

State Police Retirement System

Deferred Retirement Option Program (DROP)

Enrollment Package

This package contains

- A Summary of DROP
- *Application for Retirement* (Form 14-24)
- Special Tax Notice Regarding Your Rollover Options
- *Application for DROP* (Form 756)
- *Binding Letter of Resignation* (Form 506)

Please note the following

- You must send proof of birth for your beneficiary with this application.
- Your application must be received prior to the first of the month in which you wish to enroll in DROP.



Deferred Retirement Option Program

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Deferred Retirement Option Program (DROP) Summary

for Members of the State Police Retirement System

Rev. 7/23

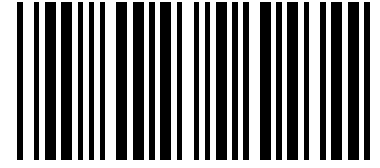
Eligibility to Participate	<p>A member of the State Police Retirement System (SPRS) on or before June 30, 2011: At least 22 but less than 32 years of eligibility service in the SPRS and under age 60.</p> <p>A member of the State Police Retirement System (SPRS) on or after July 1, 2011: At least 25 but less than 32 years of eligibility service in the SPRS and under age 60</p>
Participation Period	<p>Lesser of:</p> <ul style="list-style-type: none"> a. 7 years, b. Difference between 32 years and the member's eligibility service as of the date the member elects to participate, c. Difference between age 60 and the member's age as of the date the member elects to participate or d. A term selected by the member (which may not exceed 7 years).
How to Participate	<p>File a DROP enrollment packet containing the following:</p> <ul style="list-style-type: none"> a. <i>Application for Service Retirement</i> (Form 14-24), b. <i>Application for DROP</i> (Form 756) and c. <i>Binding Letter of Resignation</i> (Form 506)
SPRS Benefits -- During DROP Participation	<p>A DROP participant is treated as a “retiree” of the State Retirement and Pension System (SRPS) and:</p> <ul style="list-style-type: none"> a. Does not pay any member contributions, b. Does not accrue additional service credit in the SPRS, c. Does not derive a benefit from any increases in earnable compensation or unused sick leave, d. Is not eligible to receive an ordinary disability retirement allowance, but may be eligible to receive a special disability retirement allowance and e. Is not subject to reemployment rules while participating in DROP.
DROP Benefits -- During DROP Participation	<p>SRA credits to the participant's DROP account:</p> <ul style="list-style-type: none"> a. Normal service retirement allowances that the participant would have received had he or she retired as of the effective date of his or her participation in the DROP, b. Retiree cost-of-living adjustments payable when eligible and c. Interest on the balance in the account at the rate of 4% a year, compounded annually. <p>SRA will provide an annual statement of the balance in the participant's DROP account at fiscal year end.</p>
DROP -- Accidental Disability Benefits	<p>DROP participants are not eligible for ordinary disability retirement. DROP participants may apply for a special disability retirement allowance only if they are totally and permanently incapacitated for duty as a result of an accident or condition that arises out of or in the course of the actual performance of duty during their participation in the DROP, and without willful negligence on their part.</p>
Participation Ends	<ul style="list-style-type: none"> a. On the DROP termination date selected by the participant, or b. If the State Police terminates the participant's employment, or c. If the participant terminates employment early, or d. If participant accepts a special disability retirement allowance or if the participant dies.
Effect of End of DROP Participation	<p>Payment of balance in DROP account: Upon application for withdrawal of the accumulated DROP funds, the SRA will pay the amount accrued in the DROP account as directed. Any taxable amounts not rolled over to another tax deferred plan will be subject to mandatory federal and Maryland state withholdings. Please refer to the “Special Tax Notice Regarding Your Rollover Options” for important information regarding your options to continue to defer federal income tax on your plan benefits.</p> <p>Payment of SPRS benefits: The SRA begins paying the normal service retirement allowance, increased by any cost-of-living adjustments occurring during DROP participation. The allowance is not adjusted for any increases in the member's earnable compensation or additional unused sick leave.</p>
DROP Death Benefits	<p>The balance in the DROP account is paid to the participant's surviving spouse. If not survived by a spouse, the participant's children who are under age 26 or disabled are entitled to the account balance. If the DROP participant is not survived by a spouse or by children who are under age 26 or disabled, the balance is payable to the designated beneficiary. SRA also begins paying the surviving spouse 80% of the participant's normal service retirement allowance (computed as of the date of the participant's election to participate in the DROP).</p>
Other	<p>While in DROP, a participant is subject to the personnel law, regulations and policies applicable to an employee of the State Police. The participant continues to receive compensation, health insurance and other benefit options established under the State employee and retiree health and welfare benefit program.</p>

