Non-Vested	4,269	3,418
Vested Former Members	723	743
Retired Members	17,283	17,624
Active Members		
Number	9,117	8,201
Average Age	46.5	46.1
Average Years of Service	11.9	12.7
Average Annual Salary	\$ 69,812	\$ 67,165
Retirees & Beneficiaries		
Number	17,283	17,624
Average Age	73.9	73.8
Average Monthly Benefit	\$ 2,670	\$ 2,584

1. Membership

System closed to new members hired on or after January 1, 1980. Members on December 31, 1979 continue to be members unless they elected to transfer into the Employees' Pension System (established January 1, 1980) prior to January 1, 2005.

Membership generally includes employees of the State and other eligible participating employers.

2. Member Contributions

- Plan A: Generally, 7% of earnable compensation to maintain all benefits, including unlimited compounded cost-of-living adjustments.
- Plan B: Generally, 5% of earnable compensation to maintain all benefits, except the compounded cost-of-living adjustments which are capped at 5%.
- Plan C: Provides a two-part benefit based on benefits of the Employees' Retirement System and the Employees' Pension System. Employee contributions, if any, are based on participation of the employer in the applicable component of the Employees' Pension System. (refer to summary of Employees' Pension System).

Interest earned on all employee contributions is 4% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

Normal retirement age is age 60.

4. Normal Service Retirement Allowance

Eligibility: 30 years of eligibility service or attainment of age 60.

Allowance: $1/55^{\text{th}}$ of average final compensation for the three highest years as a member for each year of creditable service.

Plan C: For creditable service before election date, the amount determined by the service retirement formula for Employees' Retirement System; for creditable service after election date, the amount determined by the service retirement formula for the applicable component of the Employees' Pension System under which the employer and member participates.

5. Early Retirement Allowance

Eligibility: 25 years of eligibility service and less than 60 years old.

Allowance: Service retirement allowance reduced by 0.5% for each month that date of retirement precedes the earlier of age 60 or the date the member would have completed 30 years of eligibility service (maximum reduction of 30%).

Plan C: For creditable service before election date, the amount determined by the service retirement formula for Employees' Retirement System with a maximum reduction of 30%; for creditable service after election date, the amount determined by the service retirement formula for the applicable component of the Employees' Pension System under which the employer participates with a 0.5% reduction for each month retirement occurs prior to age 62 (maximum reduction of 42%).

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is mentally or physically incapacitated from the performance of the normal duties of the member's position, and that incapacity is permanent.

Allowance: The benefit is 1/55th of average final compensation for the three highest years as a member for each year of creditable service. The minimum benefit is 25% of average final compensation; the maximum benefit can be no greater than 1/55th of average final compensation for each year of creditable service the member would have accrued if employment continued to age 60.

Plan C: The benefit is the greater of the Employees' Retirement System allowance noted above, or the ordinary disability benefit of the Employees' Pension System.

Accidental

Eligibility: Certification of the medical board designated by the Board of Trustees that member is totally and permanently incapacitated from the performance of the normal duties of the member's position as the natural and proximate result of an accident that occurred in the actual performance of duty at a definite time and place without willful negligence by the member.

Allowance: The benefit is 66.67% of average final compensation for the three highest years as a member, plus the annuity provided by accumulated member contributions. The maximum benefit cannot be greater than the average final compensation, including any annuitized accumulated contributions.

7. Death Benefits

Ordinary Death Benefit For Active Member With Less Than One Year of Service

Eligibility: Less than one year of eligibility service and not eligible for a special death benefit.

Benefit: Return of accumulated contributions

Ordinary Death Benefit For Active Member With One or More Years of Service

Eligibility: One or more years of eligibility service and not eligible for a special death benefit.

Benefit:

Members who at the time of death are younger than age 55 or have less than 15 years of service.

One-time lump sum payment of member's annual earnable compensation at time of death plus accumulated contributions to the member's designated beneficiary.

Members who at the time of death are eligible to retire and are age 55 or older with at least 15 years of service.

The surviving spouse of a deceased member may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) a monthly allowance under Option 2 (100% survivor benefit). In cases where a deceased member is not survived by a spouse, the decedent's children may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) an allowance equal to 50% of the basic allowance that would have been paid to the deceased member, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. If any child is disabled, the benefit will continue for that child as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, the member's designated beneficiary shall receive a one-time lump sum payment consisting of the member's accumulated contributions and the member's annual compensation at the time of death.

Special Death Benefit For Active Member

Eligibility: Death arising out of or in the course of the actual performance of duty without willful negligence by the member.

Benefit: 66.67% of average final compensation for the three highest years as a member payable to a surviving spouse, decedent's children or dependent parents. Accumulated member contributions are paid to the designated beneficiary. Children of deceased members receiving a special death benefit will continue to receive this benefit, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. Disabled children receiving a special death benefit may receive a special death benefit as long as they remain disabled, regardless of age.

Death Benefit For Vested Former Member

If member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

Eligibility: Five years of eligibility service and separation from employment other than by death or retirement.

Allowance: Vested allowance payable at normal retirement age, provided member does not withdraw accumulated member contributions.

9. Cost-of-Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Any COLAs are effective July 1 for all allowances which have been in payment for one year.

- Selection A (Additional Member Contributions): Uncapped and compounded.
- Selection B (Limited COLA): Capped at 5% and compounded.
- Selection C (Combination Formula): For creditable service on or after the effective date of Selection C, generally, with limited exceptions, COLA is capped at 3% and compounded. For creditable service before the effective date of Selection C, COLA is calculated based on the applicable component (A or B) to which the member was subject prior to electing Selection C.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

10. Optional Forms of Payment

Basic service allowance is a single life annuity.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6, may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary, will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

Vested former members who are eligible to receive a vested allowance of less than \$50 a month may elect to receive a lump-sum payment equal to the present value in lieu of a monthly benefit.

11. Reduction for Benefits Payable Under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Employees' Retirement System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the Employees' Retirement System for the same injury or illness. Any offset taken for an accidental disability from the Employees' Retirement System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

Correctional Officers' Retirement System

COMPOSITE THAT INCLUDES STATE & MUNICIPAL

	2025	2024
Total Membership		
Active Vested	4,750	4,670
Active Non-Vested	4,255	3,396
Vested Former Members	629	635
Retired Members	7,418	7,216
Active Members		
Number	9,005	8,066
Average Age	46.0	45.5
Average Years of Service	11.6	12.4
Average Annual Salary	\$ 69,774	\$ 67,035
Retirees & Beneficiaries		
Number	7,418	7,216
Average Age	64.6	64.1
Average Monthly Benefit	\$ 2,402	\$ 2,336

1. Membership

Membership is generally a condition of employment for correctional officers serving in the first six job classifications, individuals serving as a security chief, a facility administrator, and assistant warden or a warden, maximum security attendants at Clifton T. Perkins Hospital Center, and employees of the State as provided in SPP § 25-201. This includes participating governmental units who elect to have their detention center officers participate in the Correctional Officers' Retirement System.

2. Member Contributions

Members are required to make contributions of 5% of earnable compensation.

Interest earned on all employee contributions is 4% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

Normal retirement age is age 55 for service retirement, age 60 for disability retirement.

4. Normal Service Retirement Allowance

Eligibility: For individuals who are members on or before June 30, 2011, either age 55 with at least 5 years of eligibility service credit or 20 years of eligibility service, regardless of age. For individuals who are members on or after July 1, 2011, either age 55 with at least 10 years of eligibility service credit, or 20 years of eligibility service, regardless of age.

