

# THE Mentor

News from the Maryland State Retirement and Pension System

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MARYLAND  
STATE RETIREMENT  
and PENSION SYSTEM



## Secure pension website **mySRPS** puts service at your fingertips

**WHAT CAN YOU DO** with **mySRPS**, the Maryland State Retirement Agency's secure website? You can:

- Find out when you can retire and generate benefit estimates, including credit for military service and unused sick leave
- View and update beneficiaries
- View account information and print benefit statements
- Print an asset verification letter for a landlord or lender
- Check your home address in Retirement Agency files

Signing up for **mySRPS** is easy. Visit [sra.maryland.gov](http://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.

See *mySRPS*, page 5

## Don't "leave" your pension behind during an absence from work

*File Form 46 to preserve your benefit*

**AT SOME POINT** in your career, you may need to take an unpaid leave of absence. Because your pension is based in part on your hours worked, taking a leave of absence may affect your benefit at retirement. To preserve your future benefit, consider the following rules governing leaves of absence.

### Only certain reasons qualify

Maryland retirement law recognizes leaves of absence for the following reasons only:

- Temporary assignment with another governmental employer

- Personal illness
- Study
- Birth or legal adoption of a child

If your employer approves your leave of absence for one of these reasons, you may qualify to purchase retirement service credit for the period of leave.

Only the types of leave listed here qualify. If you take an unpaid leave of absence for a reason other than those listed, such as to care for an ailing relative, your active membership ceases during the

See *Leave*, page 5

## Pension credit for your military service is not automatic; You must *claim it*

**THE STATE OF MARYLAND** is grateful for those who serve in our nation's military. That's why state law offers additional retirement credit for members of the Maryland State Retirement and Pension System who serve.

### Receive credit for duty before and during membership

Members may claim up to a maximum of five years of credit for active military duty preceding SRPS enrollment. An applicant must have accrued at least 10 years of SRPS membership to apply.

See *Military*, page 5

## Board of Trustees Update

# Franchot, Brinkley feted; Lierman, Grady join Board

**THE NEW YEAR** brought a change of leadership to two ex officio posts on the Board of Trustees of the Maryland State Retirement and Pension System.

### Franchot, Brinkley conclude service on Board

Peter Franchot and David R. Brinkley stepped down from the Board of Trustees in December 2022 following a combined 25 years of service to members and retirees of the plan.

Mr. Franchot, Comptroller of Maryland and Board of Trustees Chair, and Mr. Brinkley, Maryland Secretary of Budget and Management, served as ex officio members of the 15-seat Board. (The third ex

officio trustee is Maryland State Treasurer Dereck E. Davis, who succeeded Mr. Franchot as Board Chair.)

At their last meeting, Trustees Franchot and Brinkley were presented with Board resolutions thanking them for their service.

### Comptroller Lierman seated

Less than 24 hours after her inauguration as Maryland's 34th Comptroller, Brooke Lierman attended her first meeting of the SRPS Board of Trustees. Trustee Lierman was elected Board Vice-Chair by her fellow Trustees.

Before her election as Comptroller, Trustee Lierman, a civil rights and disability rights attorney, served two terms in the Maryland House of Dele-

gates representing the 46th Legislative District. She also served as the House Chair for the General Assembly's Joint Committee on Pensions.

### Budget Secretary is Trustee

With her appointment as State Budget Secretary, Helene Grady succeeded Sec. Brinkley as an ex officio member of the Board.

Sec. Grady worked at Johns Hopkins University since 2010, most recently serving as Vice President, Chief Financial Officer and Treasurer, managing the university's financial functions and overseeing the management of the investment program for JHU's endowment and other assets.

# Hill, English-Brown nominated, certified for Board

**AS THE ONLY TWO CANDIDATES** to secure the necessary nominations, the election of Sheila Hill and Ayana English-Brown to the Board of Trustees was certified in February. Their Board terms will begin August 1.

Because only one candidate qualified for each Board seat, the election slated for spring is cancelled.

Trustee Hill and Trustee-elect English-Brown will represent retired employees and teachers, respectively.

### Trustee Sheila Hill

Trustee Hill has represented the interests of retirees from the Employees' Systems since her election in

2015. Previously, she represented active employees from 2004 until her retirement from state employment in 2012.

### Trustee-elect English-Brown

Ayana English-Brown retired in 2022 following a 35-year teaching career. In her last assignment, Ms. English-Brown served 24 years in Prince George's County Public Schools as a Career Technical Education teacher.

Trustee-elect English-Brown in August will assume the seat of Trustee Kenneth B. Haines, who is stepping down from Board service.