Deferred Retirement Option Program

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

**APPLICATION FOR SERVICE OR DISABILITY RETIREMENT
STATE POLICE**



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.

RETIREMENT
USE ONLY

FORM 14-24 (REV. 11/24)

INSTRUCTIONS FOR COMPLETION OF APPLICATION

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

1. If you are married at time of retirement, you must choose the Basic Allowance.
2. After you have completed 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) and forward them to your Retirement Coordinator.
3. If you have chosen the Basic Allowance or 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. For information on acceptable proofs of birth date, call a Retirement Benefits Specialist at the number shown below.
4. 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 disabled child. If you elect Option 2 or Option 5 and designate your disabled child, you must submit a completed Form 143 (Verification of Retiree's Disabled Child for Selection of Option 2/5 Beneficiary) with this application.
5. 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.
6. If you wish to name more than one beneficiary and you are choosing the Option 1 Allowance or the Option 4 Allowance, you should not fill out the "Designation of Beneficiary" section on page 2. Instead, fill out and attach Form 4 (Designation of Beneficiary Form).
7. If you are eligible to participate in the State Employees Health Insurance Program, The Basic Allowance or Option 2, 3, 5 or 6 continue health program coverage for your eligible surviving dependents, after your death. Contact your employing agency for details.
8. You may change your retirement allowance selection only by filing a change with the State Retirement Agency before your first payment is due. In most cases, the first payment is due 30 days after the effective date of your retirement. You cannot change your selection after this due date.
9. 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.
10. 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.
11. 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.
12. Generally speaking, no member may receive more than one type of retirement benefit.
13. If you have voluntary contributions in your account and have elected to withdraw them in a lump sum, you must attach a completed *Application for Withdrawal of Voluntary Funds Package* to this application. This package 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 any 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 for Retirees of the State Police Retirement System

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

Keep a copy of this information on file as a handy reference for the future. You should also keep on hand your Notice of Retirement Allowance that the Retirement Agency will send to you as a new retiree. The Notice of Retirement Allowance includes information such as the amount of your monthly retirement allowance, the beneficiary you designated and your earnings limitation. To determine what, if any, earnings limitation applies and the effect, if any, on your retirement allowance, you need your Notice of Retirement Allowance to identify the type of retirement you are receiving (service, ordinary disability or special disability) and your earnings limitation. Then, apply the reemployment rules. Reemployment earnings are the annual reemployment compensation reported to the IRS that the retiree received during a calendar year. Note the reemployment rules do not apply while a retiree is participating in the State's Deferred Retirement Option Program (DROP).

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 State Retirement and Pension System (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 more differences 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. 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

If you accept temporary employment (not in a regularly allocated position) with a *participating employer**, you must notify the Board of Trustees in writing of your intent to accept reemployment and the amount of your anticipated compensation. Temporary employment is defined as full time for six months or less or part-time for the equivalent of six months or less. Your retirement allowance will be reduced if your post retirement earnings exceed your earnings limitation. The benefit is reduced dollar for dollar up to a maximum of the full retirement allowance.

**A participating employer is any employer that offers State Retirement and Pension System benefits to its employees. A list of participating employers is printed on page eight. Before accepting employment, contact the State Retirement Agency for updates to this list.*

Reemployment rules for Service Retirement do not apply if you have been retired for more than five years.

(For disability retirement rules, please see the following page.)