Allowance: For individuals who are members on or before June 30, 2011, 1/55th of average final compensation for the three highest years as a member for each year of creditable service. For individuals who are members on or after July 1, 2011, 1/55th of average final compensation for the five highest years as a member for each year of creditable service.

5. Early Retirement Allowance

Not applicable to the Correctional Officers' Retirement System, except for certain Baltimore City Jail employees who may retire with 10 years of creditable service., as specified in SPP § 25-401.1.

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is mentally or physically incapacitated from the performance of the normal duties of the member's position, and that incapacity is likely to be permanent.

Allowance: The benefit is 1/55th of the average final compensation for the three highest years as a member (five highest for members enrolled on or after July 1, 2011). The minimum benefit is 25% of average final compensation; the maximum benefit can be no greater than 1/55th of average final compensation for each year of creditable service the member would have accrued if employment continued to age 60.

Accidental

Eligibility: Certification of the medical board designated by the Board of Trustees that member is totally and permanently incapacitated from the performance of the normal duties of the member's position as the natural and proximate result of an accident that occurred in the actual performance of duty at a definite time and place without willful negligence by the member.

Allowance: The benefit is 66.67% of average final compensation for the three highest years as a member (five highest for members enrolled on or after July 1, 2011), plus the annuity provided by accumulated member contributions. The maximum benefit cannot be greater than the average final compensation, including any annuitized accumulated contributions.

7. Death Benefits

Ordinary Death Benefit For Active Member With Less Than One Year of Service

Eligibility: Less than one year of eligibility service and not eligible for a special death benefit.

Benefit: Return of accumulated contributions

Ordinary Death Benefit For Active Members With One Or More Years of Service

Eligibility: One or more years of eligibility service and not eligible for a special death benefit.

Benefit:

Members who at the time of death are younger than age 55 or have less than 15 years of service

One-time lump sum payment of member's annual earnable compensation at time of death plus accumulated contributions to the member's designated beneficiary.

Members who at the time of death are eligible to retire and are age 55 or older with at least 15 years of service
The surviving spouse of a deceased member may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) a monthly allowance under Option 2 (100% survivor benefit). In cases where a deceased member is not survived by a spouse, the decedent's children may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) an allowance equal to 50% of the basic allowance that would have been paid to the deceased member, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. If any child is disabled, the benefit will continue for that child past age 26 as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, the member's designated beneficiary shall receive a one-time lump sum payment consisting of the member's accumulated contributions and the member's annual compensation at the time of death.

Special Death Benefit for Active Member

Eligibility: Death arising out of or in the course of the actual performance of duty without willful negligence by the member.

Benefit: 66.67% of average final compensation for the three highest years as a member payable to a surviving spouse, the decedent's children or dependent parents. Accumulated member contributions are paid to the designated beneficiary. Children of deceased members receiving a special death benefit will continue to receive this benefit, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. Disabled children receiving a special death benefit may receive a special death benefit as long as they remain disabled, regardless of age.

Death Benefit For Vested Former Member

If member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

For an allowance based on creditable service earned on or after July 1, 2011, the COLA is capped at 2.5% if, for the calendar year ending December 31 in the previous fiscal year the several systems' total investment performance was greater than or equal to the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year. The adjustment is capped at 1% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was less than the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

8. Vested Allowance

Eligibility: For individuals who are members on or before June 30, 2011, five years of eligibility service. For individuals who become member on or after July 1, 2011, 10 years of eligibility service. Member must also be separated from employment other than by death or retirement.

Allowance: Service retirement allowance payable at age 55 provided the member does not withdraw the member's accumulated contributions.

9. Cost-of-Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Any COLAs are effective July 1 for all allowances which have been in payment for one year.

Uncapped compounded COLAs are applied to all benefits attributable to creditable service earned on or before June 30, 2011.

10. Optional Forms of Payment

Basic service allowance is a single life annuity.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6 may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

Vested former members who are eligible to receive a vested allowance of less than \$50 a month may elect to receive a lump-sum payment equal to the present value in lieu of a monthly benefit.

11. Reduction for Benefits Payable Under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Correctional Officers' Retirement System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost of living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the Correctional Officers' Retirement System for the same injury or illness. Any offset taken for an accidental disability from the Correctional Officers' Retirement System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

Legislative Pension Plan

A COMPOSITE PICTURE

	2025	2024
Total Membership		
Active Vested	80	80
Active Non-Vested	108	107
Vested Former Members	47	47
Retired Members	322	325
Active Members		
Number	188	187
Average Age	54.5	53.8
Average Years of Service	8.5	7.9
Average Annual Salary	\$ 55,703	\$ 54,539
Retirees & Beneficiaries		
Number	322	325
Average Age	77.4	77.2
Average Monthly Benefit	\$ 1,665	\$ 1,642

1. Membership

Membership is generally a condition of employment for members of the Maryland General Assembly during the 2019-2022 term of office.

2. Member Contributions

Members are required to contribute 7% of annual salary up to 22 years and three months of creditable service.

Interest earned on all employee contributions is 4% per year, compounded annually, until retirement or withdrawal of accumulated contributions.

3. Normal Retirement Age

For members who have creditable service prior to January 14, 2015, normal retirement age is age 60.

For members who do not have creditable service prior to January 14, 2015, normal retirement age is age 62.

4. Service Retirement Allowance

Eligibility: For individuals who have creditable service in the Legislative Pension Plan before January 14, 2015, age 60 with eight years of creditable service. For individuals who have no creditable service in the Legislative Pension Plan before January 14, 2015, age 62 with eight years of creditable service.

Allowance: 3% of salary of an active legislator for each year of service, multiplied by the number of years of creditable service. The maximum benefit available for a member is 66.67% of salary payable to an active legislator.

5. Reduced Service Retirement Allowance

Eligibility: For individuals who have creditable service in the Legislative Pension Plan before January 14, 2015, age 50 with eight years of creditable service. For individuals who have no creditable service in the Legislative Pension Plan before January 14, 2015, age 55 with eight years of creditable service.

Allowance: For individuals who have creditable service in the Legislative Pension Plan before January 14, 2015, a service retirement allowance computed as of early retirement date, reduced by 0.5% for each month under age 60 (maximum reduction of 60%). For individuals who have no creditable service in the Legislative Pension Plan before January 14, 2015, a service retirement allowance computed as of early retirement date, reduced by 0.5% for each month under age 62 (maximum reduction of 42%).

6. Disability Retirement Allowance

Eligibility: Eight years of creditable service, regardless of age, and certification of the medical board designated by the Board of Trustees that the member is mentally or physically incapacitated from further performance of duty as a legislator, and that incapacity is likely to be permanent.

Allowance: Service retirement allowance, regardless of age.

7. Death Benefits

Death Of A Member With At Least Eight Years Of Creditable Service

Eligibility: At least eight years of creditable service.

Beneficiary: Payment of the benefit shall be made to the member's surviving spouse. If there is no surviving spouse at the time of the member's death, the benefit shall be prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If any child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment will be made to the member's designated beneficiary.