### Who are my Trustees?

The Board of Trustees is responsible for administering the Marland State

Retirement Agency, managing the System's \$65 billion investment fund and paying billions of dollars each year to retirees, beneficiaries and withdrawing employees. The Board's 15 members include: **Seven** Trustees appointed by the Governor

**Three** ex-officio Trustees (Maryland State Comptroller, Treasurer and Budget Secretary)

**Two** Trustees elected by Teachers' Systems members and retirees

**Two** Trustees elected by Employees' Systems members and retirees

**One** Trustee elected by State Police System members and retirees

# Your employment during retirement may be subject to state, federal laws

## *Earnings limits, tax penalties are possible*

**RETIREES RETURN TO WORK** to pursue other interests or earn extra retirement income. For retirees from the Maryland State Retirement and Pension System, reemployment is subject to state and federal laws. An agreement to follow these laws 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 below.

**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 and the SRPS 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** on any basis (permanent, temporary, or contractual) by 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.)

# 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 Retirement Agency's secure website. **mySRPS** enables members and retirees to view their retirement account information and make transactions online. To register, visit the Retirement Agency's website at [sra.maryland.gov](http://sra.maryland.gov) and click on **mySRPS Login** and then **Register**.
- Attend one of the Retirement Agency's pre-retirement seminars. Go to [sra.maryland.gov](http://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, visit [MarylandDC.com](http://MarylandDC.com) and click on **Contact Us** to schedule an appointment to discuss the retirement planning process with a Nationwide Personal Retirement Consultant.

## Twelve months prior to retirement

- Use **mySRPS** to instantly create an estimate of your monthly benefit. You also may submit a paper *Service Retirement Estimate Request (Form 9)* to receive an estimate by mail. Please allow six weeks for delivery.
- Apply to purchase any eligible service by filing a *Request to Purchase Previous Service (Form 26)*.
- Apply for any 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 benefits.

## Six months prior to retirement

- If desired, schedule an appointment with the Retirement Agency to review your estimated benefits.

- 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 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 a *Direct Deposit Authorization (Form 85)* for the electronic transmission of your payment to your bank, savings institution or credit union.
- Complete a *Federal Tax Withholding Request (IRS Form W-4P)* and a *Maryland State Tax Withholding Request (Form 766.11)*.

## 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](http://MarylandDC.com) and click on **Contact Us** to schedule an appointment to discuss your annual leave options and required minimum distributions.
- Submit a formal letter of retirement to your employer.

## Filing deadline for COVID-19 death benefit is June 30

**THE FINAL DATE** to apply for special death benefits for members who died from COVID-19 is June 30, 2023.

The benefit is payable only for members of the Maryland State Retirement and Pension System who die between March 5, 2020, and June 30, 2023, from COVID-19 after contracting the virus at work.

The Maryland General Assembly enacted legislation in 2021 clarifying that special death benefits may be paid to the families (a surviving spouse or eligible children only) of members who died from work-related COVID-19 infections.

Contact the Retirement Agency for more information.

*Leave, from page 1*

leave and your accrued service credit will be affected.

### You must apply before your leave of absence begins

It's extremely important that you properly file with the Retirement Agency before beginning a qualifying leave of absence. Proper filing ensures that if you die while on leave, your pre-retirement death benefits remain in effect. Proper filing also makes you eligible to purchase the leave period later if you wish to add to your service credit.

Before your leave of absence begins, file a *Qualified Leave of Absence Request OR Notification of Military Service Entry (Form 46)* with the Retirement Agency. Your employer must certify to the Retirement

Agency that the leave has been approved for one of the reasons listed on page 1.

### Purchasing service credit after your leave

You must pay member contributions missed during an approved leave, plus interest, to receive service credit for the period of your absence from work. File a *Request to Purchase Previous Service (Form 26)* to start the transaction. Forms are available online at **sra.maryland.gov**.

You may purchase the time you were on an approved, qualified leave at any time during employment or, if you separate from employment, within 60 days after your leave of absence expires.

*mySRPS, from page 1*

Once registered, you'll be able to obtain benefit estimates based on different retirement dates, beneficiary choices and salaries. You also can generate separate estimates for all the payment options that will be available to you at retirement.

Curious to see when you can retire and how much your benefit will be but don't want to wait on the phone or fill out cumbersome paper forms? Sign up for **mySRPS** today!

*Military, from page 1*

Retirement credit also is available for members who served or performed active duty training in the U.S. National Guard or Armed Forces Reserves.

Members who are called to active military duty or active/inactive duty training during SRPS membership also may apply.

To be eligible, a member may not receive credit for the military service under any other pension system. This restriction includes military pensions.

All the details are explained in *Guide to Military Service*, a handy pamphlet available online at **sra.maryland.gov**. Click **here** to read the pamphlet.

### How to apply

To file for military credit, either preceding or interrupting membership, complete a *Claim of Retirement Credit for Military Service (Form 43)*. Specific documentation from the military verifying your service is required.

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