I acknowledge that I have received this information about my obligation with regard to reemployment and I agree to notify the Board of Trustees of my anticipated earnings should I return to work. I also understand that, should I exceed the earnings limitations imposed by law, my monthly retirement allowance may be reduced or terminated until such time that any resulting overpayment of benefits is recovered. I understand that I must be separated from any and all employment, including substitute, seasonal, temporary, contractual, and/or permanent employment, with any employer that participates in the SRPS at the date of my retirement. By signing this form, I am certifying to the Maryland State Retirement Agency that at the date of my retirement, I will not be employed in any capacity by any employer that participates in the SRPS and that no discussions or offers of reemployment after my retirement have occurred between me and any employer that participates in the SRPS.

**MARYLAND RETIREMENT LAW REGARDING REEMPLOYMENT
(continued from previous page)**

DISABILITY RETIREMENT

Suspension of Disability Retirement: An Ordinary or Special Disability allowance shall be temporarily suspended if the retiree:

- Is not eligible for normal service retirement, and
- Is employed by a participating employer as a probationary status law enforcement officer, a law enforcement officer, or chief as defined in §3-101 of the Public Safety Article, and
- Is receiving an annual compensation that is at least equal to the retiree's average final compensation at retirement.

There is no additional benefit accrued while employed. If suspended, the retiree's allowance will be reinstated on the first day of the month following the month in which the retiree ceased employment with the participating employer. The retiree's allowance at time of reinstatement will be adjusted to reflect the accumulated cost of living adjustments during suspension. Please note that the temporary suspension of disability benefit causes the temporary suspension of retiree health insurance coverage.

Earnings Limitation for Ordinary Disability Retirees Only: An Ordinary Disability allowance shall be reduced if the retiree:

- Is under normal retirement age, and
- Is employed by a participating employer as a probationary status law enforcement officer, a law enforcement officer, or chief as defined in §3-101 of the Public Safety Article, and
- Is receiving an annual compensation that exceeds the retiree's earnings limitation.

The reduction will be \$1.00 for every \$2.00 over the limit if the retiree has been retired less than 10 years. If the retiree has been retired 10 years or longer, the reduction will be \$1.00 for every \$5.00 over the limit.

An earnings limitation does not apply for Special Disability Retirees.

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.

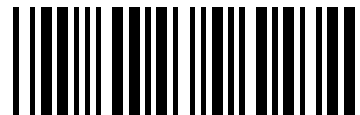
APPLICATION FOR SERVICE OR DISABILITY RETIREMENT

APPLICANT'S SOCIAL SECURITY NUMBER

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APPLYING FOR: Check only one box

- Service Retirement
 Ordinary Disability Retirement
 Special Disability Retirement



APPLICANT'S NAME

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First Initial Last

HOME ADDRESS

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Number and Street

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City State ZIP Code

Home telephone _____ Home email address: _____

I do wish to have my home address released to an approved public employees' organization. If left unchecked, my address will not be released. Yes

I request that my retirement allowance be effective on
 _____ - _____ - _____
 Month Day Year

Have you applied to purchase all additional credit for which you are eligible and intend to purchase? Yes No

Are you a U.S. citizen? Yes No

Have you applied for credit for your active duty military service? Yes No

I have Voluntary Monies: (see instructions on page one)
 I want my voluntary funds refunded in a one-time distribution.
OR
 I want my voluntary funds to remain as a monthly additional annuity

DESIGNATION OF BENEFICIARY: If more than one beneficiary will be designated by members without a spouse or children under age 18 who select either the basic allowance, the option 1 allowance, or the option 4 allowance, complete the "Designation of Beneficiary" Form 4 instead of the following section. Retirees electing Option 2 or 5 cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is the retiree's disabled child. **Check here to indicate that Form 4 is attached.**

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First Initial Last

BENEFICIARY'S ADDRESS

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Number and Street

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City State ZIP Code

I hereby apply to retire from the Maryland State Retirement and Pension System ("SRPS") and by signing below I confirm that:

