

A Guide *for* Governmental Units Considering Participation



SRPS

MARYLAND STATE RETIREMENT
and PENSION SYSTEM

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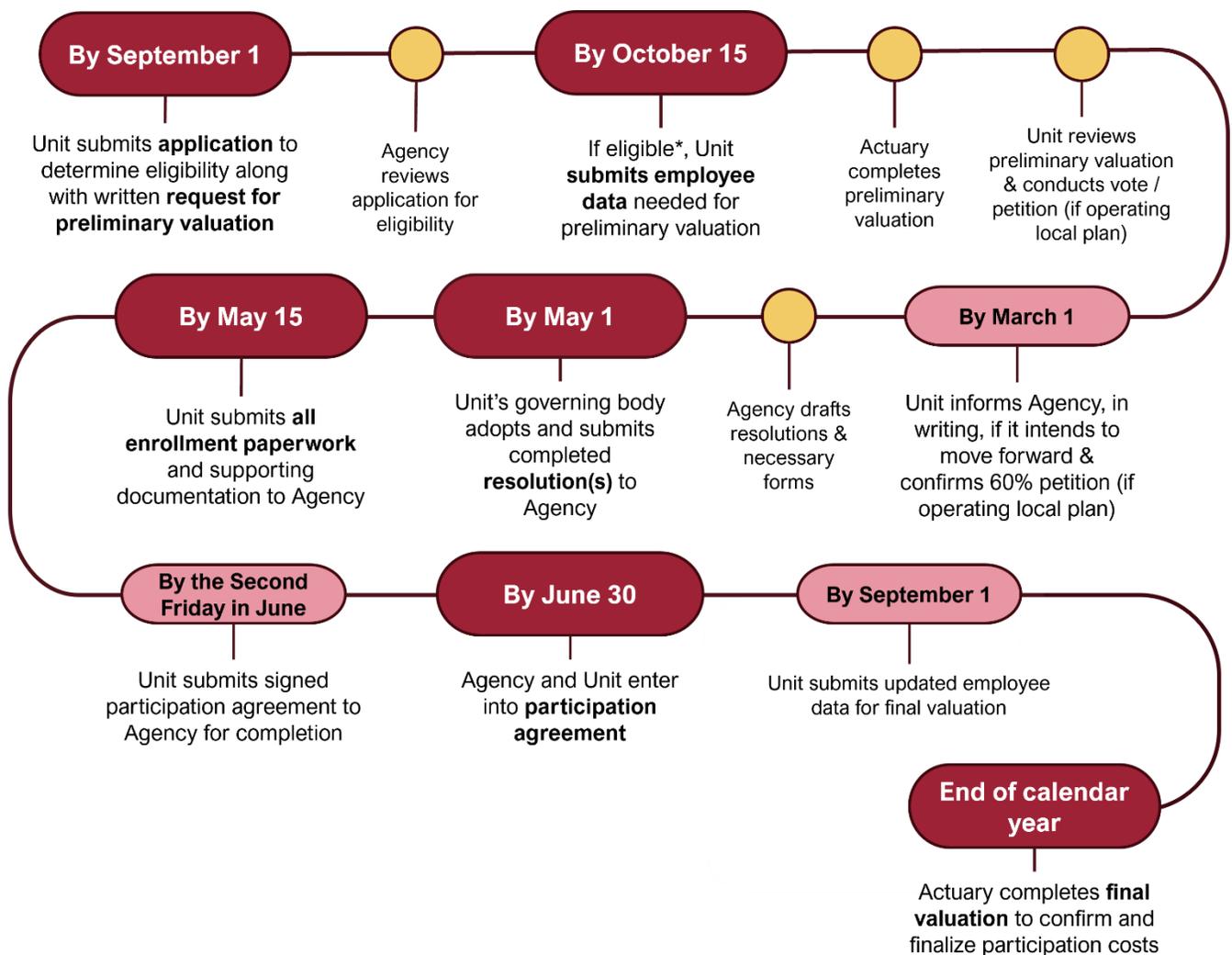
Participation in the Maryland State Retirement and Pension System



Thank you for your interest in participating in the Maryland State Retirement and Pension System (“System”). This booklet will provide you with a basic understanding of the process and costs for seeking participation in the System.

There are several steps in the participation process, which must be completed on time for an eligible governmental unit (“Unit”) to participate in the System. Units begin participation on July 1, the start of the System’s fiscal year (July 1 – June 30). Units coordinate with the Maryland State Retirement Agency (“Agency”) to participate in the System.

