

THE Mentor

News from the Maryland State Retirement and Pension System

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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



Retiring in 2017? Request an estimate *now*

IF YOU ARE PLANNING TO RETIRE within the next 12 months, now is the time to request an estimate of benefits.

Obtaining a benefit estimate before retirement is not required, but it is strongly recommended for financial planning purposes.

Members of the Employees', Teachers' and Correctional Officers' Systems should complete and submit to the Maryland State Retirement Agency an *Application for an Estimate of Service Retirement Allowance* (Form 9.) State Police should submit Form 10 and members of the Law Enforcement Officers' Pension System use Form 97. Forms are available online at sra.maryland.gov or from your employer's personnel department. **Please allow four to six weeks to process your estimate.**

While applicants must be within 12 months of retirement eligibility to request an estimate, a projection of your future retirement benefits is provided each year in your Personal Statement of Benefits. PSB reprints are available online at sra.maryland.gov. From the homepage, click on **Personalized Statement of Benefits**.

Correctional officer, teacher elected to Pension Board

A BALTIMORE CORRECTIONAL OFFICER AND A MONTGOMERY COUNTY ENGLISH TEACHER will take seats on the Board of Trustees of the Maryland State Retirement and Pension System in August.

The election of Lisa James-Henson and Douglas Prouty was ratified by the 15-member Board earlier this year. Sgt. James-Henson and Mr. Prouty will succeed retiring Trustees James A. Bush, Jr., and Kenneth B. Haines, respectively.

A 22-year veteran of Maryland state government service, Trustee-elect James-Henson is the Unit Manager Sergeant at Chesapeake Detention Facility, which houses federal detainees in downtown Baltimore. As President of AFSCME Local 1427 (Baltimore Correctional Institutions), Sgt. James-Henson manages the finances and organizing for the 1200-plus member local. She also serves as an Executive Vice-President of AFSCME Council 3.

Sgt. James-Henson is a homeowner and lifelong resident of Edmondson Village in West Baltimore.

An English teacher at Richard Montgomery High School in



Trustees-elect Lisa James-Henson and Douglas Prouty will represent members and retirees of the Employees' and Teachers' Systems, respectively.

Rockville, Trustee-elect Prouty has taught in Montgomery County Public Schools for more than two decades. In addition to serving as the county's Career Lattice Coordinator he is an at-large member of the Board of Directors for the Maryland State Education Association. He also served as President of the Montgomery County Education Association from 2009 to 2015.

The Silver Spring resident received an A.B. from Dartmouth College and an M.A. and B.A. from the University of Maryland.

The Board of Trustees is responsible for establishing investment and administrative policy and overseeing the management of the Maryland State Retirement Agency.

sra.maryland.gov

Annual report released for fiscal 2016

THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) for fiscal year 2016 is now available for review online at sra.maryland.gov. A summary of the report is provided here.

To access up-to-date figures throughout the year, investment results are reported quarterly online at sra.maryland.gov. Simply click on **Agency** then, under **Investments**, click **Reports and Updates**.

Statement of Plan Net Assets by System for the Fiscal Year Ended June 30, 2016

Expressed in thousands

	Teachers' Retirement and Pension Systems	Employees' Retirement and Pension Systems	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Total
Cash & Cash Equivalents	\$ 842,844	\$ 423,044	\$ 48,678	\$ 16,336	\$ 35,253	\$ 1,366,155
Investments, at Fair Value	28,461,760	15,863,900	1,306,073	418,011	826,564	46,876,308
Other Assets	310,770	220,881	15,495	4,586	8,808	560,540
Total Assets	29,615,374	16,507,825	1,370,246	438,933	870,625	48,803,003
Total Liabilities	2,084,961	1,164,572	96,114	31,271	60,159	3,437,077
Total Plan Net Assets	\$ 27,530,413	\$ 15,343,253	\$ 1,274,132	\$ 407,662	\$ 810,466	\$ 45,365,926

Statement of Changes in Plan Net Assets by System for the Fiscal Year Ended June 30, 2016

Expressed in thousands

	Teachers' Retirement and Pension Systems	Employees' Retirement and Pension Systems	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Total
Additions						
Employer Contributions	\$ 1,084,049	\$ 640,943	\$ 72,320	\$ 18,384	\$ 54,959	\$ 1,870,655
Member Contributions	464,470	278,944	7,251	2,863	10,886	764,414
Investment Income	301,774	168,775	13,806	4,415	8,761	497,531
Total Additions	1,850,293	1,088,662	93,377	25,662	74,606	3,132,600
Deductions						
Benefit Payments	2,028,004	1,226,291	121,534	30,487	63,177	3,469,493
Refunds	28,252	29,067	383	-	660	58,362
Administrative Expenses	15,752	12,642	165	45	55	28,659
Total Deductions	2,072,008	1,268,000	122,082	30,532	63,892	3,556,514
Net System Transfers	-	-	-	-	-	-
Net Change in Plan Net Assets	(221,715)	(179,338)	(28,705)	(4,870)	10,714	(423,914)
Net Assets at Beginning of Fiscal Year	27,763,928	15,510,791	1,302,837	412,532	799,752	45,789,840
Net Assets at End of Fiscal Year	\$ 27,542,213	\$ 15,331,453	\$ 1,274,132	\$ 407,662	\$ 810,466	\$ 45,365,926

