

Benefits Handbook

Employees' Pension System

Reformed Contributory Pension Benefit

For members enrolled on or after July 1, 2011



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

Benefits Handbook

Employees' Pension System

Reformed Contributory Pension Benefit

For members enrolled on or after July 1, 2011

Prepared by
The Maryland State Retirement Agency
120 East Baltimore Street
Baltimore, Maryland 21202-6700

410-625-5555
1-800-492-5909

Revised April 2021

Does this Handbook Apply to Me?

This benefits handbook is written specifically for members and retirees of the Employees' Pension System who are subject to the **Reformed Contributory Pension Benefit**. Please review the following information to determine if you are a member of this system.

Within the Employees' Pension System there are four separate and distinct components:

1. The Non-Contributory Pension Benefit was the original component and, in general, is relevant to members who:
 - Transferred from the Retirement System to the Pension System after April 1, 1998,
 - Terminated employment before June 30, 1998, and were vested (i.e. entitled to a future benefit), or
 - Are currently employed by a participating governmental unit that elected not to participate in the Contributory Pension Selection and/or the Alternate Contributory Pension Selection: City of Crisfield, Housing Authority of Crisfield, Garrett County Commissioners, Garrett County Roads Board, Town of Elkton, Town of North Beach, Prince George's County Government, and Princes George's County Crossing Guards.
2. The Contributory Pension Selection was created in 1998 and, in general, is relevant to members who:
 - Terminated from employment before June 30, 2006, and were vested (i.e. entitled to a future benefit), or
 - Are currently employed by a participating governmental unit that elected to participate in the Contributory Pension Selection but did not elect to participate in the Alternate Contributory Pension Selection: Town of Emmitsburg, Town of Frostburg, Town of Middletown, and Town of Taneytown.
3. The Alternate Contributory Pension Selection was created in 2006 and, in general, is relevant to members who were employed as members on June 30, 2006, or who became employed as members after June 30, 2006 and before July 1, 2011.¹
4. **The Reformed Contributory Pension Benefit was created in 2011 and, in general, is relevant only to members who either (a) were not employed as a member before July 1, 2011, or (b) were employed as a member before July 1, 2011, did not vest, and became employed as a member on or after July 1, 2011 after being separated from employment for more than four years.¹**

¹ A member who was subject to the Alternate Contributory Pension Selection, and resumes membership in the Employees' Pension System on or after July 1, 2011 after a period of separation from employment, remains subject to the Alternate Contributory Pension Selection if the member:

- (a) Was vested prior to July 1, 2011 and has not withdrawn member contributions or retired;
- (b) Was separated from employment for 4 years or less; or
- (c) Was separated from employment for military service that meets the requirements of the federal Uniformed Services Employment and Reemployment Rights Act (known as "USERRA").

Otherwise, an individual who resumes membership in the Employees' Pension System on or after July 1, 2011 after a period of separation from employment is subject to the Reformed Contributory Pension Benefit.

The benefits provided by each of these separate components are different.

If you are unsure which component of the Employees' Pension System applies to you, you can find out by:

- 1) Reviewing your most recent Personal Statement of Benefits. Your component is listed on the top of page two.
- 2) Reviewing your account in mySRPS. Your system is listed at the top of your Home page.
- 3) Contacting the Retirement Agency.

Message from the Board of Trustees

This booklet provides detailed information on the features and benefits of your retirement plan. Even though, as a member of the Employees' Pension System who is subject to the Reformed Contributory Pension Benefit, you are probably somewhat familiar with your benefits, this book explains them in everyday language. Major topics addressed are:

- Who is eligible for membership
- When membership ends
- How your benefits are funded
- How you earn service credit
- What benefits are provided
- What the eligibility requirements for the different benefits are
- How to calculate benefit income
- How to file for benefits
- What you need to know after retiring
- Where to get help with your retirement questions

The benefits described in this book are valuable to you and your family — not only when you retire, but now, while you work. We encourage you to use this booklet throughout your career and to contact the Maryland State Retirement Agency if you need assistance. Please note, however, that this booklet provides only a summary of the features and benefits of your pension plan. Pension provisions summarized in this document are set forth in the State Personnel and Pensions Article of the Annotated Code of Maryland and Title 22 of the Code of Maryland Regulations. If there are any questions of interpretation, the provisions of the State Personnel and Pensions Article and regulations will control to resolve them.