Below is a high-level overview of the timeline. An application checklist and a detailed description of the process follows.



* If Unit requires legislation, please refer to pages 5 - 6 for more details.

Application Checklist

Included below is a checklist to help the Unit ensure that it submits all necessary documentation with the application. For more detailed information, please see the following section.

- ✓ Review PGU Guide thoroughly
- ✓ Consider Employer Pickup Program (see page 10)
- ✓ Submit *Participating Governmental Unit Entry Application* by **September 1** of the year prior to the fiscal year the Unit seeks to join the System. With application, also include:
 - ✓ Job descriptions for each position to join
 - ✓ Local plan IRS determination letter and plan documents (if applicable)
 - ✓ Written request for preliminary valuation
- ✓ Submit census data by **October 15** of the year prior to the fiscal year the Unit seeks to join the System



Please note: The *Participating Governmental Unit Entry Application* and the written request for the preliminary valuation must be signed by the official of the city/town/other entity who has the authority to act on behalf of the governing body

Becoming a PGU

1. **Submit an application to determine eligibility to join the System** Any governmental Unit considering participation in the System must submit a *Participating Governmental Unit Entry Application* on or before **September 1** of the year prior to the fiscal year the Unit seeks to begin participation. As part of its application, the Unit must document its eligibility to join the System. System participation is effective **July 1**.

Based on the application, and any supplemental information requested by the Agency, the Agency will determine the Unit's eligibility to become a participating governmental unit ("PGU") and approve participation in one of the retirement or pension systems ("State system") which comprise the System. The State systems in which Units may participate and enroll qualifying employees are: the Employees' Pension System ("EPS"), Law Enforcement Officers' Pension System ("LEOPS"), and the Correctional Officers' Retirement System ("CORS").

With its application, a Unit must include job descriptions for each eligible position to join the System.

If the Unit currently sponsors a local plan² for its employees, it must also submit a copy of the plan document(s) and the most favorable determination letter from the IRS, evidencing the plan's qualified status. At this time, the Unit should also consider requesting participation in the Employer Pick-up Program. See [page 10](#) for details.

Notes on eligibility:

Each State system is established as a qualified governmental defined benefit plan under the Internal Revenue Code, and only the employees of a Maryland governmental employer are eligible to participate in a State system. Only Maryland counties and municipalities are eligible to participate in LEOPS and CORS.

Additionally, a Unit that currently operates a "local plan" for its employees, or whose employees are currently participating in a State system, may elect to become a PGU (or join a second State system) only if:

- a. The local plan requires member contributions at the same rate as the member contribution rate that would apply to the Unit's employees in the applicable State system; or
- b. The Unit:
 - i. Does not provide for the employer pickup of member contributions to the local plan within the meaning of § 414(h)(2) of the Internal Revenue Code; and
 - ii. Certifies that it will not join the employer pickup program in the applicable State system.

For example, if a Unit currently sponsors a local plan for its employees that has a member contribution rate of 5% and member contributions are "picked up" (paid on a pre-tax basis), that employer may not elect to participate, without legislation, in the Employees' Pension System, which has a member contribution rate of 7%.

If the Unit is not eligible for this reason, the Unit may submit a request to the System's Board of Trustees by **October 15** to determine whether any legislation could be enacted to allow the

² A "local plan" means a plan or other arrangement that is described in § 219(g)(5) of the Internal Revenue Code, and includes plans established under §§ 401(a), 401(k), 403(a), 403(b), 408(k), 408(p), and 501(c)(18) of the Internal Revenue Code.

governmental Unit to become a PGU in the future. If legislation is required, the Unit will need to work with its local representatives in the General Assembly towards passage.

- 2. Request a Preliminary Valuation** For any Unit considering participation, joining a second State system, or transferring members from one System to another, the System's actuary must perform a preliminary actuarial valuation to determine the Unit's cost of participation. The cost of performing the valuation is an expense the Unit will bear whether or not it decides to participate in the System. **The estimated cost of the valuation is \$5,600-\$8,000.**

To request a preliminary valuation, the Unit must notify the Agency, in writing, that it would like to have a preliminary valuation performed. This request should be included along with the application, and should be emailed to pgu@sra.state.md.us. The written request for the preliminary valuation must be received by the Agency no later than **September 1** of the year prior to the fiscal year that the Unit seeks to join the System.

Note that the preliminary valuation will be performed only if the application and supplemental materials are submitted in a timely manner and the Agency has determined that the Unit is eligible to join the System. The Unit will be invoiced for the cost after the valuation has been completed.