*Intersystem transfers have been eliminated in this financial statement.

Actuarial Funded Status for the Fiscal Year Ended June 30, 2016

	Teachers' Retirement and Pension Systems	Employees' Retirement and Pension Systems	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Municipal Correctional Officers' Retirement System	Total
Actuarial Accrued Liability	39,934,125,374	23,817,251,395	2,124,785,749	523,928,519	1,359,431,930	22,401,138	67,781,924,105
Actuarial Value of Assets	29,020,809,180	16,130,437,566	1,344,162,518	430,563,204	855,997,433	21,709,395	47,803,679,296
Unfunded Actuarial Accrued Liability	10,913,316,194	7,686,813,829	780,623,231	93,365,315	503,434,497	691,743	19,978,244,809
Funded Ratio	72.67%	67.73%	63.26%	82.18%	62.97%	96.91%	70.53%

Dial up your account data by phone

YOUR RETIREMENT ACCOUNT DATA is as close as your telephone when you use the Maryland State Retirement Agency's Interactive Voice Response system. Follow these simple instructions to access your account data any time, 24 hours a day.

What is my PIN? For your security, you must enter your Personal Identification Number (PIN) and Social Security number to access your account information. Your four-digit PIN is the month and year you enrolled in the Maryland State Retirement and Pension System. For example, if you enrolled in August 2002, your PIN would be 0802.

Dial 410-625-5555 or toll-free 1-800-492-5909

After listening to a recorded greeting, select:

1 If you are a retiree or beneficiary receiving a monthly benefit.

2 All other callers.

After listening to a recorded message, select:

1 Hot Topic: Listen to a recorded message featuring the latest news from the Retirement Agency.

2 Options for retirees or beneficiaries:

- 1** Verify home mailing address.
- 2** Obtain account information.
- 3** Confirm retirement benefit option.
- 4** Request forms.

4 Schedule a counseling session in Baltimore.

5 Report the death of a member or retiree.

6 Enter the extension for the person you are calling, if known.

7 Replay these options.

0 Speak with a retirement benefits specialist.

After listening to a recorded message, select:

1 Hot Topic: Listen to a recorded message featuring the latest news from the Retirement Agency.

3 Options for other callers:

- 1** Obtain account information.
- 2** Verify home mailing address.
- 3** Confirm designated beneficiaries.
- 4** Request forms.

4 Schedule a counseling session in Baltimore.

5 Report the death of a member or retiree.

6 Enter the extension for the person you are calling, if known.

7 Replay these options.

0 Speak with a retirement benefits specialist.

What to expect when dialing



WHEN A CALLER using the Interactive Voice Response telephone system dials 0, the initial message(s) will be replayed.

During periods of high phone volume, the number of callers who are ahead of you in the queue will be announced. For your convenience, you may elect to receive a call back. If you choose this service, you will not lose your place in line.

Use only the numbers above to contact the Retirement Agency. Only the Retirement Agency's retirement benefits specialists possess the specialized training and resources to assist you.

You then will be connected with a retirement benefits specialist.

Know how to file for disability retirement

DISABILITY RETIREMENT BENEFITS provide valuable protection for eligible members who are determined to be permanently disabled and unable to perform their normal job duties under state pension law. (See page 5 for instructions on how to apply.)

Two types of disability retirement

The Maryland State Retirement and Pension System provides benefits for two types of disability retirement, ordinary and accidental/special.

Ordinary disability covers any permanent mental or physical incapacitation for the further performance of the normal duties of your position.

Accidental or special disability generally covers an accident that occurred in the actual performance of work duties at a definite time and place without willful negligence. Accidental disability applicants must be totally and permanently incapacitated for the further performance of their normal duties as the natural and proximate result of the accident.

All disability claims will be evaluated for ordinary disability if the member has at least five years of eligibility service.

If an applicant/member does not apply for accidental or special disability, he or she may not later apply for accidental or special disability or submit a new claim based on an accident that took place prior to the date the claim is submitted.

