

**MARYLAND STATE RETIREMENT AGENCY
120 EAST BALTIMORE STREET
BALTIMORE, MARYLAND 21202-6700**



FOR RETIREMENT
USE ONLY

FORM 13-23 (REV. 11/24)

APPLICATION FOR SERVICE OR DISABILITY RETIREMENT

IMPORTANT: If you are applying for disability, this form must be completed and filed within 120 days of notification of Board approval for disability retirement. COMAR 22.06.01.03B states that the disability retirement application is submitted on the date that it is received at the Retirement Agency's mailing address. A disability form is not considered submitted if it is provided to an employer of the applicant. Contact the Agency to confirm receipt. COMAR 17.04.03.16E also states, if a State employee is approved for disability retirement by the Maryland State Retirement Agency, unless the employee resigns or is removed earlier, the employee shall be considered resigned from State service as of the 120th day after the approval.

INSTRUCTIONS FOR COMPLETION OF APPLICATION

IMPORTANT: Read the following instructions and information carefully before filling out this form.

1. In addition to this form, you should complete Form 85 (Direct Deposit Authorization), IRS Form W-4P (Federal Tax Withholding) and Form 766.11 (Maryland State Tax Withholding Request).
2. If you have chosen payment Option 2, 3, 5 or 6, you must verify your beneficiary's date of birth by attaching a copy of his or her birth certificate, valid driver's license or other proof of birth. You can name only one beneficiary under these options. For information on other acceptable proofs of birth date, call a retirement benefits specialist at the number shown above.
3. If you are electing Option 2 or 5, you cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is your spouse or disabled child. If you elect Option 2 or Option 5 and designate your disabled child, you must submit a completed Form 143 with this application.
4. If you wish to purchase previous service or apply for military service for which you are eligible, ask your Retirement Coordinator for the proper form(s) and submit it with this application. Additional credit cannot be claimed or purchased after your retirement.
5. If you are choosing the Basic Allowance, the Option 1 Allowance, or the Option 4 Allowance and you wish to name more than one beneficiary, you should not fill out the "Designation of Beneficiary" section on page 5. Instead, fill out and attach *Designation of Beneficiary* (Form 4).
6. If you are eligible to participate in the State Employees Health Insurance Program, only Option 2, 3, 5 or 6 continue health program coverage for your eligible surviving dependents after your death. Contact your employing agency for details.
7. You may change your retirement allowance selection only by filing a change with the Maryland State Retirement Agency before your first payment normally becomes due. In most cases, the first payment is due 30 days after the effective date of your retirement. For example, if your effective retirement date is July 1 and you elected Option 5, you have until July 30 to change your option selection with the State Retirement Agency. You may not change your option selection after monthly benefit payments have commenced.
8. If you die before the effective date of your retirement, your beneficiary cannot receive a retirement allowance even if you have completed this form. If you are still in active service at the time of your death, your beneficiary is only eligible for the active service death benefit.
9. You may change your beneficiary at any time. Depending on the option you have chosen, however, your retirement allowance may have to be recalculated to reflect the change. Your benefit amount could be reduced as a result of the change. For more information, call a retirement benefits specialist.
10. You must retire within 30 days of separating from employment with a participating employer to receive additional creditable service for your unused sick leave. Unused sick leave is sick leave that was available to an employee as sick leave during employment and was not used before retirement. Any converted leave that was not sick leave during employment may not be reported.
11. Generally speaking, a member may not receive more than one type of retirement benefit.
12. If you have voluntary contributions in your account and have elected to withdraw them in a lump sum, you must attach completed Form 742 (Application for Withdrawal of Voluntary Funds), Form 193 (Trustee-to-Trustee Distribution Form) if applicable and Form 746 (Acknowledgement of Receipt of Safe Harbor Notice and Affirmative Election) to this application. These forms may be obtained by calling a retirement benefits specialist at the number shown below.