- 3. Submit employee data for Preliminary Valuation** If the Unit is eligible to join, the Agency will request the preliminary valuation from the actuary on the Unit's behalf. The first valuation is preliminary because it is based on the previous year's valuation.

In order for the actuary to develop an estimate, the Unit must provide the Agency with certain demographic data for the employees eligible to enroll in the System if the Unit decides to participate. Note that the Agency must receive information for **all** employees who qualify for membership. For LEOPS and CORS, **all** employees in eligible positions must be included.

The Agency will send a spreadsheet template to the Unit to collect the necessary information. **All** Units, including Units that already participate in the System, must complete the demographic data file. The Agency must receive the completed demographic data file by **October 15** of the year prior to the fiscal year that the Unit seeks to join the System.

"Eligible employees" include all full-time and part-time permanent employees for which the budgeted hours per fiscal year are 500 or more hours in the first fiscal year of employment, and any elected officials, regardless of the hours worked. Contractual and temporary employees are **not** eligible for membership.

- 4. Action by Governing Body** After the Unit has reviewed the preliminary valuation results and the estimated costs to join the System, the governing body of the governmental Unit may present the option of joining the System to its employees. For Units that operate a local plan, the governing body of the Unit **must** present the option to join to its eligible employees. If at least 60% of the employees of the Unit petition to become members of the System, the governing body of the Unit must pass a formal resolution authorizing participation in the System.

Units choosing to participate in the Employer Pick-up Program will need an additional resolution authorizing participation therein. In addition to the resolution, the Unit must send a letter, via email, requesting the Board of Trustees' approval for participation in the Employer Pick-up Program. Please see [page 10](#) for more information.

The Agency will draft the resolution(s). The Unit must notify the Agency of their intention to move forward by **March 1** of the calendar year the Unit intends to join the System. The Unit must submit the signed and passed resolution(s), as well as the Employer Pick-up letter (if applicable) to the Agency on or before **May 1** of the calendar year the Unit intends to join the System.

5. Submission of Employee Enrollment Information and Election to Participate (if applicable)

The Unit must submit all required documents to ensure enrollment of all eligible employees and to initiate timely payroll reporting once the governing body has decided to join the System and, if applicable, at least 60% of the employees have voted in support of the Unit joining the System.

If the Unit's employees have an election to participate in the System, this decision is a ***one-time, irrevocable election***. Employees should be given at least two weeks to consider their options and make their decision. Benefit summaries to be provided to employees are included on pages 13-15 in this document. The Agency will draft the Election to Participate form for the Unit if applicable.

On or before **May 15** of the calendar year the Unit intends to join the System, the Agency must receive the following documents, properly completed, signed, and notarized for all employees of the governmental Unit who have decided to join the plan:

- a. *Election to Participate* (Form 99.1, if applicable. Note that if employees have an election, this is required for all eligible employees, regardless of whether or not they choose to join)
- b. *Application for Membership* (Form 1)
- c. *Designation of Beneficiary* (Form 4)
- d. Proof of date of birth

6. Participation Agreement The Participation Agreement must be signed by the Unit by the **second Friday of June** of the calendar year the Unit intends to join the System.

By **June 30**, the Unit and the System will enter into a written Participation Agreement which sets forth the calculation of the cost of participation and the responsibilities of the participating Unit.

7. Final Valuation A final valuation will be performed by the actuary several months after the effective date of participation to adjust and finalize the costs of participation. The Agency will send a spreadsheet template to the Unit to collect the necessary information. **All** Units, including Units that already participate in the System, must complete the demographic data file. The Unit must submit a demographic data file to the Agency by **September 1** of the fiscal year of their participation.

The Unit will also be responsible for the expense of the final valuation. The cost will be similar to the cost of the preliminary valuation, depending on the actuary's rates at the time.

To assist Units in making a decision about whether to join the System, this guide provides the following basic information on the operation of the System and the benefits offered to members:

- Copies of brochures describing the benefits earned by members of the Employees' and Teachers' Pension System, the Law Enforcement Officers' Pension System, and the Correctional Officers' Retirement System (page 13)
- A link to the Maryland Municipal Corporation Valuation, the annual valuation of the entire portion of the System in which local governmental entities participate (page 11)
- Information concerning the "Employer Pick-Up Program", which relates to the taxation of required employee contributions to the System (page 10)
- Links to applicable sections of the State Personnel and Pensions Article of the Annotated Code of Maryland that relate to membership and enrollment in the System (page 16)
- A link to regulations concerning employee eligibility (page 17)

In addition to the above-referenced documents, Units are encouraged to visit the Agency's web page: <https://sra.maryland.gov/>. Here they can obtain and review the Agency's most current and previously issued [Comprehensive Annual Financial Report](#) and [Maryland Municipal Corporation Valuation](#) for the System.

