

THE Mentor

News from the Maryland State Retirement and Pension System

FALL 2024
VOL. 46 NO. 4



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

Trustee nominations due Jan. 31

MEMBERS who'd like to serve on the Board of Trustees of the Maryland State Retirement and Pension System have until January 31, 2025, to submit the required nomination petitions.

Two Trustees — one representing the Employees' Systems and the other the Teachers' Systems — will be chosen in an election slated for spring 2025. Candidates must be active members of either the Employees' or Teachers' Systems.

The Employees' Systems include the following plans:

- Correctional Officers' Retirement System,
- Employees' Retirement and Pension Systems,
- Judges' Retirement System,
- Legislative Pension Plan,
- Local Fire and Police System and
- Law Enforcement Officers' Pension System.

See *Election*, page 4



Check the growth of your future pension anytime with **mySRPS**

WITH EACH MONTH YOU WORK, you move closer to receiving your well-earned pension. And while retirement may seem far away, now is the time to take an active interest in this important benefit. Reviewing your pension account with **mySRPS**, the Maryland State Retirement Agency's secure website, is a great way to start.

The **mySRPS** website provides up-to-date information on your retire-

ment account, including the date you will be eligible to retire and estimates of your future benefit. You can look up your designated beneficiaries—*have you updated them since you got married, divorced or had children?*—and project your future benefit based on different salaries and retirement dates.

See *mySRPS*, page 4

Three steps to protect your family now

If you die before retirement, will your loved ones know what to do?

WHILE YOU MAY BE YEARS AWAY from retirement, the Maryland State Retirement and Pension System provides important protections for your designated beneficiaries right now if you die before retirement.

To help your beneficiaries quickly claim these benefits in the unfortunate event of your death, you can prepare them now with the

See *Protect*, page 4

Retirement Checklist

PLANNING TO RETIRE within the next 12 to 36 months? If so, now is the time to begin taking specific steps toward that goal. The following checklist provides a general timetable for retirement preparation for members of the Employees', Teachers' and Correctional Officers' systems. This schedule shows the best time to begin filing some of the required forms and making the necessary contacts with the Maryland State Retirement Agency.

One to three years prior to retirement

- If you have not already done so, register for **mySRPS**, the State Retirement Agency's secure website. **mySRPS** enables members and retirees to view their retirement account information and make transactions online. To register, visit the State Retirement Agency's website at sra.maryland.gov and click on **mySRPS Login** and then **Register**.
- Attend one of the State Retirement Agency's pre-retirement seminars. Go to sra.maryland.gov and select Seminar and Webinars under the Members drop-down menu. If you prefer, contact your personnel department for details. Seminars are conducted virtually and in person each spring and fall.
- Maryland state active (including contractual) employees who are eligible to participate in the Maryland Supplemental Retirement Plans (MSRP) 457(b), 401(k), 403(b) plans should visit MarylandDC.com and click on **Schedule appointment** to set a date to discuss the retirement planning process.

Twelve months prior to retirement

- Use **mySRPS** to instantly create an estimate of your monthly benefit.
- Apply to purchase any eligible service by filing a *Request to Purchase Previous Service (Form 26)*.
- Apply for eligible military credit by submitting a *Claim of Retirement Credit for Military Service (Form 43)*.
- Contact the Social Security Administration for an estimate of your Social Security benefits.

Six months prior to retirement

- If you still have questions, schedule an appointment with the State Retirement Agency to review your estimated benefits. Click [here](#) to make an appointment.
- Discuss your estimated benefits/options with your family and financial advisor.
- Contact your personnel office to inquire if you may continue employer-provided benefits, such as health

insurance, after retiring. The State Retirement Agency does not administer health benefits.

- Obtain proof of birth for beneficiaries if considering Option 2, 3, 5 or 6.
- Prepare a retirement budget, estimating your retirement expenses against your state pension benefit, Social Security and any other income.

Three months prior to retirement

- Contact Social Security to file for benefits (if eligible).

Two months prior to retirement

- Contact your personnel office and file your actual retirement application: *Application for Service or Disability Retirement (Form 13-23)*.
- Provide proof of birth for your designated beneficiary (only required if you are electing allowance Option 2, 3, 5 or 6).
- If eligible, complete authorization forms to continue your health coverage and any other benefits provided by your employer.
- Complete and submit a *Direct Deposit Authorization (Form 85)* for the required direct deposit of your monthly pension benefit. After you are retired, you may use **mySRPS** to update your direct deposit as needed.
- Complete a *Federal Tax Withholding Request (IRS Form W-4P)* and a *Maryland State Tax Withholding Request (Form 766.11)*. After you're retired, you can update your tax withholding using **mySRPS**.

One month prior to retirement

- Maryland state active (including contractual) employees who are eligible to participate in the MSRP 457(b), 401(k), 403(b) plans, visit MarylandDC.com and click on **Schedule appointment** to set a date to discuss your annual leave options and required minimum distributions.
- Submit a formal letter of retirement to your employer.