NEED HELP: If you need help to complete this form, or need information on your retirement benefits or retirement process, call a retirement benefits specialist at 410-625-5555 or 1-800-492-5909.

Reemployment After Retirement

VIDEO: For an overview of this information, go to sra.maryland.gov, select YouTube or Vimeo and watch "Reemployment After Retirement."

FOR RETIREES OF THE TEACHERS' RETIREMENT/PENSION, EMPLOYEES' RETIREMENT/PENSION, CORRECTIONAL OFFICERS' RETIREMENT, OR LOCAL FIRE & POLICE PENSION SYSTEMS

Keep a copy of this information on file as a handy reference. You should also keep your Notice of Retirement Allowance that the State Retirement Agency sends to you as a new retiree. The Notice of Retirement Allowance lists the amount of your monthly retirement allowance, your designated beneficiary(ies) and your earnings limitation. Refer to your Notice of Retirement Allowance to identify the type of retirement you are receiving (service, ordinary disability or accidental disability) and the amount of your earnings limit. Then, apply the reemployment rules printed below to determine if an earnings limit applies for you. Once retired, you cannot enroll in another Maryland State Retirement and Pension System (SRPS) plan or the Optional Retirement Program (ORP).

Under no circumstances should your decision to retire be conditioned upon an offer of reemployment, and in fact, no offers of reemployment should be discussed by you and your employer prior to your retirement. However, if after your retirement you consider reemployment with an employer that participates in the SRPS you need to be aware of two important issues: Internal Revenue Service (IRS) guidelines regarding reemployment and Maryland retirement law regarding reemployment.

INTERNAL REVENUE SERVICE GUIDELINES REGARDING REEMPLOYMENT

There can be significant consequences to you and the SRPS if you retire before the normal retirement age of your plan and/or before age 59 1/2, and are reemployed with the same employer without a bona fide separation of service. Please note that all units of Maryland state government, including the University System of Maryland, are considered one employer.

The IRS can impose a significant tax penalty on your income if you are under the age of 59 1/2, retire and begin receiving your monthly retirement benefits, and are reemployed by the same employer from whom you retired. In order to avoid this penalty there must be a bona fide separation from service between you and your former employer.

If you retire before your normal retirement age, there are also serious IRS consequences to the SRPS if a bona fide separation does not take place following retirement and prior to reemployment with the same employer.

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

MARYLAND RETIREMENT LAW REGARDING REEMPLOYMENT

Maryland law requires that there must be a minimum of **45 DAYS** between your retirement date and the date you are rehired by any employer that is a participating employer in the SRPS. This rule applies even if you retired from an employer that withdrew from the SRPS. All units of Maryland State government, including the University System of Maryland, are considered to be *one employer* under these reemployment rules.

Additionally, employment after retirement, under certain conditions, may cause your retirement allowance to be reduced.

SERVICE RETIREMENT

(For disability retirement rules, see following page.)

Applicable to all systems: If you accept employment with a participating employer, that is an employer who offers State Retirement Benefits to their employees (a list of these employers can be found on page three), you must notify the Board of Trustees in writing of your intent to accept reemployment and the amount of your anticipated compensation. If you accept employment with the *same employer* from which you retired, you are subject to an earnings limit. All units of Maryland State government, including the University System of Maryland, are considered to be *one employer* under these reemployment rules. If you are subject to an earnings limit, your allowance will be reduced only if your *reemployment earnings* exceed the earnings limitation printed on your Notice of Retirement Allowance.

Reemployment earnings are the annual reemployment compensation reported to the IRS that you received during a calendar year. Your benefit is reduced one dollar for every dollar you earn in excess of your limit, up to a maximum of the full retirement allowance. If you retired as an elected or appointed official, contact the State Retirement Agency to learn how the reemployment provisions apply to you.

Applicable only to Employees'/Teachers' Systems: Additionally, if you accept an early retirement *and* have been retired fewer than 12 months, you are subject to an earnings limit if you return to work for *any* participating employer during the first 12 months of retirement.