It is important that a Unit understand that if it elects to participate in the System, the Unit becomes obligated to pay the liabilities and normal annual costs for its eligible participating employees. Should the Unit determine at a later date that it does not wish to continue participation, the Unit would be required to go through a formal withdrawal process, including another valuation by the System's actuary. The Unit's employees who are members of the System at that time would be eligible to remain in the System. Therefore, the Unit would continue to have a financial obligation to those employees and the System for the costs of their continued participation.

I understand that this is a considerable amount of information to absorb and that you may have other questions related to the governmental Unit's participation in the System. Please email any additional questions to pqu@sra.state.md.us.

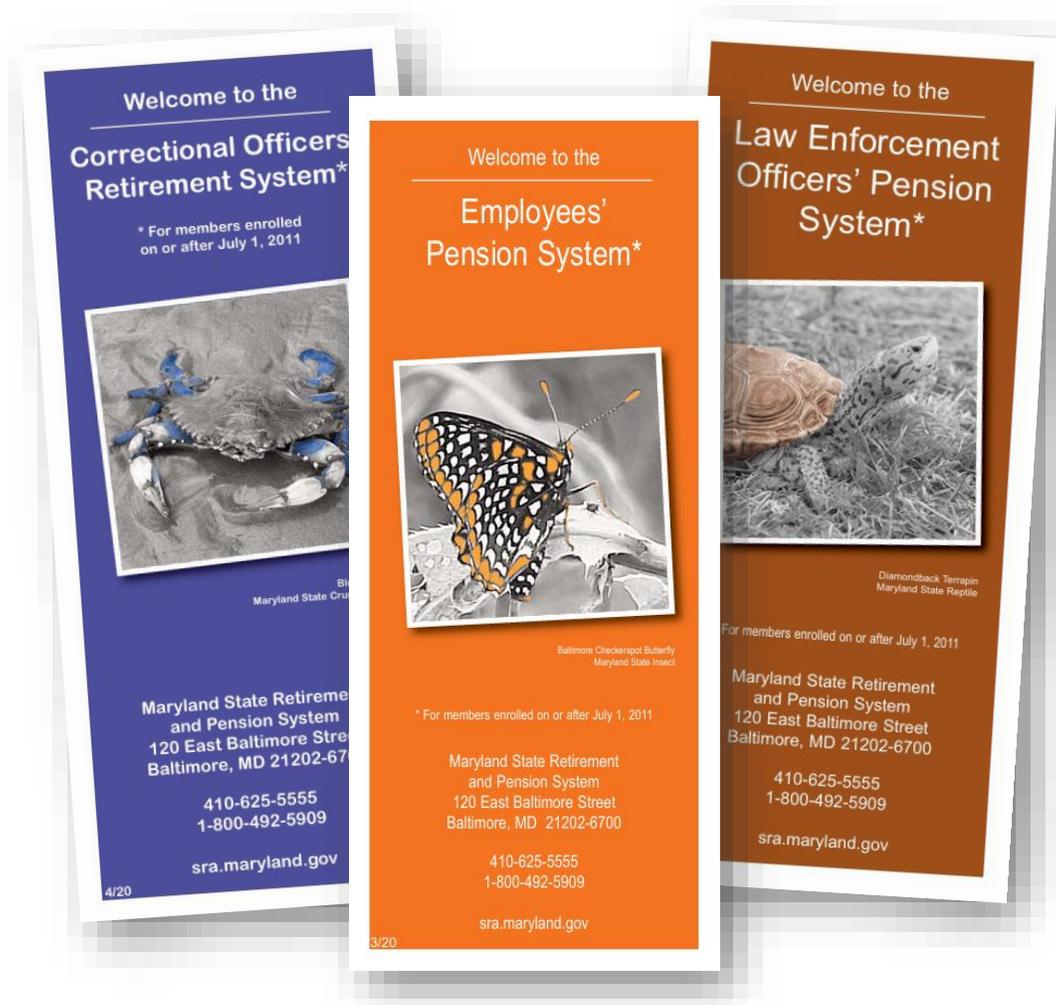
Sincerely,



Caitlin Box
Employer Services Manager

Overview of State Retirement and Pension System Plans

These brochures provide a summary of the features and benefits of the Employees' and Teachers' Pension System, Law Enforcement Officers' Pension System, and Correctional Officers' Retirement System. These Systems are 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 these brochures, the law prevails.