Benefit: The member's beneficiary (surviving spouse, children, or designated beneficiary) may elect to receive: (1) a return of the member's accumulated contributions plus the member's annual salary, if any, at the time of death; or (2) an annuity equal to 50% of the retirement allowance that would have been paid at the member's death, regardless of the member's age. The surviving spouse or children will begin receiving the death benefit at the time of the member's death. A designated beneficiary who elects to receive the annuity may not begin receiving the benefit until the beneficiary reaches age 60, if the deceased member had creditable service in the Legislative Pension Plan before January 14, 2015, or age 62, if the deceased member did not have creditable service before January 14, 2015. The designated beneficiary may elect to begin receiving a reduced annuity at age 50, if the deceased member had creditable service before January 14, 2015, or age 55 if the deceased member did not have creditable service before January 14, 2015.

Death Of A Member With Less Than Eight Years Of Creditable Service

Eligibility: A member currently serving in the legislature with less than eight years of creditable service

Beneficiary: Payment of the benefit shall be made to the member's surviving spouse. If there is no surviving spouse at the time of the member's death, the benefit shall be prorated equally among the eligible children. A child is eligible for a prorated share if the child is under age 26 or the child is disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment will be made to the member's designated beneficiary. If a member designates more than one beneficiary, the benefit shall be prorated equally among each beneficiary.

Benefit: A lump-sum benefit equal to the member's accumulated contributions plus the member's annual salary at the time of death.

Death Of A Member With No Beneficiary

On death of a member who is not survived by a spouse, children, or designated beneficiary, the Board of Trustees shall pay the member's accumulated contributions to the estate of the member.

Death Of Retiree

Upon the death of a retiree, a survivor allowance equal to 50% of the retiree's retirement allowance is payable to the retiree's surviving spouse for the spouse's life. If the retiree has no surviving spouse and the retiree has creditable service before January 14, 2015, the full survivor allowance is payable to the designated beneficiary for life beginning at age 60 or an optional reduced survivor allowance is payable to the designated beneficiary for life beginning at age 50. If the retiree has no surviving spouse and the retiree has no creditable service before January 14, 2015, the full survivor allowance is payable to the designated beneficiary for life beginning at age 62 or an optional reduced survivor allowance is payable to the designated beneficiary for life beginning at age 55.

8. Vested Allowance

Eligibility: Eight years of creditable service and separation from employment other than by death or retirement.

Allowance: For individuals who have creditable service in the Legislative Pension Plan before January 14, 2015, a service retirement allowance payable at age 60, provided the member has not withdrawn the member's accumulated contributions. For individuals who have no creditable service in the Legislative Pension Plan before January 14, 2015, a service retirement allowance payable at age 62, provided the member has not withdrawn the member's accumulated contributions.

9. Cost-of-Living Adjustments

Generally, allowances are recalculated each time the salary for a sitting legislator increases.

10. Optional Forms of Payment

Basic Allowance: Normal service allowance with a 50% joint and survivor annuity to the retiree's surviving spouse. If there is no surviving spouse, to the retiree's designated beneficiary. A surviving spouse will begin receiving the death benefit at the time of the retiree's death. A designated beneficiary may not begin receiving the benefit until the beneficiary reaches age 60, if the deceased retiree had creditable service in the Legislative Pension Plan before January 14, 2015, or age 62, if the deceased retiree did not have creditable service before January 14, 2015. The designated beneficiary may elect to begin receiving a reduced annuity at age 50, if the deceased retiree had creditable service before January 14, 2015, or age 55 if the deceased retiree did not have creditable service before January 14, 2015.

Option 1: 100% joint and survivor annuity. If, at the time of retirement the member is married and elects to receive Option 1, the member's spouse must be the designated beneficiary. The designated beneficiary may not be more than 10 years younger than the member unless the beneficiary is the member's spouse or disabled child.

Employees' Pension System

A COMPOSITE PICTURE				
	2025		2024	
Total Membership				
Active Vested	33,301		33,304	
Active Non-Vested	44,802		43,443	
Vested Former Members	20,839		21,459	
Retired Members	68,712		67,784	
Active Members				
Number	78,103		76,747	
Average Age	48.2		48.3	
Average Years of Service	10.3		10.4	
Average Annual Salary	\$	76,590	\$	71,834
Retirees & Beneficiaries				
Number	68,712		67,784	
Average Age	73.1		72.6	
Average Monthly Benefit	\$	1,681	\$	1,609

1. Membership

Membership is generally a condition of employment for all regular employees of the State of Maryland hired on or after January 1, 1980, excluding those eligible for the Teachers' Retirement System, Teachers' Pension System, State Police Retirement System, certain judges, correctional officers, Law Enforcement Officers Pension System, and members of the General Assembly. Certain governmental units also have elected to participate in the System.

There are four plans under the Employees' Pension System.

- **Noncontributory Pension System (NCPS)** – The original pension system established on January 1, 1980 that only applies to certain participating governmental units that did not elect to participate in the Contributory Pension System, Alternate Contributory Pension Selection, or Reformed Contributory Pension Benefit.
- **Employees' Contributory Pension System (ECPS)** – The ECPS established July 1, 1998 that only applies to certain participating governmental units that elected the ECPS but did not elect to participate in the Alternate Contributory Pension Selection, or Reformed Contributory Pension Benefit.
- **Alternate Contributory Pension Selection (ACPS)** – Applies to all State employees and employees of participating governmental units that are members of the ACPS on or before June 30, 2011.
- **Reformed Contributory Pension Benefit (RCPB)** – Applies to all State employees and, employees of participating governmental units enrolling in the Employees' Pension System on or after July 1, 2011. It does not apply to employees of participating governmental units that did not elect to participate in the ACPS or RCPB.

2. Member Contributions

- NCPS: Members are only required to make contributions of 5% on earnable compensation that exceeds the Social Security Taxable Wage Base.
- ECPS: Members are required to make contributions of 2% of earnable compensation.
- ACPS: Members are required to make contributions of 7% of earnable compensation.
- RCPB: Members are required to make contributions of 7% of earnable compensation.

Contributions earn interest at 5% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

For members of the Non-Contributory, Contributory, or Alternate Contributory Pension Selection, normal retirement age is age 62.

For members of the Reformed Contributory Pension Benefit, normal retirement age is age 65.

4. Normal Service Retirement Allowance

NCPS, ECPS, and ACPS Eligibility 30 years of eligibility service or attainment of one of the following:

Age 62 with five years of eligibility service
Age 63 with four years of eligibility service
Age 64 with three years of eligibility service
Age 65 or older with two years of eligibility service

NCPS Allowance:

0.8% of average final compensation up to the Social Security Integration Level (SSIL) for the three highest consecutive years as a member plus 1.5% of average final compensation over the SSIL for each year of creditable service;

ECPS Allowance: The greater of (i) or (ii), plus (iii), as described below:

- (i) 1.2% of average final compensation for the three highest consecutive years as a member for each year of creditable service on or before June 30, 1998;
- (ii) 0.8% of average final compensation up to the SSIL for the three highest consecutive years as a member plus 1.5% of average final compensation over the SSIL for each year of creditable service on or before June 30, 1998; or
- (iii) 1.4% of average final compensation for the three highest consecutive years as a member for each year of creditable service after June 30, 1998.

ACPS Allowance: The greater of (i) or (ii), plus (iii), as described below:

- (i) 1.2% of average final compensation for the three highest consecutive years as a member for each year of creditable service on or before June 30, 1998;
- (ii) 0.8% of average final compensation up to the SSIL for the three highest consecutive years as a member plus 1.5% of average final compensation over the SSIL for each year of creditable service on or before June 30, 1998; or
- (iii) 1.8% of average final compensation for the three highest consecutive years as a member for each year of creditable service after June 30, 1998.