Rules for LEOPS and State Police

To be eligible for accidental disability retirement, a member of the Law Enforcement Officers' Pension System must be totally and permanently incapacitated for duty arising out of, and in the course of, the actual performance of duty without willful negligence by the member. The same standard applies for State Police; however, the term "special disability" is used instead of "accidental disability."

Participants in the Deferred Retirement Option Program are not eligible to file for ordinary disability retirement. They can, however, file for accidental or special disability retirement, if eligible.

Eligibility

To be eligible to apply for *ordinary disability* retirement, a member must have at least five years of eligibility service. There is no service requirement for members to apply for *accidental* or *special disability* retirement. Members who terminate employment and withdraw their employee contributions are not eligible for disability benefits. Retirees, also, are not eligible to apply.

Filing requirements

By signing and submitting a claim for disability, you certify that you are mentally or physically incapacitated for further performance of the normal duties of your job, and that this incapacity is likely to be permanent. Additionally, you are affirming that under the penalties of perjury, all information provided is true to the best of your knowledge and belief.

Members filing for disability must actively pursue their claim and comply with all requests by the Maryland State Retirement Agency.

Timely filing is essential

Submission of the required forms to the Retirement Agency is your responsibility. Information and documentation from your treating physician and employer (sections 2 and 3 of Form 20) must be properly completed and submitted to the retirement agency within 45 days of the date your claim is submitted. If you fail to meet this deadline, your disability claim will be terminated.

Members may file for disability benefits while on payroll or within a set period of time, depending on their system, after leaving payroll, as follows:

- Members of the Teachers' Retirement System may file up to five years after leaving payroll. A one-year filing extension may be available.
- Members of all other systems may file up to four years after leaving payroll. For these members, a two-year filing extension may be available (excludes Judges' and Legislative Plans.)

Applications for accidental disability retirement must be filed within five years from the date of the accident. This filing deadline for accidental disability does not apply to the State Police, Correctional Officers' or Law Enforcement Officers' systems.

When all documentation necessary to submit a disability claim has been received by the Retirement Agency, the applicant will be informed in writing that the medical evaluation of his or her claim has begun. Applicants will be notified promptly in writing of a claim decision as soon as it is rendered by the System's Board of Trustees.

Applying for disability is a two-step process

Step 1: File a disability claim

A **MEMBER FILING** for ordinary or accidental/special disability benefits must properly complete and submit to the Maryland State Retirement Agency the forms and materials listed here. (See page 4 for an overview of disability benefits.)

- *Statement of Disability* (Form 20),
- pertinent medical records,
- current job description signed and dated by employer,
- *Preliminary Application for Disability Retirement* (Form 129),
- *Application for an Estimate of Disability Retirement Allowances* (Form 21A; Form 22 for State Police; Form 100 for LEOPS),
- leave/attendance records for the last two years and
- performance evaluations for the last two years.

Forms are available online at sra.maryland.gov or from your employer's personnel office.

If, during the application process, your employer places you on a medical unpaid leave of absence, you also should file an *Application to be Placed on a Qualifying Approved Leave of Absence* (Form 46). This form preserves your death benefit while on medical unpaid leave.

Members applying for accidental or special disability also must submit the following:

- employer's first report of injury, forms submitted to Workers' Compensation and copies of awards,
- medical evidence establishing the accident as the cause of the disability

OR

- evidence that the disability arose out of, and in the course of, the performance of duty (Maryland State Police and LEOPS only).

Following a review by the System's medical board, the System's Board of Trustees takes final action on the claim and the applicant is notified. The filing process for ordinary disability can take up to six months. Accidental or special disability claims may take longer. Requests for reconsideration or the appeal process can extend the timeline by six to eight months or more.

NOTE: A disability claim can only be opened upon receipt of a properly completed Form 20 and Form 129. If either of these documents is not received or is not properly completed, the claim will be rejected and all documents will be returned to the member. A disability application is considered submitted on the date it is received by the Maryland State Retirement Agency.

Step 2: If approved, apply to retire

IF THE CLAIM is approved, the member will receive an estimate of his or her monthly disability retirement payment. To retire and begin collecting monthly benefits, the member must submit within 120 days the following:

- *Application for Service or Disability Retirement* (Form 13-23; Form 14-24 for State Police; Form 98-101 for LEOPS),
- *Electronic Fund Transfer (Direct Deposit) Sign-Up* (Form 85),

- *Reemployment After Retirement* (Form 127; Form 128 for State Police; Form 131 for LEOPS) and
- *Federal and Maryland State Tax Withholding Request* (Form 766).

If these forms are not submitted within 120 days of claim approval, the disability claim will be closed and you will not be entitled to disability benefits.

NOTE: State employees approved for disability retirement have 120 days to accept and file for retirement or will be considered resigned by their employer.

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