LINKS:

- [Welcome to the Correctional Officers' Retirement System](#)
- [Welcome to the Employees' Pension System](#)
- [Welcome to the Law Enforcement Officers' Pension System](#)

Employer Pick-up Program

The following is provided to acquaint employers who are not currently participating in the “Employer Pick-up Program” with the procedures necessary to apply for the program. Participation in this program allows the employer to withhold mandatory employee retirement contributions on a pre-tax basis for federal income tax purposes. This program does not change Maryland income tax treatment.

In 1988, the General Assembly enacted legislation (now codified in the State Personnel and Pensions Article §21-313) that permits employers to “pick up” mandatory employee contributions paid to the Maryland State Retirement and Pension System so that these contributions may be exempt from federal taxation under Section 414(h)(2) of the Internal Revenue Code. Before an employer may participate, the employer must adopt a resolution to “pick up” employee contributions.

The Maryland State Retirement Agency (Agency) requires an employer to submit the resolution accompanied by a letter requesting the Board of Trustees’ approval for participation. The letter must indicate the employer’s intention to participate, the anticipated future starting date (always July

1), and the employee groups (location codes and plans) which are reported to the System that would be covered under the program. Participation should begin with the first pay period ending date for that month and may not be retroactive. Allow at least 60 days for the Agency to obtain Board ratification and initiate automated program modifications.

Because employer pick-up contributions affect the tax reporting for retirement benefit payments and other Agency distributions, employers should not begin the Employer Pick-up Program until the Agency advises, in writing, that participation has been approved by the Board of Trustees. This is confirmation that the Agency’s payroll programs are ready to accept employee contributions as pick-up contributions.

The employer’s payroll department will be required to modify its payroll programs with the effective date of July 1 so that the mandatory retirement contributions will not be included in taxable earnings for federal tax purposes. Employers must also modify their wage tax programs with the effective start date (July 1) to separately report federal taxable earnings and state taxable earnings.

Actuarial Valuation and Funding

Annual actuarial valuations

Each year, the System's consulting actuary performs an actuarial valuation of what are referred to as the "Maryland Municipal Corporations" that participate in the Maryland State Retirement and Pension System (System), either in the Employees' Pension System, the Correctional Officers' Pension System, or the Law Enforcement Officers' Pension System. The purpose of each annual valuation is to:

- Measure the financial position of the municipal corporations' participation in the System, and
- Assist the Board of Trustees in establishing basic or pooled employer contribution rates necessary to fund the benefits provided by the System.

The individual member data required for the valuations is furnished to the actuary by the Maryland State Retirement Agency, as it is provided by each participating employer to the Agency. The actuary checks all data for internal and year-to-year consistency, but does not otherwise audit the data.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas, including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary as well as the Board's general investment consultant. These assumptions and the methods used by the actuary comply with the requirements of the Governmental Accounting Standards Board ("GASB").

Each actuarial valuation takes into account all prior differences between actual and assumed experience and adjusts the contribution rates as needed. At least every five years, the actuary performs an experience study of the System. Certain assumptions from the experience study, including mortality rates, retirement rates, withdrawal rates, and rates of salary increase are adopted by the Board and are applied to the next annual valuation performed.

For the June 30, 2024, valuation, the Board adopted an investment return assumption of 6.80%, a wage inflation assumption of 3.00%, and a price inflation assumption of 2.50%.

Funding

Asset Valuation

The assets of the System are valued using a method referred to as "smoothing." Asset smoothing is a mechanism that spreads out, or smooths, annual investment returns, both gains or losses, over a designated period of time in order to minimize volatility. The System employs a five-year rolling average to calculate its actuarial value of assets. In this way, only one-fifth of a given annual gain or loss is recognized during the year in which it occurs. Asset smoothing is often limited by a final adjustment to keep the actuarial value of assets from being too far from the market value of assets. For the System, the actuarial value is not allowed to be lower than 80% of market value or higher than 120%.