RCPB Eligibility Combined age and eligibility service of at least 90 years or age 65 with 10 or more years of eligibility service.

RCPB Allowance: 1.5% of average final compensation for the five highest consecutive years as a member for each year of creditable service on or after July 1, 2011.

SSIL is the average of all Social Security Wage Bases over the 35 calendar years prior to your retirement.

Note: Members who transferred into the Employees' Pension System, on or after April 1, 1998, receive benefits based on the provisions of the NCPS as in effect on January 1, 1980 except for COLA benefits.

5. Early Retirement Allowance

NCPS, ECPS, and ACPS Eligibility: Age 55 and at least 15 years of eligibility service.

NCPS, ECPS, and ACPS Allowance: Service retirement allowance computed as of early retirement date, reduced by 0.5% for each month that early retirement date precedes age 62 (maximum reduction is 42%).

RCPB Eligibility: Age 60 with at least 15 years of eligibility service.

RCPB Allowance: Service retirement allowance computed as of early retirement date, reduced by 0.5% for each month that early retirement date precedes age 65 (maximum reduction is 30%).

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is mentally or physically incapacitated from the performance of the normal duties of the member's position, and that incapacity is likely to be permanent.

Allowance: The benefit is the service retirement allowance computed on the basis that service continues until normal retirement age. If disability occurs on or after age 62 (age 65 for RCPB), the benefit is based on creditable service at time of retirement.

Accidental

Eligibility: Certification of the medical board designated by the Board of Trustees that member is totally and permanently incapacitated from the performance of the normal duties of the member's position as the natural and proximate result of an accident that occurred in the actual performance of duty without willful negligence by the member.

Allowance: The benefit is 66.67% of average final compensation for the three highest consecutive years (five highest for RCPB) as a member, plus the annuity provided by accumulated member contributions. The maximum benefit cannot be greater than the average final compensation including any annuitized accumulated contributions.

7. Death Benefits

Ordinary Death Benefit For Active Member With Less Than One Year of Service

Eligibility: Less than one year of eligibility service and not eligible for a special death benefit.

Benefit: Return of accumulated contributions

Ordinary Death Benefit For Active Member With One Or More Years of Service

Eligibility: One or more years of eligibility service and not eligible for a special death benefit.

Benefit:

Members who at the time of death are not members of the Reformed Contributory Pension Benefit, are younger than age 55, and have less than 15 years of service or are members of the Reformed Contributory Pension Benefit, are younger than age 60, and have less than 15 years of service. One-time lump sum payment of member's annual earnable compensation at time of death plus accumulated contributions to the member's designated beneficiary.

Members who at the time of death: (1) are eligible to retire; (2) have accrued at least 25 years of eligibility service; (3) are not members of the Reformed Contributory Pension Benefit and are age 55 or older with at least 15 years of service; or (4) are members of the Reformed Contributory Pension Benefit and are age 60 or older with at least 15 years of service. The surviving spouse of a deceased member may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) a monthly allowance under Option 2 (100% survivor benefit). In cases where a deceased member is not survived by a spouse, the decedent's children may elect to receive: (1) a one-time lump sum payment of the member's annual earnable compensation at the time of death plus the member's accumulated contributions; or (2) an allowance equal to 50% of the basic allowance that would have been paid to the deceased member, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. If any child is disabled, the benefit will continue for that child as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, the member's designated beneficiary shall receive a one-time lump sum payment consisting of the member's accumulated contributions and the member's annual compensation at the time of death.

Special Death Benefit For Active Member

Eligibility: Death arising out of or in the course of the actual performance of duty without willful negligence by the member.

Benefit: 66.67% of average final compensation for the three highest consecutive years as a member, except for member's participating in the RCPB component for which the average final compensation is the five highest consecutive years as a member, payable to a surviving spouse, the decedent's children or dependent parents. Accumulated member contributions are paid to the designated beneficiary. Children of deceased members receiving a special death benefit will continue to receive this benefit, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. Disabled children receiving a special death benefit may receive a special death benefit as long as they remain disabled, regardless of age.

Death Benefit For Vested Former Member

If a member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

NCPS, ECPS, and ACPS Eligibility: Five years of eligibility service and separation from employment other than by death or retirement.

NCPS, ECPS, and ACPS Allowance: Accrued retirement allowance payable at age 62. A member who has completed 15 years of eligibility service may begin to receive benefit payments at any time on or after attainment of age 55, reduced by 0.5% for each month that benefit commencement date precedes age 62 (maximum reduction of 42%).

If member dies before payment of the vested allowance starts, only accumulated member contributions are returned.

RCPB Eligibility: 10 years of eligibility service and separation from employment other than by death or retirement.

RCPB Allowance: Accrued retirement allowance payable at age 65 provided member does not withdraw accumulated contributions. A member who has completed 15 years of eligibility service may begin to receive benefit payments at any time on or after attainment of age 60, reduced by 0.5% for each month that benefit commencement date precedes age 65 (maximum reduction of 30%).

If member dies before payment of the vested allowance starts, only accumulated member contributions are returned.

9. Cost-of-Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Generally, effective July 1, 1998, and for an allowance based on creditable service earned before July 1, 2011, the adjustment is capped at a maximum of 3% compounded and is applied to all allowances which have been in payment for one year.

Generally, for an allowance based on creditable service earned on or after July 1, 2011, the COLA is capped at 2.5% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was greater than or equal to the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year. The adjustment is capped at 1% if, for the calendar year ending December 31 in the previous fiscal year the several systems' total investment performance was less than the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year.

For certain individuals, such as employees of a participating governmental unit that has not elected the contributory pension benefit or the Alternate Contributory Pension Selection for its members, or their surviving beneficiaries, the allowance is subject to a simple COLA capped at 3%.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

10. Optional Forms of Payment

Basic service allowance is in a single life annuity.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6 may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

Vested former members who are eligible to receive a vested allowance of less than \$50 a month may elect to receive a lump-sum payment equal to the present value in lieu of a monthly benefit.

11. Reduction for Benefits Payable Under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Employees' Pension System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the Employees' Pension System for the same injury or illness. Any offset taken for an accidental disability from the Employees' Pension System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

State Police Retirement System

A COMPOSITE PICTURE

	2025	2024
Total Membership		
Active Vested	802	817
Active Non-Vested	500	495
Vested Former Members	80	85
Retired Members	2,668	2,638
Active Members		
Number	1,302	1,312
Average Age	37.0	36.9
Average Years of Service	12.9	12.7
Average Annual Salary	\$ 116,056	\$ 110,538
Retirees & Beneficiaries		
Number	2,668	2,638
Average Age	66.9	66.5
Average Monthly Benefit	\$ 5,449	\$ 5,286

1. Membership

Membership is a condition of employment for all officers of the Maryland State Police.

2. Member Contributions

Members are required to contribute 8% of earnable compensation. Beginning July 1, 2020, no member contributions are required after 28 years of service.

Contributions earn interest at 4% per year, compounded annually, until retirement, withdrawal of the accumulated contributions, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

Normal retirement age is age 50.

