

THE Mentor

News from the Maryland State Retirement and Pension System

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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



What to do if a disability prevents you from working

IF YOU BECOME PERMANENTLY DISABLED and are unable to perform your job, disability retirement benefits from the Maryland State Retirement and Pension System provide valuable protection.

Two types of disability

Your plan provides benefits for two types of disability retirement, ordinary and accidental/special.

Ordinary disability covers any permanent mental or physical condition that prevents you from doing your job.

Accidental or special disability generally covers a permanent condition caused by an accident that:

- occurred at a definite time and place in the performance of work duties,
- happened without willful negligence, and
- prevents you from doing your job.

Rules for LEOPS and State Police

If you are a member of the Law Enforcement Officers' Pension System, to qualify for accidental

See Disabled, page 3

Bill extends 50% survivor benefit to children of teachers, employees

NEW LEGISLATION enacted by the Maryland General Assembly and signed into law by Governor Lawrence J. Hogan, Jr., will provide a monthly survivor benefit to children of eligible employees, teachers and correctional officers who die during membership.

Senate Bill 828 (Chapter 208 of 2019) applies to active members of

the Employees', Teachers', or Correctional Officers' Systems who die after reaching age 55 with 15 years of service or after accruing 25 years of service regardless of age. If such a member dies and is survived by children under age 26 or disabled children at any age, but

See Bills, page 2

BOARD OF TRUSTEES UPDATE

Trustees Hill reelected, Haines to return, Lochte to retire

INCUMBENT Employees' Systems representative Sheila Hill and former Teachers' Systems rep Kenneth B. Haines have been elected to new four-year terms on the Maryland State Retirement and Pension System Board of Trustees.

Trustee Hill started her career as a state employee in 1987 with the Department of Public Safety and Correctional Services as a Correctional Officer. She served as president of AFSCME Local 1319 at the Patuxent Institution from 1997



Trustee Sheila Hill and Trustee-Elect Kenneth B. Haines will serve four-year terms on the Board.

until her retirement in 2012. Ms. Hill also served on the Executive Board

See Trustees, page 5



The Maryland State House is the oldest state capitol in continuous legislative use and is the only state house ever to have served as the United States capitol.

Bills, from page 1

not a surviving spouse, the children shall receive 50% of what the member's monthly retirement benefit would have been, had the member been retired.

This legislation moves the Employees', Teachers' and Correctional Officers' plans in line with the State Police, Law Enforcement Officers', Judges' and Legislative Plans, which already provide similar survivor benefits for members' children.

Other legislation of note

Several additional bills of interest to members of the Maryland State Retirement and Pension System were passed in the General Assembly this year and signed into law by Governor Hogan.

House Bill 861: Service Credit for Unused Sick Leave (Chapter 347 of 2019)

Synopsis: Requested by the System's Board of Trustees, this legislation preserves unused sick leave for members who have been re-

quired to move from the Employees' Systems into the Correctional Officers' Retirement System through legislation over the past three years.

House Bill 821: Investment Management Fees (Chapter 202 of 2019)

Synopsis: As amended, this legislation requires the Board to include, in its annual reporting of investment management fees to the General Assembly, the amount of carried interest paid to the System's investment managers each year. Carried interest is the share of profits, usually around 20%, that the general partners of private equity investments retain as a performance incentive.

House Bill 1056/Senate Bill 636: Correctional Officers' Retirement System - Queen Anne's County (Chapters 58 and 59 of 2019)

Synopsis: These bills provide that, if Queen Anne's County joins the Correctional Officers' Retirement System, the county's detention center officers

will be enrolled and will receive all creditable and eligibility service earned prior to joining.

State remembers House Speaker Michael Busch

District 30A Delegate Michael E. Bush, Maryland's longest-serving Speaker of the House, died April 7 following an illness. First elected to the General Assembly in 1987, Del. Busch previously was a teacher and football coach at his alma mater, St. Mary's High School in Annapolis. He also was an Anne Arundel County Employee for four decades. During his 32 years of service in the Assembly, Del. Busch was a consistent advocate for the retirement security of all members of the Maryland State Retirement and Pension System.

Protect your benefits during an absence

BEFORE BEGINNING an unpaid leave of absence granted by your employer, be sure to first submit a *Qualified Leave of Absence Request OR Notification of Military Service Entry* (Form 46).

Qualified leave of absence status preserves the rights of your beneficiaries to valuable death benefits in the event of your demise. It also preserves any right you may have to obtain retirement credit for the leave period.

By law, the Retirement Agency recognizes leaves of absence *only* if taken for personal illness, birth or legal adoption, government sponsored and/or subsidized employment, or study.