Accrued Liabilities

The State Retirement and Pension System currently uses the "entry age normal cost method" to determine the actuarial accrued

liability on which future employer contribution rates will be based. Under this funding method, the cost of each individual's pension is allocated on a level percent of payroll between the time employment starts (entry age) and the assumed retirement date. The goal is to spread the cost over the career of the member as a level percentage of payroll. The total contribution rate consists of two elements, the normal cost rate and the unfunded actuarial accrued liability rate. The normal cost represents the value of retirement benefits earned by employees in the current year, assuming all actuarial assumptions are precisely accurate, there are no changes in the plan over the lifetime of the employee, and all of

the employee's service is accrued after the establishment of the plan. The unfunded actuarial accrued liability represents the value of retirement benefits earned in prior years, and includes:

- The liability for benefits earned by employees under pre-existing pension plans before the establishment of the current plan;
- The total liability associated with any retroactive benefit enhancement; and
- The net effect of any previous actuarial gains and losses resulting from deviations from assumptions, or changes in assumptions.

Actuarial valuation reports for the Maryland municipal corporations that participate in the Maryland State Retirement and Pension System are available [here](#).

Summaries of Benefits

Employees' Pension System (for members enrolled on or after July 1, 2011)

| | |
|---|--|
| Member Contributions | 7% of Annual Compensation |
| Normal Service Retirement | Eligibility: Age 65 with at least 10 years of eligibility service OR the Rule of 90 (sum of age and eligibility service equal to at least 90) Benefit: 1.5% of Average Final Compensation ³ (AFC) times years of creditable service (.015 x AFC x Years of Creditable Service) |
| Early Service Retirement (reduced benefit) | Eligibility: At least age 60 with at least 15 years of eligibility service Benefit: Same as Normal Service Retirement benefit but reduced 0.5% for each month (6% for each year) you retire prior to reaching age 65. Maximum reduction of 30%. |
| Ordinary Disability Retirement | Eligibility: Minimum of 5 years of eligibility service; Permanently disabled from performing the normal duties of your position; Disability certified by the medical board and approved by the State Retirement and Pension System's Board of Trustees Benefit: Same as Normal Service Retirement benefit using creditable service projected to age 65. |
| Accidental Disability Retirement | Eligibility: No service requirement. Coverage is effect immediately upon enrollment; Permanently and totally disabled from performing the normal duties of your position; Disability caused by an accident that occurred in the actual performance of your duty at a definite time and place and without your willful negligence; Disability certified by the Medical Board and approved by the State Retirement and Pension System's Board of Trustees. Benefit: Two-thirds AFC plus accumulated employee contributions paid as an annuity (with limited exceptions) |
| Cost-of-Living Adjustment (COLA) | Eligibility: Retired at least 1 year as of July 1. COLA Benefit: Annual adjustment based on Consumer Price Index. Capped at 2.5% when the System's investment fund earns or exceeds its assumed actuarial rate of return, or capped at 1% in years when this rate is not met. |
| Death Benefits: If you die before retirement while actively employed or while on an approved leave of absence | <ul style="list-style-type: none"> • If you have less than one year of eligibility service, beneficiary(ies) may receive a single payment of your employee accumulated contributions. • If you have at least 1 year of service, beneficiary(ies) may receive: (1) a single payment of your employee accumulated contributions; and (2) an amount equal to your annual compensation. • If at the time of your death you are eligible for normal or early service retirement and you are survived by an eligible family member, they may elect to receive a monthly benefit instead of the above benefit. <p>Death in Line of Duty If you are killed in the line of duty and without your willful negligence, (1) your beneficiary(ies) may receive a single payment of your employee accumulated contributions; and (2) if you are survived by an eligible family member, they receive an allowance of two-thirds of your AFC; or (3) if you are not survived by an eligible family member, your beneficiary also receives an amount equal to your annual compensation.</p> |
| Vested Service Retirement | Eligibility: 10 years of eligibility service Benefit: Same as Normal Service Retirement with benefits beginning at age 65 OR an early reduced service retirement if eligible |
| Reemployment After Service or Disability Retirement | Service Retirement: A retiree returning to employment with the same participating employer from which they retired may be subject to an earnings limitation. Disability Retirement: Contact the State Retirement Agency for explanation on the effects of reemployment as a disability retiree. |

³ Average Final Compensation equals the highest average earnable compensation of the member during a five consecutive year period.