4. Normal Service Retirement Allowance

Eligibility: For individuals who are members on or before June 30, 2011, 22 years of eligibility service or attainment of age 50. For individuals who become members on or after July 1, 2011, 25 years of eligibility service or attainment of age 50. Retirement at age 60 is mandatory for all but the Secretary of State Police.

Allowance: For individuals who are members on or before June 30, 2011, 2.55% of average final compensation for the three highest years as a member. For individuals who become members on or after July 1, 2011, 2.55% of average final compensation for the five highest years as a member. Maximum benefit is 71.4% of average final compensation.

5. Early Retirement Allowance

Not applicable to the State Police Retirement System.

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is mentally or physically incapacitated from the performance of the normal duties of the member's position, and that incapacity is likely to be permanent.

Allowance: The allowance is the greater of a normal service retirement allowance (as described above) or 35% of the member's average final compensation.

Special (Accidental)

Eligibility: Total and permanent incapacity for duty as certified by the medical board arising out of or in the course of the actual performance of duty without willful negligence by the member.

Allowance: For members who are under normal retirement age, the benefit is the lesser of either the member's average final compensation, or the sum of 66.67% of the member's average final compensation and an annuity that is actuarially equivalent to the member's accumulated contributions. Members who are at least normal retirement age are entitled either to the benefit as calculated for members under normal retirement age, or a normal service retirement allowance, whichever is greater.

7. Death Benefits

Normal Death Benefit – Return of Accumulated Contributions

Eligibility: Death while employed as a member and less than one year of eligibility service. A normal death benefit may be not paid if a special death benefit is paid for that death.

Benefit: Lump sum payment of member's accumulated member contributions to the member's designated beneficiary or, if there is no designated beneficiary, to the member's estate.

Normal Death Benefit – Return of Accumulated Contributions and Annual Earnable Compensation

Eligibility: Death while employed as a member and at least one year of eligibility service. A normal death benefit may not be paid if a special death benefit is paid for that death.

Benefit: Lump sum payment of member's accumulated contributions and an amount equal to the member's annual earnable compensation at the time of death to the member's designated beneficiary or, if there is no designated beneficiary, to the member's estate.

Special Death Benefit For Death While Employed And Not In Performance Of Duty

Eligibility: Death while employed as a member, without member's willful negligence, and not in the performance of duty. Member has more than two years of eligibility service. The member is survived by a spouse, a child under the age of 26, a disabled child, or a dependent parent.

Benefit: Accumulated member contributions plus an allowance equal to 50% of the member's average final compensation.

Beneficiary: Payment of the member's accumulated member contributions shall be paid to the member's designated beneficiary, or otherwise to the member's estate. An allowance equal to 50% of the member's average final compensation shall be made to the surviving spouse; however, if there is no surviving spouse or spouse dies before youngest child reaches age 26, 50% of average final compensation continues prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment is made to dependent parents. If none of the above conditions is met, the normal death benefit is paid to the designated beneficiary.

Special Death Benefit For Death In The Performance Of Duty

Eligibility: Death while employed as a member, without member's willful negligence, and in the performance of duty. The member is survived by a spouse, a child under the age of 26, a disabled child, or a dependent parent.

Benefit: Accumulated member contributions plus an allowance equal to 66.67% of the member's average final compensation.

Beneficiary: Payment of the member's accumulated member contributions shall be paid to the member's designated beneficiary, or otherwise to the member's estate. An allowance equal to 66.67% of the member's average final compensation shall be made to the surviving spouse; however, if there is no surviving spouse or spouse dies before youngest child reaches age 26, 66.67% of average final compensation continues prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment is made to dependent parents. If none of the above conditions is met, the normal death benefit is paid to the designated beneficiary.

Waiver of Special Death Benefit

Before the payment of any special death benefit is made under this section, if all individuals eligible for a special death benefit elect to waive the payment of the special death benefit, a normal death benefit is paid to the member's designated beneficiary, or otherwise to the member's estate.

Death Benefit For Vested Former Member

If a member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

Eligibility: For individuals who became members on or before June 30, 2011, five years of eligibility service and separation from employment other than by death or retirement. For individuals who become members on or after July 1, 2011, 10 years of eligibility service and separation from employment other than by death or retirement.

Allowance: Service retirement allowance payable at normal retirement age, provided the member does not withdraw the member's accumulated contributions.

9. Cost-of-Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Any COLAs are effective July 1, for all allowances which have been in payment for one year.

Uncapped compounded COLAs are applied to all benefits attributable to creditable service earned on or before June 30, 2011.

For an allowance based on creditable service earned on or after July 1, 2011, the COLA adjustment is capped at 2.5% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was greater than or equal to the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year. The adjustment is capped at 1% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was less than the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

Retirees and beneficiaries receiving a retirement allowance on or before June 30, 1999, who receive an annual adjustment to their benefit ranging from \$1,200 to \$2,100 receive separate COLAs on this adjustment commencing effective July 1, 2000.

10. Optional Forms of Payment

If, at the time of death, the retiree is married, the retiree's spouse is entitled to receive a survivor benefit consisting of 80% of the retiree's retirement allowance. If there is no surviving spouse or upon the death of the surviving spouse, payment of the survivor benefit is divided equally among any children of the deceased retiree under the age of 18 years, until each child dies or becomes age 18. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. If there is no spouse at time of retirement, member may select an optional allowance.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6 may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

11. Reduction for Benefits Payable Under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. State Police Retirement System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the State Police Retirement System for the same injury or illness. Any offset taken for an accidental disability from the State Police Retirement System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

12. Deferred Retirement Option Program (DROP)

Eligibility: Members who joined the State Police Retirement System on or before June 30, 2011 are eligible to participate in the DROP if they are less than 60 years old and have at least 22 but less than 32 years of employment in a position eligible for membership in the State Police Retirement System. Members who join the State Police System on or after July 1, 2011 are eligible to participate in the DROP if they are less than 60 years old and have at least 25 but less than 32 years of employment in a position eligible for membership in the State Police Retirement System.

Participation: An eligible member may participate in the DROP for the lesser of 7 years, the difference between 32 years and the member's years of employment in a position eligible for membership in the State Police Retirement System as of the date of the member's election to participate in the DROP and retire from the State Police Retirement System, the difference between 60 years and the member's age on date of election to participate, or a term selected by the member. Participation also ends if the participant dies, is terminated from employment, accepts a special disability retirement allowance, or submits a binding letter of resignation or notice of intent to terminate employment. Members who participate in the DROP are retired and cease making member contributions, and cease accruing service credit and additional benefits.

Allowance: For members who entered the DROP on or before June 30, 2011, the service retirement allowance, with COLAs, is credited to an account earning interest at the rate of 6% per year, compounded monthly. For members who enter DROP on or after July 1, 2011, the service retirement allowance, with COLAs, is credited to an account earning interest at the rate of 4% per year, compounded annually. When the DROP period ends, members terminate employment and begin receiving their monthly allowance plus the lump sum payment from their DROP account. During the DROP period, members remain eligible for Special Disability benefits if incapacitated while in DROP.

Judges' Retirement System

A COMPOSITE PICTURE

	2025	2024
Total Membership		
Active Vested	223	223
Active Non-Vested	92	99
Vested Former Members	9	8
Retired Members	475	471
Active Members		
Number	315	322
Average Age	57.7	57.7
Average Years of Service	8.4	8.2
Average Annual Salary	\$ 200,192	\$ 190,003
Retirees & Beneficiaries		
Number	475	471
Average Age	78.4	78.4
Average Monthly Benefit	\$ 9,026	\$ 8,602

1. Membership

Membership is a condition of employment for a judge of the Court of Appeals, Court of Special Appeals, Circuit Court, or District Court of Maryland and members of the State Workers' Compensation Commission. Membership ends if the member is separated from employment for more than four years, withdraws the member's accumulated contributions, retires, or dies.