SERVICE RETIREMENT: EXCEPTIONS

Applicable to all systems: Earnings limits do not apply if your average final compensation used in your retirement calculation is less than \$25,000 and you are reemployed on a permanent, temporary or contractual basis. Earnings limits do not apply if you have been retired more than five years. With the exception of a January 1st retirement date, the five year period begins on January 1st of the year following the year of retirement.

Applicable only to Teachers' Systems: Earnings limits do not apply if you are a teacher who meets all of the following criteria:

- Is or has been certified to teach in the state,
- Has verification of satisfactory or better performance in last assignment prior to retirement,
- Has been appointed in accordance with §4-103 of the Education Article, and
- Retired with normal service retirement, or retired with an early service retirement and has been retired at least 12 months

AND

(continued on following page)

SERVICE RETIREMENT EXCEPTIONS

(continued from previous page)

Is employed as a classroom teacher, substitute classroom teacher or teacher mentor for the Maryland School for the Deaf or in a public school that

- Is not making adequate yearly progress or is a school in need of improvement as defined under the federal No Child Left Behind Act of 2001, or
- Is receiving funds under Title 1 of the federal No Child Left Behind Act of 2001, or
- Has more than 50% of the students attending that school who are eligible for free and reduced-price meals, or
- Provides an alternative education program for adjudicated youths or students who have been expelled, suspended or identified for suspension or expulsion from public school

AND

- Shall teach in an area of critical shortage, or a special education class for students with special needs, or a class for students with limited English proficiency, or
- Is hired to teach any subject or class or provide education services under a special limited provision granted to the superintendent.

The superintendent may also grant a special limited exception to the earnings limit if the retiree is employed at any school to teach in an area of critical shortage, a special education class with special needs, a class for students with limited English proficiency, or provide education services.

Earnings limits do not apply if you are employed: **1)** as a principal within 5 years of retirement or **2)** as a principal not more than 10 years before retirement and were employed in a position supervising principals in the retiree's last assignment prior to retirement **AND** you are rehired as a principal at a public school outlined above.

Note: Teachers and principals must receive satisfactory or better performance evaluations each year to continue with the earnings limitation exception.

If you retired directly from employment as a faculty member with a 10-month salary at the University System of Maryland, Morgan State University, St. Mary's College or a Title 16 community college and are reemployed by the same employer, the following types of compensation will not be subject to an earnings limit: bonuses, overtime, summer school or adult education salaries, temporary payments for special research, honorariums or vehicle stipends.

Applicable to Employees' Systems (rehired health care practitioners): Retirees of the Employees' Retirement and Employees' Pension Systems who are reemployed on a contractual basis as a health care practitioner by the Department of Health and Mental Hygiene in a state residential center, chronic disease center, a state facility or a local health department are exempt from the earnings limitation (applies only to normal service retirement or early service retirement once the retiree has been retired for 12 months.)

Applicable to Employees' Systems (rehired as parole and probation employees): Retirees of the Employees' Retirement and Employees' Pension Systems who are reemployed on a contractual basis as parole and probation employees in positions with the Division of Parole and Probation in the Department of Public Safety and Correctional Services are exempt from an earnings limit for not more than 4 years.

Applicable to Correctional Officers' Retirement System (rehired correctional officers): Retirees of the Correctional Officers' Retirement System who are reemployed on a contractual basis as a correctional officer by the Division of Corrections, the Division of Pretrial Detention and Services or the Patuxent Institution in the Department of Public Safety and Correctional Services in an eligible correctional facility are exempt from the earnings limitation for a maximum of 4 years (does not apply to a disability retirement).

Applicable to Teachers' Systems and Employees' Systems: Retirees of the Teachers' Retirement System, Employees' Retirement System, Teachers' Pension System, and Employees' Pension System who are reemployed by the same employer from which they retired are not subject to a reemployment earnings limitation if the current employer is a unit of Maryland state government and compensation does not include any state funds.