Law Enforcement Officers' Pension System (for members enrolled on or after July 1, 2011)

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|---|---|
| Member Contributions | 7% of Annual Compensation |
| Normal Service Retirement | Eligibility: Age 50 or any age with 25 years of eligibility service Benefit: 2% of Average Final Compensation ⁴ (AFC) for each year of creditable service. Maximum benefit 65% of AFC. |
| Ordinary Disability Retirement | Eligibility: Minimum of 5 years of eligibility service; Permanently disabled from performing the normal duties of your position; Disability certified by the medical board and approved by the State Retirement and Pension System's Board of Trustees Benefit: Same as Normal Service Retirement benefit using creditable service projected to age 50. Maximum 32.5 years creditable service. |
| Accidental Disability Retirement | Eligibility: No service requirement. Coverage is effect immediately upon enrollment; Permanently and totally disabled from performing the normal duties of your position; Disability caused by an accident that occurred in the actual performance of your duty at a definite time and place and without your willful negligence; Disability certified by the Medical Board and approved by the State Retirement and Pension System's Board of Trustees. Benefit: Two-thirds of AFC plus accumulated employee contributions paid as an annuity (with limited exceptions) |
| Cost-of-Living Adjustment (COLA) | Eligibility: Retired at least 1 year as of July 1. COLA Benefit: Annual adjustment based on Consumer Price Index. Capped at 2.5% when the System's investment fund earns or exceeds its assumed actuarial rate of return, or capped at 1% in years when this rate is not met. |
| Survivor Benefit | Active Member – Normal Death Benefit If death does not occur or arise out of the course of performance of duty: <ul style="list-style-type: none"> • If member has less than one year of eligibility service beneficiary(ies) may receive a single payment of your employee accumulated contributions. • If member has at least 1 year of service, beneficiary(ies) may receive: (1) a single payment of your employee accumulated contributions; and (2) an amount equal to one year of your annual compensation. • If member has at least two years of eligibility service and the member is survived by a spouse, child under the age of 26, or disabled child, a monthly benefit of 50% of an ordinary disability allowance. Active Member – Special Death Benefit If death occurs without willful negligence and arising out of or in the course of the actual performance of duty, and the member is survived by a spouse, child under the age of 26, or disabled child, a monthly benefit of two-thirds of the AFC with the member's accumulated contributions paid to member's designated beneficiaries. Retiree Basic Allowance: Retiree's spouse will receive a monthly benefit of 50% of their monthly allowance. If member has no spouse, the monthly payment will be divided and paid to their children under age 26 until they are age 26 (lifetime for disabled child). Allowance ceases at death if retiree has no spouse or minor children. Optional Allowances: All six provide a reduced retiree monthly allowance. See retirement application for information about survivor benefits under each optional allowance. |
| Vested Service Retirement | Eligibility: 10 years of eligibility service Benefit: Same as Normal Service Retirement with benefits beginning at age 50 |
| Reemployment After Retirement | Must separate from employment in SRPS for at least 45 days. Contact the State Retirement Agency for clarification on the effects of reemployment. |

⁴ Average Final Compensation equals the highest average earnable compensation of the member during a five consecutive year period.

Correctional Officers' Retirement System (for members enrolled on or after July 1, 2011)

| | |
|---|---|
| Member Contributions | 5% of Annual Compensation |
| Normal Service Retirement | <p>Eligibility: At least 20 years of creditable service, or age 55 for a correctional officer with 5 years of service if a member prior to 7/1/2011 or 10 years of service if a member on or after 7/1/2011</p> <p>Benefit: 1.818% of Average Final Compensation⁵ (AFC) for each year of creditable service. (.01818 x AFC x Years of Creditable Service)</p> |
| Ordinary Disability Retirement | <p>Eligibility: Minimum of 5 years of eligibility service; Permanently disabled from performing the normal duties of your position; Disability certified by the medical board and approved by the State Retirement and Pension System's Board of Trustees</p> <p>Benefit: If member is at least normal retirement age, 55 years old, the greater of a normal service retirement allowance or 25% of the member's AFC.</p> <p>If member is less than normal retirement age, 55 years old, the greater of a normal service retirement allowance or the lesser of 25% of the member's AFC or a normal service retirement allowance computed to include the number of years of creditable service the member would have received had they worked until normal retirement age.</p> |
| Accidental Disability Retirement | <p>Eligibility: No service requirement. Coverage is effect immediately upon enrollment; Permanently and totally disabled from performing the normal duties of your position; Disability caused by an accident that occurred in the actual performance of your duty at a definite time and place and without your willful negligence; Disability certified by the Medical Board and approved by the State Retirement and Pension System's Board of Trustees.</p> <p>Benefit: Two-thirds of AFC plus accumulated employee contributions paid as an annuity</p> |
| Cost-of-Living Adjustment (COLA) | <p>Eligibility: Retired at least 1 year as of July 1.</p> <p>COLA Benefit: Annual adjustment based on Consumer Price Index. Capped at 2.5% when the System's investment fund earns or exceeds its assumed actuarial rate of return, or capped at 1% in years when this rate is not met.</p> |
| Death Benefits: If you die before retirement while actively employed or while on an approved leave of absence | <p>Active Member – Normal Death Benefit</p> <p>If death does not occur or arise out of the course of performance of duty:</p> <ul style="list-style-type: none"> • If member has less than one year of eligibility service beneficiary(ies) may receive a single payment of your employee accumulated contributions. • If member has at least 1 year of service, beneficiary(ies) may receive: (1) a single payment of your employee accumulated contributions; and (2) an amount equal to one year of your annual compensation. • If at the time of your death you are eligible for retirement and you are survived by an eligible family member, they may elect to receive a monthly benefit instead of the above benefit. <p>Active Member – Special Death Benefit</p> <p>If death occurs without willful negligence and arising out of or in the course of the actual performance of duty, and the member is survived by a spouse, child under the age of 26, or disabled child, a monthly benefit of two-thirds of the AFC with the member's accumulated contributions paid to member's designated beneficiaries.</p> |
| Vested Service Retirement | <p>Eligibility: 10 years of eligibility service</p> <p>Benefit: Same as Normal Service Retirement with benefits beginning at age 50</p> |
| Reemployment After Retirement | <p>Service Retirement: A retiree returning to employment with the same participating employer from which they retired may be subject to an earnings limitation.</p> <p>Disability Retirement: Contact the State Retirement Agency for explanation on the effects of reemployment as a disability retiree.</p> |