2. Member Contributions

Members are required to make contributions of 8% of salary until they have completed 16 years of service as a member.

Contributions earn interest at 4% per year, compounded annually, until retirement or withdrawal of accumulated contributions. Non-vested members who became members of the Judges' Retirement System on or after July 1, 2012 shall not receive interest after membership ends.

3. Normal Retirement Age

Normal retirement age is age 60.

4. Retirement Allowance

Eligibility: An individual who is a member of the Judges' Retirement System before July 1, 2012 is entitled to a retirement allowance: (1) on termination of service if the member is at least age 60; (2) on resignation for disability and recommendation of the medical board; (3) when retired by order of the Court of Appeals; or (4) at the age of 60 years. An individual who becomes a member of the Judges' Retirement System on or after July 1, 2012 is entitled to a retirement allowance: (1) on termination of service if the member is at least 60 and has at least 5 years of eligibility service; (2) on resignation for disability and recommendation of the medical board; (3) when retired by order of the Court of Appeals if the member has at least 5 years of eligibility service; (4) at the mandatory retirement age required by the Maryland Constitution with less than five years of service, if the member has eligibility service equal to the mandatory retirement age minus the member's age when the member joined the Judges' Retirement System; or (5) at the age of 60, if the former member's termination of service occurred earlier and the former member had at least five years of eligibility service when the former member terminated service.

Allowance: Generally, the retirement allowance equals 66.67% of salary payable in that fiscal year to member holding same level of judicial position that retiree held on termination of service. For members with less than 16 years of service credit, the benefit is reduced based on the ratio of years of service credit to 16.

5. Early Retirement Allowance

Not applicable to the Judges' Retirement System.

6. Disability Retirement Allowance

Eligibility: Certification of the medical board designated by the Board of Trustees that member is incapacitated for the performance of duty, and that incapacity is likely to be permanent.

Allowance: A retirement allowance payable immediately. However, if a judge has at least three years of service credit as a member, the allowance will be at least .333% of the judge's salary at the time of retirement.

7. Death Benefits

Monthly Allowance

Eligibility: Death of a judge or former judge at any age, leaving a surviving spouse or children under the age of 26, or a child who is disabled, regardless of age.

Allowance: 50% of the pension that would have been payable to the judge or former judge as of the date of death, as if the judge or former judge was eligible to receive a retirement allowance, is payable to surviving spouse. If there is no spouse, payment is divided equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age.

Lump Sum

On death of a member who is not survived by a spouse or children, the Board of Trustees shall pay the member's accumulated contributions and an amount equal to the member's annual salary at time of death to the member's designated beneficiary. If the member has designated more than one beneficiary, this lump-sum death benefit shall be divided equally among the beneficiaries. If a member's service is terminated by death and the member leaves no spouse, child under the age of 18 years, or designated beneficiary, the member's accumulated contributions shall be paid to the member's estate.

Special Death Benefit

Eligibility: Death arising out of or in the course of the actual performance of duty without willful negligence by the member.

Benefit: A return of the member's accumulated contributions and an allowance equal to two-thirds of the salary of a member holding the same judicial position as the member who was killed in the line of duty, payable to a surviving spouse, the decedent's children, or dependent parents. Children of deceased members receiving a special death benefit will continue to receive their benefit, prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. The annuity shall be reallocated among the remaining eligible children. Disabled children receiving a special death benefit may receive a special death benefit as long as they remain disabled, regardless of age.

8. Vested Allowance

Eligibility: Individuals who became members before July 1, 2012 are eligible once they have both separated from service and reached age 60 years. Individuals who become members on or after July 1, 2012 are eligible once they have separated from service, reached age 60 years, and earned five years of eligibility service. Also eligible are individuals who became members on or after July 1, 2012 who are required to retire due to mandatory retirement and have less than 5 years of service at that time, if they have an amount of eligibility service equal to constitutional mandatory retirement age minus the member's age when the individuals first become members of the System.

Allowance: Same as allowance payable at age 60.

In lieu of a deferred vested allowance pension, a former judge may elect to withdraw accumulated contributions following the judge's termination of service.

9. Cost-of-Living Adjustments (COLA)

Generally, allowances are recalculated each time the salary for a sitting judge from the Court from which the judge retired increases.

NOTE: Magistrates who retire from the Judges' Retirement System receive COLA allowances equal to the percentage increase in salary provided to judges of the Circuit Court.

10. Optional Forms of Payment

For survivor allowance payable to a member's surviving spouse, children under age 26, or disabled children, see Death Benefits section above. A judge or former judge, who at the time of retirement, does not have a spouse or child under the age of 18 years, may elect one of the following optional forms of payment:

- Option 1: Lump-sum equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

A retiree who has elected one of these optional forms of allowance may not change the designated beneficiary.

Law Enforcement Officers' Pension System

A COMPOSITE PICTURE

	2025	2024
Total Membership		
Active Vested	1,477	1,469
Active Non-Vested	1,510	1,524
Vested Former Members	306	309
Retired Members	2,723	2,608
Active Members		
Number	2,987	2,993
Average Age	40.9	40.8
Average Years of Service	10.6	10.4
Average Annual Salary	\$ 93,586	\$ 89,347
Retirees & Beneficiaries		
Number	2,723	2,608
Average Age	64.0	63.6
Average Monthly Benefit	\$ 3,489	\$ 3,396

A. PENSION PROVISIONS

1. Membership

Membership generally is a condition of employment for all law enforcement officers who are employees of the State as provided in SPP § 26-201, or whose employers are participating governmental units who elect to have their law enforcement officers or firefighters/paramedics participate in the Law Enforcement Officers' Pension System.

2. Member Contributions

Members are required to contribute 7% of earnable compensation. Beginning July 1, 2020, no member contributions are required after 32 years and six months of service.

Contributions earn interest at 5% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

Normal retirement age is age 50.

4. Normal Service Retirement Allowance

Eligibility: 25 years of eligibility service or attainment of age 50.

Allowance: For individuals who became members on or before June 30, 2011, 2.0% of average final compensation for the three highest consecutive years as a member. For individuals who became members on or after July 1, 2011, 2.0% of average compensation for the five highest consecutive years as a member. For members who retired before July 1, 2018, the maximum benefit was 60% of average final compensation. For members who retire on or after July 1, 2018, the maximum benefit is 65% of average final compensation.

5. Early Retirement Allowance

Not applicable to the Law Enforcement Officers' Retirement System.

6. Disability Retirement Allowance Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is incapacitated for the performance of duty, and that incapacity is likely to be permanent.

Allowance: Service retirement allowance computed on the basis that service continues until age 50 without any change in rate of earnable compensation. If disability occurs after age 50, the benefit is based on creditable service at time of retirement.

Accidental

Eligibility: Total and permanent incapacity for duty as certified by the medical board arising out of or in the course of the actual performance of duty, without willful negligence.

Allowance: The benefit is 66.7% of average final compensation plus an annuity provided by accumulated member contributions. The maximum benefit cannot be greater than the average final compensation.