- REGARDING PAYMENT OF MY RETIREMENT BENEFIT.** I authorize the Board of Trustees of the SRPS ("Board") to pay to me and my properly designated beneficiary or beneficiaries, according to the retirement allowance option I have chosen and my Designation of Beneficiary in this application. I agree on behalf of myself and my heirs and assigns, that payment so made shall be a complete discharge of the claim and shall constitute a release of the Board and SRPS from any further obligation concerning the benefit. I hereby direct that if each of my designated beneficiaries dies before me, the amount payable shall become a part of and be paid to my estate, or to the beneficiary or beneficiaries I properly designate hereafter in accordance with the rules and regulations adopted by the Board.
- REGARDING EACH OF MY BENEFICIARIES.** I want the designation of beneficiary in this application to take effect (check only one box):
 Immediately Only upon the effective date of my retirement

I understand that if I check neither box or both boxes, then the designation of beneficiary in this application will become effective immediately and will replace all prior designation of beneficiary forms.

- REGARDING REEMPLOYMENT.** I have read and understand the information about reemployment after retirement on pages two through four of this application. I agree to notify the Board of my anticipated earnings if I return to work. I understand that exceeding the legal limit on my post-retirement earnings could cause a temporary reduction or termination of my monthly retirement allowance. I understand that, to retire, I must be separated from any and all employment and reemployment, of any kind whatsoever, for at least 45 days after my retirement effective date, with any employer that participates in the SRPS. I also certify to the Board that at the date of my retirement, I will be in compliance with that requirement, and that I have had no discussions about reemployment with any employer that participates in the SRPS.
- REGARDING DEDUCTIONS FROM MY ALLOWANCE.** If I elect to have any premiums, dues, or other expenses deducted from my allowance, I hereby authorize the Maryland State Retirement Agency to exchange my Personal Information (including but not limited to my name, Social Security number and the amount of the deductions) with the third party or parties receiving those premiums, dues, or other expenses.

Signature _____ Date Signed _____

This form must be signed and properly notarized to be valid. The below section must be completed by a Notarial Officer (Notary Public, Clerk of the Court, etc.)

State of _____,	County of _____ (or City of Baltimore)
{ Official stamp must be affixed }	This form was acknowledged before me on the _____ day of _____, 20____,
	By _____ Name of individual whose signature is being acknowledged*
Signature of Notarial Officer _____	
Title of office (Notary Public, Clerk of the Court, etc.) _____	My commission expires _____
<input type="checkbox"/> Check here if this notarial act involved a remotely located individual and the use of communication technology.	
* IMPORTANT: If the name of the individual whose signature is being notarized is not filled in, this form will be invalid and have no legal effect.	

RETIREMENT ALLOWANCE OPTIONS

YOU MAY CHOOSE ONLY ONE OF THE FOLLOWING OPTIONS.
INDICATE YOUR SELECTION BY SIGNING IN THE APPROPRIATE BOX BELOW

BLOCK 1 - BASIC ALLOWANCE

The **BASIC ALLOWANCE** provides the largest allowance each month until your death. At your death, 80% of the monthly allowance will be paid to your surviving spouse for life. If there is no eligible surviving spouse or if an eligible surviving spouse dies, then 80% of the monthly allowance will be paid in equal shares to your children who are under age 18 until every child dies or attains age 18. If you have no spouse or no children under age 18, the allowance ceases at your death and your beneficiary or estate will receive one payment if your death occurs on the 16th of the month or later. If you die **before** the effective date of retirement, your selection shall be void and benefits due to the death of a member in service will be paid. If you choose this option, send proof of your beneficiary's date of birth with this application.

SIGNATURE _____ DATE _____

BLOCK 2 - OPTIONAL ALLOWANCES

The following optional allowances are only available to members without a spouse as of the date of retirement. Sign the appropriate section in this block to indicate the selected option. Optional allowances are effective on the effective date of retirement. If you die **before** the effective date, the selected option shall be void and the benefits due to death of a member in service will be paid. The selected option cannot be changed after the first payment normally becomes due.