DISABILITY RETIREMENT

Suspension of Disability Retirement: An Ordinary or Accidental Disability allowance shall be temporarily suspended during a period of reemployment if a retiree is reemployed by any participating employer at an annual compensation that is at least equal to the retiree's average final compensation at retirement. If the disability retiree is eligible to receive a normal service retirement or began receiving a disability retirement allowance before July 1, 1998, no suspension of benefits is applied. There is no additional benefit accrued while reemployed by a participating employer.

If suspended, the retiree's allowance is reinstated on the first day of the month following the month in which the retiree ceased employment with the participating employer. Also, the retiree's allowance at time of reinstatement is adjusted to reflect the accumulated cost of living adjustments during the period of suspension.

Earnings limitation for Ordinary Disability Retirees Only: If you have not reached normal retirement age and you accept employment with a participating employer and your current earnings from the employment exceeds your earnings limitation, then your benefit is reduced. The reduction is \$1.00 for every \$2.00 over the limit, if you have been retired less than 10 years. If you have been retired 10 years or longer, the reduction will be \$1.00 for every \$5.00 over the limit. If your pension is temporarily suspended as provided above, this earnings limitation does not apply during the period of suspension.

There is no earnings limit for an Ordinary Disability Retiree who is reemployed with a non-participating employer.

The earnings limit does not apply for Accidental Disability Retirees.

Note: An additional exception to the suspension of benefits and the earnings limitation applies to law enforcement officers formerly employed by an employer that participated in the Law Enforcement Officers' Pension System. These former officers are exempt if reemployed by a participating employer in any position other than a probationary status law enforcement officer, a law enforcement officer or chief, as defined in §3-101 of the Public Safety Article.

If you have any questions, call a retirement benefits specialist at 410-625-5555 or toll free 1-800-492-5909 to understand how the reemployment provisions apply to you. We will make every effort to assist you in understanding your options, but it is your responsibility to advise us of your reemployment.

PARTICIPATING EMPLOYERS*
Maryland State Retirement and Pension System

State of Maryland
University System of Maryland
Baltimore City and All County Boards of Education (Teachers' System)
Community Colleges and All Public Libraries (Teachers' System)