7. Death Benefits

Normal Death Benefit – Return of Accumulated Contributions

Eligibility: Death while employed as a member and less than one year of eligibility service. A normal death benefit may not be paid if a special death benefit is paid for that death.

Benefit: Lump sum payment of member's accumulated member contributions to the member's designated beneficiary or, if there is no designated beneficiary, to the member's estate.

Normal Death Benefit – Return of Accumulated Contributions and Annual Earnable Compensation

Eligibility: Death while employed as a member and at least one year of eligibility service. A normal death benefit may not be paid if a special death benefit is paid for that death.

Benefit: Lump sum payment of member's accumulated member contributions and an amount equal to the member's annual earnable compensation at the time of death to the member's designated beneficiary or, if there is no designated beneficiary, to the member's estate.

Special Death Benefit For Death While Employed And Not In Performance Of Duty

Eligibility: Death while employed as a member, without the member's willful negligence, and not in the performance of duty. The member is survived by a spouse, a child under the age of 26, a disabled child, or a dependent parent.

Benefit: Accumulated member contributions plus an allowance equal to 50% of the ordinary disability allowance the member would have received at the time of the member's death.

Beneficiary: Payment of the member's accumulated member contributions shall be paid to the member's designated beneficiary, or otherwise to the member's estate. An allowance equal to 50% of the ordinary disability allowance the member would have received at the time of the member's death shall be made to the surviving spouse; however, if there is no surviving spouse or spouse dies before youngest child reaches age 26, 50% of average final compensation continues prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment is made to dependent parents. If none of the above conditions is met, the normal death benefit is paid to the designated beneficiary.

Special Death Benefit For Death In The Performance Of Duty

Eligibility: Death while employed as a member, without the member's willful negligence, and not in the performance of duty. The member is survived by a spouse, a child under the age of 26, a disabled child, or a dependent parent.

Benefit: Accumulated member contributions plus an allowance equal to 66.67% of the member's average final compensation.

Beneficiary: Payment of the member's accumulated member contributions shall be paid to the member's designated beneficiary, or otherwise to the member's estate. An allowance equal to 66.67% of the member's average final compensation be made to the surviving spouse; however, if there is no surviving spouse or spouse dies before youngest child reaches age 26, 66.67% of average final compensation continues prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment is made to dependent parents. If none of the above conditions is met, the normal death benefit is paid to the designated beneficiary.

Waiver of Special Death Benefit

Before the payment of any special death benefit is made under this section, if all individuals eligible for a special death benefit elect to waive the payment of the special death benefit, a normal death benefit is paid to the member's designated beneficiary, or otherwise to the member's estate.

Death Benefit For Vested Former Member

If a member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

Eligibility: For individuals who are members on or before June 30, 2011, five years of eligibility service. For individuals who become members on or after July 1, 2011, 10 years of eligibility service.

Allowance: Accrued retirement allowance payable at age 50 if the member does not withdraw the member's accumulated member contributions.

9. Cost-of-Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Any COLAs are effective July 1, for allowances which have been in payment for one year. Effective July 1, 2000, for an allowance based on creditable service earned before July 1, 2011, the adjustment is capped at a maximum 3% compounded and is applied to all allowances which have been in payment for one year.

For an allowance based on creditable service earned on or after July 1, 2011, the COLA adjustment is capped at 2.5% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was greater than or equal to the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year. The adjustment is capped at 1% if, for the calendar year ending December 31 in the previous fiscal year, the several systems' total investment performance was less than the assumed rate of investment return established by the Board of Trustees and in effect as of December 31 of the preceding fiscal year.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

10. Optional Forms of Payment

If, at the time of death, the retiree is married, the retiree's spouse is entitled to receive a survivor benefit consisting of 50% of the retiree's basic allowance. If there is no surviving spouse or upon the death of the surviving spouse, payment of the survivor benefit is divided equally among any children of the deceased retiree under the age of 26 years, until each child dies or becomes age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. If there is no spouse at time of retirement, member may select an optional allowance.

- Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.
- Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.
- Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.
- Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.

- Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6 may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

11. Reduction for Benefits Payable under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Law Enforcement Officers' Pension System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the Law Enforcement Officers' Pension System for the same injury or illness. Any offset taken for an accidental disability from the Law Enforcement Officers' Pension System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

12. Deferred Retirement Option Plan (DROP)

Eligibility: Members are eligible to participate in the DROP if they have at least 25 and less than 32 years of creditable service.

Participation: An eligible member may participate in the DROP for the lesser of 7 years, the difference between 32 years and the member's creditable service, or a term selected by the member. Participation also ends if the participant dies, is terminated from employment, accepts an accidental disability retirement allowance, or submits a binding letter of resignation or notice of intent to terminate employment. Members who participate in the DROP are retired and cease making member contributions, and cease accruing service credit and additional benefits.

Allowance: For members who entered the DROP on or before June 30, 2011, the service retirement allowance, with annual COLAs, is credited to an account earning interest at the rate of 6% per year, compounded monthly. For members who enter DROP on or after July 1, 2011, the service retirement allowance, with annual COLAs, is credited to an account earning interest at the rate of 4% per year, compounded annually. When the DROP period ends, members terminate employment and begin receiving their monthly allowance plus the lump sum payment from their DROP account. During the DROP period, members remain eligible for accidental disability benefits if incapacitated while in DROP.

B. Members Transferring from the Employees' Retirement System (I)

1. Membership

The retirement tier was closed to new participants effective January 1, 2005.

2. Member Contributions

Members who transferred from Employees' Retirement System (Plan A) are required to contribute 7% of earnable compensation. Members who transferred from the Employees' Retirement System (Plan B) contribute 5% of earnable compensation.

Contributions earn interest at 4% per year, compounded annually, until retirement, withdrawal of accumulated contributions, death, or the end of membership for former members who are not entitled to receive a vested allowance.

3. Normal Retirement Age

Normal retirement age is age 50.

4. Normal Service Retirement Allowance

Eligibility: 25 years of eligibility service or attainment of age 50.

Allowance: 2.3% of average final compensation for the three highest years as a member for each of the first 30 years of creditable service, plus 1.0% of average final compensation for each additional year.

5. Early Retirement Allowance

Not applicable to this System.

6. Disability Retirement Allowance

Ordinary

Eligibility: Five years of eligibility service and certification of the medical board designated by the Board of Trustees that member is incapacitated for the performance of duty, and that incapacity is likely to be permanent.

Allowance: The greater of normal service retirement allowance or 25% of average final compensation.

Accidental

Eligibility: Total and permanent incapacity for duty as certified by the medical board arising out of or in the course of the actual performance of duty, without willful negligence.

Allowance: The benefit is 66.7% of average final compensation plus an annuity that is the actuarial equivalent of accumulated contributions. The maximum benefit cannot be greater than the average final compensation.

(1) This section B outlines the provisions applicable to members of LEOPS who transferred from the Employees' Retirement System before January 1, 2005 and were subject to Selection A or Selection B and did not elect to participate in the contributory law enforcement officers' modified benefit.

7. Death Benefits

Normal Death Benefit – Return of Accumulated Contributions

Eligibility: Death while employed as a member and less than one year of eligibility service. A normal death benefit may not be paid if a special death benefit is paid for that death.

Benefit: Lump sum payment of member's accumulated member contributions to the member's designated beneficiary or, if there is no designated beneficiary, to the member's estate.