Disabled, from page 1

disability retirement you must be totally and permanently incapacitated for duty arising out of, and in the course of, the actual performance of duty without willful negligence. The same standard applies for State Police; however, the term "special disability" is used instead of "accidental disability."

If you participate in the Deferred Retirement Option Program, you are not eligible to file for ordinary disability. You may, however, file for accidental or special disability.

Eligibility

To be eligible to apply for *ordinary disability* retirement, you 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.

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

If your initial application is not for accidental or special disability, you 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 your claim is submitted.



Your physician will provide medical evidence to support your disability claim. Ask your employer to submit your job description, performance reviews and time sheets.

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.

You may file for disability benefits while on payroll or within a set period of time, depending on your 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 necessary documentation has been received by the Retirement Agency, you will be informed in writing that the medical evaluation of your claim has begun. You will be notified promptly in writing of a claim decision as soon as it is rendered by the System's Board of Trustees.

See *How to file a claim for disability retirement* on page 4 for step-by-step instructions.

How to file a claim for disability retirement

TO APPLY FOR DISABILITY RETIREMENT, follow these two steps.

Step 1: File a disability claim

Submit the following forms and documentation:

- *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 a *Qualified Leave of Absence Request OR Notification of Military Service Entry* (Form 46). This form preserves your death benefit while on medical unpaid leave.

If you are applying for accidental or special disability you 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.

A disability claim can be opened only 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) and
- *Federal and Maryland State Tax Withholding Request* (Form 766).

You must retire within 120 days of claim approval or your disability claim will be closed and you will not be entitled to disability benefits.

A state employee approved for disability retirement has 120 days to accept and file for retirement or *be considered resigned by his or her employer*.

Filing tips

- ⌚ Work with your employer to obtain and submit your performance reviews, time sheets and job description.
- ⌚ It is your responsibility to provide medical documentation supporting your claim.
- ⌚ Submit medical records for the preceding three years.
- ⌚ If deadlines to provide requested medical documents are not met, your disability claim may be closed.

Streamlined report shows SRPS year in review

INVESTMENT RETURNS,

member demographics and expenses for fiscal year 2018 are succinctly presented in the Maryland State Retirement Agency's award-winning Popular Annual Financial Report released in May.

Available online at sra.maryland.gov, the PAFR also details the pension fund's asset allocation and the value of retirement payments residents of each Maryland county receive each year. The state total is \$2.89 billion!

From the homepage, click on **Investments & Financials** and then **Annual Financial Reports** to access the new PAFR. For more detailed information, the Consolidated Annual Financial Report also is available online.

Trustees, from page 1

of AFSCME Maryland and chaired the Maryland AFSCME Corrections Steering Committee.

Ms. Hill previously represented active employees on the Board of Trustees from 2004 until her retirement from state employment in 2012. Three years later she was elected again to represent the interests of retirees. Trustee Hill is Chairman of the Corporate Governance Committee and is a member of both the Administrative and Investment Committees.

Trustee-Elect Kenneth B. Haines previously served two terms on the Board representing active educators. He was Vice Chairman of the Corporate Governance Committee and member of both the Administrative and Investment Committees.

Retired since 2016, Mr. Haines is a past president of the Prince George's County Educators' Association (PGCEA). Between 2011 and 2015, he concurrently served on the Teacher Advisory Council at the Gates Foundation. He was a

longtime participant in the Teacher Union Reform Network. From 1998 through 2015 he was a member of the PGCEA negotiations team and was charged with analysis of the cost implications of salary proposals and benefits packages totaling \$700-\$800 million dollars for more than 9,000 educators.

Trustee Hill and Mr. Haines will begin their new terms August 1.

Trustee Lochte to conclude Board service

Trustee Theresa Lochte, who represents the interests of retired teachers, will retire from the Board in July after 12 years of faithful service. She will be succeeded by Trustee-Elect Haines, a fellow retired educator.



Trustee Theresa Lochte

During her more than decade of Board service, Trustee Lochte was Vice Chairman of the Administrative Committee and member of the Audit and Investment Committees. On the Board she was known for promoting initiatives to improve customer service and protect and grow the investment fund.

While serving as a trustee, Ms. Lochte worked diligently to improve her value to the System by participating in trustee training programs sponsored by the National Education Association, the Labor and Worklife Program at Harvard Law School and The Wharton School. She also served on the Executive Committee for the National Council on Teacher Retirement.

Your Board of Trustees

For more information on the Board, including meeting minutes and Trustee biographies, go to sra.maryland.gov and click on **About**.

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