Participating Governmental Units in the Employees' System as of July 1, 2024

Allegany College of Maryland	Frederick County Soil Conservation	Prince George's County Memorial Library
Allegany County Board of Education	Garrett County Board of Education	Princess Anne, Town of
Allegany County Government	Garrett County Community Action Committee, Inc.	Queen Anne's County Board of Education
Allegany County Public Library	Greenbelt, City of	Queen Anne's County Commission
Annapolis, City of	Greensboro, Town of	Queenstown, Town of
Anne Arundel County Board of Education	Hagerstown, City of	Ridgely, Town of
Anne Arundel County Community College	Hagerstown Community College	Rock Hall, Town of
Berlin, Town of	Hampstead, Town of	St. Mary's County Board of Education
Berwyn Heights, Town of	Harford County Board of Education	St. Mary's County Government
Bladensburg, Town of	Harford Community College	Saint Mary's County Housing Authority
Bowie, City of - Police Dept. (LEOPS)	Harford County Government	St. Mary's County Metropolitan Commission
Brentwood, Town of	Harford County Public Library	St. Michaels Commissioners
Brunswick, City of	Harford County Liquor Control Board	Salisbury, City of
Calvert County Board of Education	Howard Community College	Shore Up!, Inc.
Cambridge, City of	Howard County Board of Education	Snow Hill, Town of
Caroline County Board of Education	Howard County Community Action Council	Somerset County Board of Education
Caroline County Sheriffs	Hurlock, Town of	Somerset County Economic Development Commission
Carroll County Board of Education	Hyattsville, City of	Somerset County Government
Carroll County Government	Kent County Board of Education	Somerset County Sanitary District
Carroll County Public Library	Kent County Government	Southern Maryland, College of
Cecil County Board of Education	Kent Soil and Water Conservation District	Southern Maryland Tri-County Community Action Committee, Inc.
Cecil County Government	Landover Hills, Town of	Sykesville, Town of
Cecil County Public Library	LaPlata, Town of	Takoma Park, City of
Centreville, Town of	Manchester, Town of	Talbot County Board of Education
Chesapeake Bay Commission	Maryland Health and Higher Educational Facilities Authority	Talbot County Government
Chestertown, Town of	Middletown, Town of	Taneytown, City of
Cheverly, Town of	Montgomery College	Thurmont, Town of
College Park, City of	Morningside, Town of	Tri County Council for Lower Eastern Shore, Maryland
Crisfield, City of	Mount Airy, Town of	Tri-County Council for Western Maryland, Inc.
Crisfield Housing Authority	Mount Rainier, City of	University Park, Town of
Cumberland, City of	New Carrollton, City of	Upper Marlboro, Town of
Cumberland, City of - Police Department	North Beach, Town of	Walkersville, Town of
Denton, Town of	Northeast Maryland Waste and Disposal Authority	Washington County Board of Education
District Heights, City of	Oakland, Town of	Washington County Board of Liquor Commissioners
Dorchester County Board of Education	Oxford, Town of	Washington County Free Library
Dorchester County Council	Pocomoke, City of	Westminster, City of
Dorchester County Roads Board	Preston, Town of	Worcester County Board of Education
Dorchester County Sanitary Commission	Prince George's Community College	Worcester County Government
Eastern Shore Regional Library, Inc.	Prince George's County Board of Education	Wor-Wic Community College
Edmondston, Town of	Prince George's County Government	
Emmitsburg, Town of	Prince Georges County Crossing Guards	
Federalsburg, Town of		
Frederick County Board of Education		
Frostburg, City of		
Fruitland, City of		

***NOTE:** The list of employers that participate in the Maryland State Retirement and Pension System (SRPS) is subject to change at any time. This list is updated annually. To determine whether a particular employer participates in SRPS, call a retirement benefits specialist at 410-625-5555 or toll-free at 1-800-492-5909.

RETIREMENT ALLOWANCE OPTIONS

YOU MAY CHOOSE ONLY ONE OF THE FOLLOWING OPTIONS.

INDICATE YOUR SELECTION BY SIGNING IN THE APPROPRIATE BOX BELOW.

BASIC ALLOWANCE:

The Basic Allowance pays you the largest possible amount of money each month until your death. All monthly payments stop at your death, including beneficiary health coverage for state employees. After your death, your beneficiary or estate will receive one payment if your death occurs on the 16th of the month or later.

SIGNATURE _____ DATE _____

OPTION 1:

Provides a lower monthly benefit than the Basic Allowance, but guarantees monthly payments that equal the total of your retirement benefit's Present Value. The Present Value of your benefit is figured at the time of your retirement. If you die before receiving monthly payments that add up to the Present Value, the remaining payments will be paid in a lump sum to your designated beneficiary or beneficiaries who remain alive. For state employees: Option 1 does not provide for continued beneficiary health coverage after your death.

SIGNATURE _____ DATE _____

OPTION 2:

Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death the same monthly benefit will continue to be paid to your surviving beneficiary for his or her lifetime. No further payments will be made after the deaths of you and your beneficiary. If you choose this option, you must send proof of your beneficiary's date of birth with this application. Retirees electing Option 2 cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is the retiree's spouse or disabled child.

SIGNATURE _____ DATE _____

OPTION 3:

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

SIGNATURE _____ DATE _____

OPTION 4:

Provides a lower monthly benefit than the Basic Allowance, but Guarantees the return of your accumulated contributions and interest as established when you retire. If you die before you have recovered the full amount of your accumulated contributions and interest, the remainder will be paid in a lump sum to your designated beneficiary or beneficiaries who remain alive. For state employees: Option 4 does not provide for continued beneficiary health coverage after your death.