⁵ Average Final Compensation equals the highest average earnable compensation of the member during a five-year period.

Selected Sections of the State Personnel and Pensions Article, Annotated Code of Maryland

The Maryland State Retirement and Pension System is governed by law, including Division II of the State Personnel and Pensions Article of the Annotated Code of Maryland. Excerpts of the Annotated Code of particular interest to governmental units considering participating in the System are provided here. Click on the links to access the corresponding sections.

| | |
|--------------------------------------|---|
| § 21-125 | Actuary |
| § 21-305 | Employer contributions – Participating governmental units |
| § 21-305.1 | Employer contributions – Normal contributions |
| § 21-305.2 | Employer contributions – Accrued liability contributions |
| § 21-305.3 | Employer contributions – Special accrued liability contributions |
| § 21-305.4 | Employer contributions – Required employer contributions |
| § 21-305.5 | Employer contributions – Withdrawal liability contribution |
| § 21-305.6 | Employer contributions – Partial withdrawal |
| § 21-309 | Employer contributions – Payment by participating governmental unit |
| § 21-309.1 | Employer contributions – Payment by local employers |
| § 21-311 | Annuity savings funds |
| § 21-312 | Member contributions – In general |
| § 21-313 | Member contributions – Employer pickup of member contributions |
| § 21-314 | Member contributions – Duties of participating employers |
| § 21-315 | Expense funds |
| § 21-316 | State and local employer pro rata payments for administrative and operational expenses of Board of Trustees and State Retirement Agency |
| § 23-201 | Membership in the Employees' Pension System – Scope |
| § 23-212 | Contributions by members |
| § 23-215 | Termination of membership |
| § 23-225 | Scope |
| § 23-226 | General consideration |
| § 23-401 | Normal service retirement |
| § 31-101 to § 31-306 | Participating governmental units |
| § 37-101 | Definitions |
| § 37-201 | Scope of title |
| § 37-202 | When transfer allowed |
| § 25-201 | Membership in the Correctional Officers' Retirement – Scope |
| § 25-203 | Contribution by members (CORS) |
| § 25-205 | Termination of membership (CORS) |
| § 25-401 | Normal service retirement (CORS) |
| § 26-201 | Membership in the Law Enforcement Officers' Pension System – Scope |
| § 26-204 | Contribution by members (LEOPS) |
| § 26-206 | Termination of membership (LEOPS) |
| § 26-401 | Service retirement (LEOPS) |
| § 26-401.1 | Deferred Retirement Option Program (DROP) (LEOPS) |

Code of Maryland Regulations, Title 22: Regulations Concerning Employee Eligibility

The Maryland State Retirement and Pension System is governed by law, including the Code of Maryland Regulations (COMAR). Excerpts of COMAR of particular interest to governmental units considering participation in the System are provided here. Click on the link to access the corresponding section.

Title 22 STATE RETIREMENT AND PENSION SYSTEM Subtitle 01 GENERAL REGULATIONS

Chapter 11 Employment of a Retiree by a Participating Employer

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