Throughout your career it's wise to take an active interest in your retirement plan. That's why the Retirement Agency offers a number of resources to keep you informed of benefit matters affecting you now and in the future. You may access your account online by using the mySRPS secure access participant portal. Please see our website at sra.maryland.gov for more information. The Retirement Agency creates an annual Personal Statement of Benefits for you each fall, and publishes newsletters, *The Mentor* for members and *Retiree News & Notes* for retirees. You may also reach a retirement benefits specialist at 410-625-5555 or toll-free at 1-800-492-5909 with any questions you have.

You should also be aware of other benefits, such as health insurance, which may continue through your employer after you retire. Contact your personnel office for more information.

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

Table of Contents

1. Membership in the Employees' Pension System

| | |
|---|---|
| Eligibility | 1 |
| Enrollment | 2 |
| Designating Your Beneficiaries | 2 |
| Qualified Leave of Absence..... | 3 |
| Terminating Membership..... | 3 |
| Questions to Ask Before Leaving Employment | 4 |

2. Funding Your Benefits

| | |
|-------------------------------------|---|
| Member Contributions | 5 |
| Employer Contributions | 5 |
| Employer Pick-Up Contributions..... | 5 |
| System Investments | 5 |

3. How You Earn or Accrue Service Credit

| | |
|-------------------------|----|
| Membership Credit | 7 |
| Claimed Credit..... | 8 |
| Purchased Credit | 11 |
| Unused Sick Leave | 13 |

4. Your Benefits

| | |
|---|----|
| Death Benefits..... | 15 |
| Disability Benefits | 16 |
| Retirement Benefits | 19 |
| Service Retirement..... | 20 |
| Retirement Allowance | 20 |
| Applying for a Service Retirement | 22 |

5. Calculating Your Benefits

| | |
|---|----|
| Key Elements of the Benefit Formula..... | 23 |
| Assumptions Used in Sample Calculations | 23 |
| Normal Service Retirement..... | 23 |
| Early Service Retirement | 23 |
| Normal Vested Retirement Benefit..... | 24 |
| Early Vested Retirement Benefit | 25 |
| Ordinary Disability | 25 |
| Accidental Disability | 26 |

6. Preparing for Retirement

| | |
|----------------------------|----|
| Retirement Checklist | 28 |
| Retirement Forms | 29 |
| Filing Checklist..... | 29 |

7. After You Retire and During Retirement

| | |
|--|----|
| Reemployment..... | 30 |
| Earnings Limitation | 31 |
| Suspension of Disability Retirement | 32 |
| Reemployment at a Glance..... | 33 |
| Cost-of-Living Adjustments | 34 |
| Method of Payment | 34 |
| Address Changes | 34 |
| Tax Reporting | 34 |
| Garnishment of Pension Benefits | 35 |
| Voluntary Deductions From Your Retirement Allowance | 35 |
| Retiree Health Benefits..... | 35 |

8. SRPS Resources

| | |
|--------------------------------------|----|
| mySRPS..... | 36 |
| Automated Phone System..... | 36 |
| Office Visits..... | 36 |
| Inquiries by Letter or Email..... | 36 |
| Newsletters | 37 |
| Personal Statement of Benefits | 37 |
| Seminars | 37 |
| Your Retirement Coordinator | 37 |
| Internet..... | 37 |
| Confidentiality | 37 |
| Conflicts..... | 38 |

| | |
|------------------------|----|
| Glossary of Terms..... | 39 |
|------------------------|----|

April 2021 This booklet provides a summary of the features and benefits of your pension plan as of the publication date. Pension provisions outlined in this document are set forth in the State Personnel and Pensions Article of the Annotated Code of Maryland and Title 22 of the Code of Maryland Regulations. If there are any questions of interpretation, the provisions of the State Personnel and Pensions Article and regulations will control to resolve them.

personal illness, birth or legal adoption of a child, temporary employment with another governmental employer, and study.

Retirement Coordinator

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

SRA

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

SRPS

Maryland State Retirement and Pension System