SIGNATURE _____ DATE _____

OPTION 5:

Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death the same monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. It also provides that your monthly benefit will "pop-up" to the Basic Allowance for your lifetime the month following the death of your beneficiary if your beneficiary dies before you. If your original beneficiary dies and you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated under Option 5 based on the new beneficiary designation. If you choose this option, you must send proof of your beneficiary's date of birth with this application. Retirees electing Option 5 cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is the retiree's spouse or disabled child.

SIGNATURE _____ DATE _____

OPTION 6:

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

SIGNATURE _____ DATE _____

APPLICATION FOR SERVICE OR DISABILITY RETIREMENT

IMPORTANT: This page must be completed by your employer and returned with your application unless you have been separated from employment for at least 60 days. If you have been separated from employment for 60 days or more, your former employer does not need to complete this page.

Employer's Certification of Separation from Employment, Wages, Contributions and Sick Leave

For: _____
Applicant's Name Job Classification

Applicant's Social Security number: |_|_| - |_|_| - |_|_|_|_|_|

A. The most recent payroll period reported was: |_|_| - |_|_| - |_|_|_|_|_|
Month Day Year

B. The projected payroll information to be reported prior to retirement is:

Contribution \$ _____ Standard hours _____ Actual Hours Paid _____ Pay Period Ending _____
MO DAY YR

Contribution \$ _____ Standard hours _____ Actual Hours Paid _____ Pay Period Ending _____
MO DAY YR

Contribution \$ _____ Standard hours _____ Actual Hours Paid _____ Pay Period Ending _____
MO DAY YR

Final Contribution \$ _____ Standard Hours _____ Actual Hours Paid _____ Pay Period Ending _____
MO DAY YR



No retirement contribution is due for a pay period **ending** on or after the retirement date.

C. The employee is separating from employment with the employer. The employee's last day on payroll is: _____.

Federal law prohibits the Maryland State Retirement and Pension System from paying benefits prior to "separation from employment." "Separation from employment" may only occur on resignation, retirement, discharge, or death, and not on transfer, promotion, or otherwise continuing employment with the same employer without interruption. State law requires that there be a minimum of **45 days** from the date of retirement and the date the individual is reemployed, on a permanent, temporary, or contractual basis, by: (a) the State or any other participating employer, or (b) a withdrawn participating governmental unit ("PGU"), if the retiree was an employee of the withdrawn PGU while it was a participating employer.

D. Salary Change: Did the employee's salary change since most recent payroll period reported or will the employee's salary change before the date of retirement?..... YES NO

If yes, the employee's new annual salary is \$ _____ and is effective _____
MO DAY YR

E. Unused Sick Leave: Member must retire within 30 days of separating from employment to be eligible to receive additional creditable service for unused sick leave. The agency must be notified of all changes in unused sick leave. Unused sick leave must be reported at the time the member files for retirement and again 30 days after the effective date of retirement. Retirement Coordinator: Please retain a copy and submit recertified sick leave 30 days after retirement. Unused sick leave is sick leave that was available to an employee as sick leave during employment and was not used before retirement. Any converted leave that was not sick leave during employment may not be reported.

Initial Reporting:	Total DAYS of unused sick leave (If none, enter word NONE) _____ as of _____ MO DAY YR
Recertified Sick Leave:	Total DAYS of unused sick leave (If no change, enter no change) _____ as of _____ MO DAY YR Retirement Coordinator recertifying leave must initial here: _____ Date: _____

I certify that the above information regarding wages, contributions, separation from service, and sick leave is true and accurate to the best of my knowledge and that I am authorized to certify this information by the employer. I will report any changes to unused sick leave occurring between the date certified and the actual date of retirement.

 Signature of Authorized Agent Printed Name of Authorized Agent Title of Authorized Agent

 Date Full Name of Employer **DIRECT** Telephone Number