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. 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 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. 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 Apop-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 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 Apop-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 the State or any other 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

Submit form directly to: Maryland State Retirement and Pension System, 120 East Baltimore St., Baltimore, MD 21202-6700

Deferred Retirement Option Program

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SPECIAL TAX NOTICE REGARDING YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the **Maryland State Retirement and Pension System** (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception to the 10% additional income tax applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan. Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment payable to your IRA or an employer plan for your benefit. However, the payment may be mailed to you for delivery to your IRA or employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. In addition, the Plan is required to withhold 7.75% for Maryland residents. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death; and
- Corrective distributions of contributions that exceed tax law limitations.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under an eligible domestic relations order (EDRO) to an alternate payee who is a former spouse of the member;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply;
- The exception for EDROs does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

If you do not do a rollover, the Plan is required to withhold 7.75% for Maryland residents. This notice does not address any other State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you are not a Plan member

Payments after death of the member. If you receive a distribution after the member's death that you do not roll over, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased member was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the member had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the member had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 70½ (if the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under an EDRO. If you are the spouse or former spouse of the member who receives a payment from the Plan under an EDRO, you generally have the same options and the same tax treatment that the member would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the EDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

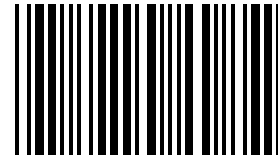
FOR MORE INFORMATION

You may wish to consult with the Plan administrator or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

The State Retirement Agency strongly urges you to consult with a qualified tax advisor, the Internal Revenue Service, or a Certified Public Accountant regarding the tax consequences of your distribution as it relates to your specific tax situation.

Deferred Retirement Option Program

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**APPLICATION FOR THE DEFERRED
RETIREMENT OPTION PROGRAM (DROP)
STATE POLICE RETIREMENT SYSTEM**

FOR RETIREMENT USE ONLY

FORM 756 (REV. 7/23)

Important: Print in ink or type all entries except for signatures. Complete all sections of the application. Contact a Retirement Benefits Specialist at 410-625-5555 or toll-free 1-800-492-5909 for assistance.

SECTION I - MEMBER INFORMATION

APPLICANT'S SOCIAL SECURITY NUMBER

Grid for Social Security Number: 12 boxes

DAYTIME TELEPHONE

Grid for Daytime Telephone: 3-3-4 format

APPLICANT'S NAME

Grid for Applicant's Name: First, Initial, Last

HOME ADDRESS

Grid for Home Address: Number and Street

Number and Street

Grid for Home Address: City, State, ZIP Code

City

State

ZIP Code

APPLICANT'S DATE OF BIRTH

Grid for Applicant's Date of Birth: Month, Day, Year

Month

Day

Year

EMAIL ADDRESS

Grid for Email Address

SECTION II - ELECTION TO PARTICIPATE; EFFECTIVE DATE OF PARTICIPATION

I hereby elect to participate in the Deferred Retirement Option Program (DROP) for members of the State Police Retirement System effective on the first day of

Grid for Effective Date: Month, Year

Month

Year

DROP PARTICIPATION PERIOD:

My DROP participation shall begin on the effective date specified above and shall continue for a period not to exceed the lesser of (check applicable period):

_____ 7 years

_____ Difference between 32 years and my eligibility service as of the date of my election to participate in the DROP

_____ Difference between age 60 and my age as of the date of my election to participate in the DROP

_____ Specific number of years and months (which may not exceed 7 years)

ENDING DATE OF DROP PARTICIPATION PERIOD:

Grid for Ending Date: Month, Day, Year

My DROP participation shall end on _____ which is the date I intend to separate from employment with the Maryland State Police as evidenced by the binding letter of resignation that I have submitted to the Maryland State Police and that is attached to this Application. My period of DROP participation will end before the date specified above if one of the following events occur: (1) my death; (2) my termination from employment by the Maryland State Police for any reason before the date specified; or (3) my acceptance of a special disability retirement allowance.

EFFECT OF TERMINATION OF DROP PARTICIPATION PERIOD:

On the ending date of my DROP participation period, I intend to terminate my employment with the Maryland State Police. The Agency shall begin paying a retirement allowance to me based on my creditable service and average final compensation as of the effective date of my participation in the DROP, increased by any cost of living adjustments payable during the DROP participation period. In addition, within 90 days after receipt of my Application for Withdrawal of DROP Account (SRA Form 757) and any other information that the State Retirement Agency requires to process the withdrawal, the Agency shall pay me (or my allowable designee) the amount accrued in the DROP for my benefit.