Four important reemployment rules that every SRPS retiree (and *future* retiree) should know

RETIREES RETURN TO WORK to pursue other interests or earn extra retirement income. For retirees from the Maryland State Retirement and Pension System (SRPS), reemployment is subject to both state and federal laws.

Not understanding these laws can be costly. Certain types of employment during retirement may result in a reduction or even suspension of your monthly retirement benefit.

Certain types of employment during retirement may result in a reduction or even suspension of your monthly benefit.

An agreement to follow these reemployment rules is part of your retirement application paperwork. You can find a detailed description of the reemployment rules in the *Application for Service or Disability Retirement* (Form 13-23 for employees, teachers and correctional officers; Form 14-24 for state police; Form 98-101 for law enforcement officers.)

Four key provisions of reemployment law are described here.

1 Under no circumstances should your decision to retire be conditioned upon an offer of reemployment.

You should not have any discussions before your retirement with any participating employer* about potential offers of reemployment. There can be significant tax consequences to you if you retire before the normal retirement age of your plan and/or before age 59 1/2 and you are reemployed with a participating employer without a *bona fide* (see #3) separation from service.

2 When you retire, there must be at least 45 days between your date of retirement and the date you are re-employed.

This applies to permanent, temporary or contractual employment with any employer that participates in the SRPS. This rule also applies to a retiree from a withdrawn governmental unit who was employed while the unit was participating.

3 In order to avoid a tax penalty on your income there must be a *bona fide*, or genuine, separation from service between you and your former 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 your job on reemployment, and the longer the break between the two jobs, 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.

4 If you are employed during retirement, an earnings limitation or suspension of benefits may apply.

The rules are complex and vary depending on your type of retirement and plan of participation. Fortunately, state law provides for several earnings limit exemptions**.

Before you consider reemployment with your former employer, you also may wish to review and discuss your plans with your tax advisor.

*A participating employer is any employer that offers SRPS benefits to its employees.

**Earnings limit exemptions are described in the *Application for Service or Disability Retirement* (Form 13-23 for employees, teachers and correctional officers; Form 14-24 for state police; Form 98-101 for law enforcement officers.)

Keep your address up to date in your pension account

HAVE YOU MOVED since you first enrolled with the Maryland State Retirement and Pension System?

If you've experienced a change of address, notify your employer.

When your workplace submits your payroll information, your address will be updated in your pension account. Do not contact the State Retirement Agency with address changes.

To confirm your address is correct in our files, log into the **mySRPS** secure website at **sra.maryland.gov**.

Election, from page 1

The Teachers' Systems include the Teachers' Retirement and Pension Systems.

The two successful candidates will serve terms in office from August 1, 2025, through July 31, 2029.

Aspiring Board candidates must obtain the signatures and dates of birth of 500 active members and/or retirees of their respective System (Teachers' or Employees'). Official nomination petitions are available through December 1, 2024.

For more information about the Board of Trustees election or to request nomination petitions, please contact elections@sra.state.md.us or call election coordinator Courtney Key at 410-625-5609. Nominations must be returned to the Maryland State Retirement Agency no later than 4:30 p.m. on January 31, 2025.

Your Board of Trustees

For more information on the 15-member SRPS Board of Trustees, go to sra.maryland.gov/board-trustees.

Protect, from page 1

information they need. Take these three important steps today.

1 Make sure that you keep your beneficiary information current with the State Retirement Agency.

Life events like a marriage, divorce, birth, or death of a loved one can motivate you to change your beneficiary selections. You can look up the names of your designated beneficiaries using **mySRPS**, the Maryland State Retirement Agency's secure website. Designated beneficiaries cannot be changed after your death.

2 Talk to your loved ones now about survivor benefits from the State Retirement Agency.

Let your family or other loved ones know that they should contact the

Maryland State Retirement Agency in the event of your death. Or, if you prefer, make sure to include your pension information with other important paperwork, such as life insurance and your will, so that your survivors will know to contact the State Retirement Agency.

3 Ask your loved ones to contact the State Retirement Agency following your death.

Tell your loved ones that, should you die during your career, they should contact the Maryland State Retirement Agency. You can be assured that we will work step-by-step with your beneficiaries to ensure they receive the benefits they are due.

mySRPS, from page 1

Best of all, **mySRPS** is available to you 24/7. Review your months and years of service, estimate your benefits, designate beneficiaries and view salary information any time, day or night. With this resource, the State Retirement Agency no longer produces annual benefit statements.

Signing up for **mySRPS** is easy. Visit sra.maryland.gov and, in the top right of the homepage, click on **mySRPS Login**. Click **Register** and follow the instructions to receive your registration code and packet by mail.

The Mentor is published by the Maryland State Retirement Agency
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