



Maryland State Retirement
and Pension System
120 East Baltimore Street
Baltimore, MD 21202-6700
800-492-5909 • 410-625-5555
sra.maryland.gov • docs@sra.state.md.us

Election for Participation by Faculty or Employees of Institutions of Higher Learning

Important:

The election to participate in the Optional Retirement Program (ORP) must be made upon **commencement of employment**.

This form must be completed by any employee whose position is eligible for the ORP and who has not previously participated in the Maryland State Retirement and Pension System (SRPS) as an employee of the State of Maryland or a Maryland higher education institution.

If you **were ever employed** by any of the following employers **and** were **enrolled** as a **member of the SRPS**, you may **not** enroll in the ORP.

- ☒ State of Maryland
- ☒ University System of Maryland, Morgan State University, St. Mary's College, Maryland Higher Education Commission or any community or regional community college established under Education Article Title 16.

Carefully read the Pension Comparison below prior to making your selection. For additional information, see *Choosing a Retirement Program* under Handbooks at sra.maryland.gov.

This is a one-time irrevocable election. If you previously participated in the ORP, you must participate in the ORP if your position is eligible.

Provide Your Information

Social Security Number

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

Daytime Telephone Number

| | | | | | | | | | | | | | |
|--|--|--|--|---|--|--|--|--|---|--|--|--|--|
| | | | | - | | | | | - | | | | |
|--|--|--|--|---|--|--|--|--|---|--|--|--|--|

First Name

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Initial

| |
|--|
| |
|--|

Last Name

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Pension Comparison

| | State Retirement and Pension System | Optional Retirement Program |
|-----------------------------|--|--|
| Type of Program | Defined benefit plan provides a determinable benefit based upon your age, average final compensation, and service. | Defined contribution plan provides a benefit based upon your accumulated account balance. |
| How are benefits determined | Benefits are calculated using a specific formula based on your age, a fixed percentage of your years of service and your average final compensation. | Benefits are based on your ORP account accumulation, which consists of your employer's contributions, income, expenses and investment gains and losses. |
| Contributions | You must contribute 7% of your earnable compensation. Your employer contributes a certain amount, which is determined annually by actuarial valuation. | You do not make any contributions from your salary. Your employer contributes certain percentage of your earnable compensation each year as determined by law, currently 7.25% of earnable compensation. |
| Normal Service Retirement | You are eligible when your age and years of eligibility service equal at least 90, or at age 65 with 10 years of eligibility service. | Distributions may be made only after separation from employment. A federal penalty tax may apply. |

Pension Comparison is continued on the following page.





Maryland State Retirement
and Pension System
120 East Baltimore Street
Baltimore, MD 21202-6700
800-492-5909 • 410-625-5555
sra.maryland.gov • docs@sra.state.md.us

Election for Participation by Faculty or Employees of Institutions of Higher Learning (continued)

| | State Retirement and Pension System | Optional Retirement Program |
|--|--|---|
| Early Retirement Benefit | After age 60 with 15 or more years of eligibility service, benefit is reduced .5% each month by which your retirement date precedes age 65. | Distributions may be made only after separation from employment. A federal penalty tax may apply. |
| Vested Retirement Allowance | You are fully vested after completing 10 years of eligibility service. | You are immediately fully vested in your total account balance. |
| Pre-Retirement Death Benefit | Upon completing one year of eligibility service: 100% of annual salary plus your accumulated contributions and interest | Your account balance, including all employer contributions and investment earnings |
| Eligibility for Disability Benefits | Ordinary disability: After five or more years of eligibility service Accidental disability: Immediately upon membership | The ORP does not include disability benefits. |
| Cost-of-Living Increases | Adjustments may be made each July 1. Cost-of-living increases are capped at 2.5% if the SRPS meets or exceeds its assumed actuarial rate of return or capped at 1.0% if the SRPS does not meet or exceed this rate | ORP benefits do not include an annual cost-of-living adjustment. |
| Portability | SRPS service and the related benefits are potentially transferable among certain governmental plans within the State of Maryland. | ORP accounts may be transferable to a broader array of employers' retirement programs. |

Election

Choose only one option.

- ☐ I elect **to become** a member of the Maryland State Retirement and Pension System.
- ☐ I elect **NOT to become** a member of the Maryland State Retirement and Pension System. By selecting this option, I acknowledge that I am waiving all rights to purchase the service rendered while a member of the Optional Retirement Program.

Certification and Signature

Review the certification information below before signing.

Certification: By signing this form, I certify the following:

1. I am eligible for membership in the Teachers'/Employees' Pension System, and;
2. As a condition of employment as faculty or a professional or administrative employee, I have the option to join either the Teachers'/Employees' Pension System or the Optional Retirement Program approved by the Board of Trustees of the Maryland State Retirement and Pension System as set forth in Title 30, State Personnel and Pension Article, Annotated Code of Maryland, and;
3. My election is final, binding and irrevocable as long I am an employee of any institution of higher learning which permits an election, even if there is a break in service for any length of time, and;
4. I am aware of the rights and benefits of a member of the Teachers'/ Employees' Pension System; and
5. I waive all rights for purchasing the service rendered while a member of the Optional Retirement Program.

Complete Signature: _____

Date: _____