Normal Death Benefit – Return of Accumulated Contributions and Annual Earnable Compensation

Eligibility: Death while employed as a member and at least one year of eligibility service. A normal death benefit may not be paid if a special death benefit is paid for that death.

Benefit: Lump sum payment of member's accumulated member contributions and an amount equal to the member's annual earnable compensation at the time of death to the member's designated beneficiary or, if there is no designated beneficiary, to the member's estate.

Special Death Benefit For Death While Employed And Not In Performance Of Duty

Eligibility: Death while employed as a member, without the member's willful negligence, and not in the performance of duty. The member is survived by a spouse, a child under the age of 26, a disabled child, or a dependent parent.

Benefit: Accumulated member contributions plus an allowance equal to 50% of the ordinary disability allowance the member would have received at the time of the member's death.

Beneficiary: Payment of the member's accumulated member contributions shall be paid to the member's designated beneficiary, or otherwise to the member's estate. An allowance equal to 50% of the ordinary disability allowance the member would have received at the time of the member's death shall be made to the surviving spouse; however, if there is no surviving spouse or spouse dies before youngest child reaches age 26, 50% of average final compensation continues prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment is made to dependent parents. If none of the above conditions is met, the normal death benefit is paid to the designated beneficiary.

Special Death Benefit For Death In The Performance Of Duty

Eligibility: Death while employed as a member, without the member's willful negligence, and not in the performance of duty. The member is survived by a spouse, a child under the age of 26, a disabled child, or a dependent parent.

Benefit: Accumulated member contributions paid plus an allowance equal to 66.67% of the member's average final compensation.

Beneficiary: Payment of the member's accumulated member contributions shall be paid to the member's designated beneficiary, or otherwise to the member's estate. An allowance equal to 66.67% of the member's average final compensation be made to the surviving spouse; however, if there is no surviving spouse or spouse dies before youngest child reaches age 26, 66.67% of average final compensation continues prorated equally among the eligible children. A child is eligible for a prorated share of the annuity until reaching age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. In cases where a deceased member is not survived by a spouse or children, payment is made to dependent parents. If none of the above conditions is met, the normal death benefit is paid to the designated beneficiary.

Waiver of Special Death Benefit

Before the payment of any special death benefit is made under this section, if all individuals eligible for a special death benefit elect to waive the payment of the special death benefit, a normal death benefit is paid to the member's designated beneficiary, or otherwise to the member's estate.

Death Benefit For Vested Former Member

If a member is not active, but is eligible for a vested allowance, the member's designated beneficiary or estate is eligible to receive only accumulated member contributions at time of death.

8. Vested Allowance

Eligibility: Five years of eligibility service and separation from employment other than by death or retirement.

Allowance: Service retirement allowance payable at normal retirement age if the member does not withdraw the member's accumulated member contributions.

9. Cost-of-Living Adjustments (COLA)

Retirement allowances may be adjusted each year based on the Consumer Price Index (CPI). Any COLAs are effective July 1, for all allowances which have been in payment for one year.

For an allowance for members that elected Selection A (contributing 7% of earnable compensation), uncapped COLA is compounded annually. For an allowance for members that elected Selection B (contributing 5% of earnable compensation), the COLA is capped at a maximum 5% compounded annually.

In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

10. Optional Forms of Payment

If, at the time of death, the retiree is married, the retiree's spouse is entitled to receive a survivor benefit consisting of 50% of the retiree's basic allowance. If there is no surviving spouse or upon the death of the surviving spouse, payment of the survivor benefit is divided equally among any children of the deceased retiree under the age of 26 years, until each child dies or becomes age 26. If the child is disabled, the benefit will continue as long as the child remains disabled, regardless of age. If there is no spouse at time of retirement, member may select an optional allowance.

Option 1: Lump-sum refund equal to excess of present value of basic retirement allowance at date of retirement minus total amount of payments made to date of death excluding any cost of living adjustments for retirees before July 1, 2017.

Option 2: 100% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 100% of the retiree's reduced allowance for the life of the designated beneficiary. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.

Option 3: 50% joint and survivor annuity, which pays the retiree's surviving designated beneficiary 50% of the retiree's reduced allowance for the life of the designated beneficiary.

Option 4: Lump-sum refund equal to value of accumulated member contributions minus total portion of monthly payments attributed to member contributions made to date of death, excluding any cost of living adjustments for retirees before July 1, 2017.

Option 5: 100% "pop-up" joint and survivor annuity, which pays the designated beneficiary 100% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree. The designated beneficiary cannot be more than 10 years younger than the retiree unless the beneficiary is the retiree's spouse or disabled child.

Option 6: 50% "pop-up" joint and survivor annuity, which pays the designated beneficiary 50% of the retiree's reduced allowance after the retiree's death or returns the retiree's benefit to the unreduced basic allowance if beneficiary predeceases retiree.

Retirees who have selected Options 2, 3, 5, or 6 and change their designated beneficiary after they retire, will have their retirement allowance re-calculated to reflect the age of the new designated beneficiary. Retirees who elect to change their beneficiary under Options 2, 3, 5, and 6 may rescind their request to change their designated beneficiary before the second monthly allowance is paid. Retirees who rescind the change of beneficiary will have their benefit payment amount for the next payment restored to the amount paid before the change in beneficiary was made.

11. Reduction for Benefits Payable under Workers' Compensation

Disability retirement allowances, excluding annuity reserves, are reduced for workers' compensation benefits paid or payable after retirement from injury occurring during employment by the State if the workers' compensation benefits are for the same injury for which disability retirement was granted and are paid or payable for the same period of time for which the retirement benefits are paid. Law Enforcement Officers' Pension System retirees receiving an accidental disability payment are subject to an offset if they are getting a workers' compensation payment for the same injury or illness, subject to specified limits. Offsets do not include any calculation of cost-of-living benefits that are paid on the original benefit amount. Conversely, workers' compensation payments are subject to an offset by the Workers' Compensation Commission if a recipient is receiving an ordinary disability payment from the Law Enforcement Officers' Pension System for the same injury or illness. Any offset taken for an accidental disability from the Law Enforcement Officers' Pension System will be adjusted if the retiree was originally awarded an ordinary disability retirement benefit that was later converted to an accidental disability benefit. The adjusted offset shall reflect any offset awarded to the retiree's employer by the Workers' Compensation Commission.

12. Deferred Retirement Option Program (DROP)

Eligibility: Members are eligible to participate in the DROP if they have at least 25 and less than 32 years of creditable service.

Participation: An eligible member may participate in the DROP for the lesser of 7 years, the difference between 32 years and the member's creditable service, or a term selected by the member. Participation also ends if the participant dies, is terminated from employment, accepts an accidental disability retirement allowance, or submits a binding letter of resignation or notice of intent to terminate employment. Members who participate in the DROP are retired and cease making member contributions, and cease accruing service credit and additional benefits.

Allowance: For members who entered the DROP on or before June 30, 2011, the service retirement allowance, with annual COLAs, is credited to an account earning interest at the rate of 6% per year, compounded monthly. For members who enter DROP on or after July 1, 2011, the service retirement allowance, with annual COLAs, is credited to an account earning interest at the rate of 4% per year, compounded annually. When the DROP period ends, members terminate employment and begin receiving their monthly allowance plus the lump sum payment from their DROP account. During the DROP period, members remain eligible for Accidental Disability benefits if incapacitated while in DROP.