Continued on following page

ACKNOWLEDGMENTS:

By submitting this application, I hereby acknowledge and certify, as follows:

(1) **Understand the DROP.** I have carefully reviewed the summary of the terms of the DROP and Section 24.401.1 of the Annotated Code of Maryland regarding the DROP. I have discussed any questions I have about retirement benefits payable under the DROP and the State Police Retirement System with a Retirement Benefits Specialist at the Maryland State Retirement Agency.

(2) **Irrevocable Election.** My election to participate in the DROP is irrevocable.

(3) **Retiree.** As of the effective date of my DROP participation, I have retired from the State Police Retirement System, and therefore, during my DROP participation period, I will not earn any additional service credits in, or make member contributions to the State Police Retirement System. Nor will any increases in salary affect my Average Final Compensation.

(4) **Agency Acceptance of Application.** My election to participate in the DROP will not be accepted by the State Retirement Agency if I do not: (a) satisfy the eligibility requirements for the DROP specified in the Annotated Code of Maryland, section 24.401.1; or (b) submit the required attachments specified in Section III of this Application. The Agency shall notify me promptly if my application is not accepted.

(5) **Agency Audit of Retirement Account.** The period of my participation in the DROP is subject to adjustment by the State Retirement Agency on audit of my retirement account. If the Agency makes any adjustments to my retirement account that affects my participation in the DROP, including the duration of my participation in the DROP, I understand that the Agency will notify me of the adjustment and I agree to promptly submit to the Agency a revised application to participate in the DROP.

(6) **Unused Sick Leave.** As of the effective date of my participation in the DROP, the Agency computed my normal service retirement allowance, granting me creditable service for my unused sick leave as provided in §20-206 of the Pension Article, Annotated Code of Maryland. If, at the end of my DROP participation period, I have any unused sick leave, I will not receive any additional creditable service and my retirement allowance will not be adjusted.

(7) **Beneficiary.** If I die before the end of the DROP participation period, the balance in my DROP account shall be payable as follows:
(a) to my surviving spouse;
(b) if I am not survived by my spouse, in equal shares to my children who have not attained age 18;
(c) if I am not survived by my spouse or any child who is under age 18, to the person named as the beneficiary of my retirement allowance on the Application For Service Retirement (Form 14-24) submitted with this application; or
(d) if the person designated as the beneficiary of my retirement allowance on the Form 14-24 is not living, to my estate.

(8) **Voluntary Funds.** I understand that participation in the DROP precludes me from withdrawing my voluntary funds, if any. The State Retirement Agency shall pay my voluntary money as an additional annuity over my lifetime (if applicable).

(9) **Accidental Disability Retirement.** I understand that as a DROP member I am eligible for line of duty (accidental) disability benefits only if I am totally and permanently incapacitated for duty as a result of an accident or condition that arises out of or in the course of the actual performance of duty during my participation in the DROP, and without willful negligence on my part.

(10) **Rollover Options (“Special Tax Notice”).** I have had an opportunity to review the Special Tax Notice with my tax advisor, accountant, attorney, or the IRS, and understand my options with respect to receipt of a distribution from the System at this time. I understand that I have at least 30 days to review the Special Tax Notice and consider whether or not to have my payment rolled over. I further understand that, if I complete and submit this form prior to the end of the 30-day period for reviewing the Special Tax Notice, I have waived my right to the 30-day period to review the Special Tax Notice.

(11) **Interest.** DROP accounts receive 4% interest compounded annually. Interest is calculated based on the beginning balance (2%) and the ending balance (2%) and is calculated at fiscal year end, June 30 or at termination.

SECTION III c REQUIRED ATTACHMENTS: Attached to this application are the following:

- (1) Application for Service Retirement (Form 14-24) and
- (2) Binding Letter of Resignation (Form 506) accepted by the Secretary of your Department or the Secretary’s designee reflecting termination of my employment with my employer on the ending date of my DROP participation period

SECTION IV	
Applicant’s Signature _____	Date _____
Retirement Coordinator Signature _____	Date _____

