

# Title 22 STATE RETIREMENT AND PENSION SYSTEM

## Subtitle 01 GENERAL REGULATIONS

### Chapter 06 Payment of Allowance

Authority: State Personnel and Pensions Article, §21-110, Annotated Code of Maryland

#### [.01 Repealed.]

#### [.02].01 Electronic Fund Transfer.

A. Except as provided in Regulation [.04] .03 of this chapter, the Retirement Agency shall pay a participant's allowance by electronic fund transfer to the institution designated by the participant as provided in this regulation.

B. (Text unchanged)

C. The Retirement Agency shall accept the electronic fund transfer sign-up form filed by a participant if [the]:

(1) [Participant] *The participant properly* completes the form; and

(2) [Institution] *The institution* named by the participant on the form participates in the Automatic Clearing House Network.

D. At any time while receiving an allowance, a participant may change the designated institution by *properly* completing a new electronic fund transfer sign-up form and submitting the form to the Retirement Agency.

E. (Text unchanged)

#### [.03].02 Payment Procedure.

A. The Retirement Agency shall transmit a participant's monthly allowance to the institution designated by the participant as set forth in Regulation [.02] .01 of this chapter.

B. The Retirement Agency shall give each participant who receives an allowance through electronic fund transfer an advice statement at least one time per calendar year [which reflects the following:] *The advice slip shall reflect the following:*

(1) The total amount of the monthly allowance;

(2) Any amounts deducted from the monthly allowance; and

(3) The portion of the monthly allowance electronically transferred.

#### [.04].03 Payment by Check.

A. (Text unchanged)

B. The request shall be in writing to the Executive Director and describe the [undue] hardship created by the electronic fund transfer of the participant's monthly allowance. *The participant shall submit documentation to support the hardship with the request to the Executive Director.*

C. [Determination on Request.

(1) The Executive Director *or the Executive Director's designee* may grant the request on a [permanent] *temporary or indefinite* basis and allow payment of the monthly allowance by check if the participant:

[(a)](1) Lives outside the United States;

[(b)](2) Maintains a bank account with a financial institution that is not a member of the National Automated Clearing House;

[(c) Maintains multiple savings, checking, or money market accounts at the same or different financial institutions;

(d)](3) Receives less than a \$250 net monthly allowance;

[(e)](4) Is of an advanced age, has a disability, or both, affecting the participant's ability to maintain or access a bank account, or both;

[(f) Does not reside within a reasonable distance of a financial institution;

(g) Does not have, or has been denied the opportunity to, open and maintain a banking account; or

(h) Demonstrates that circumstances exist which the Executive Director determines, in his discretion, would create a hardship if the participant is required to receive an allowance by electronic funds transfer.

(2) The Executive Director may grant the request on a temporary basis and determine the length of time for payment by check if the participant's account:

(a) Is subject to garnishment or child support; or

(b) Is closed by the financial institution;]

(5) *Resides in a remote geographic location lacking the infrastructure to support electronic fund transfer;*

(6) *Has been denied the opportunity to open or maintain a banking account; or*  
(7) *Demonstrates that circumstances exist that would create a hardship if the participant is required to receive an allowance by electronic funds transfer.*

*D. If the Executive Director or the Executive Director's designee grants the request for payment by check, the Retirement Agency may require the participant to periodically submit documentation demonstrating the continued necessity for payment by check. If the Executive Director or Executive Director's designee determines that a hardship no longer exists, the Retirement Agency may pay the participant's monthly allowance by electronic fund transfer, in accordance with Regulation .01 and .03E of this chapter.*

*[D.] E. [The Executive Director may deny the request] If the Executive Director or the Executive Director's designee denies the request for payment by check, and[, if] the participant [refuses] fails to complete the electronic fund transfer sign-up form, the Retirement Agency may suspend payment of the participant's allowance [until an electronic fund transfer sign-up form is submitted. The Executive Director shall notify the participant in writing of the denial, the right of the agency to suspend payment of the retirement allowance if the participant fails to complete the electronic fund transfer sign-up form, and the participant's right to request a hearing under COMAR 22.03.04] in accordance with Regulation .04 of this chapter.*

#### ***.04 Suspension of Allowance***

*A. The Retirement Agency may suspend a participant's monthly allowance for reasons including, but not limited, to the following:*

- (1) The participant fails to submit a properly completed electronic fund transfer sign-up form;*
- (2) The participant fails to provide a current mailing address;*
- (3) The participant fails to return a properly completed verification form required to confirm receipt of monthly allowance;*
- (4) The Retirement Agency receives conflicting payment instructions regarding the participant's allowance;*
- (5) The Retirement Agency has reason to believe the participant is a "vulnerable adult" being subject to "exploitation", as those terms are defined by Family Law Article, § 14-101, Annotated Code of Maryland; or*
- (6) The Retirement Agency has reason to believe the participant is no longer living.*

*B. The Retirement Agency shall notify the participant at the last address on file of a suspension of retirement allowance and provide instructions on actions required to resume payment. All properly due monthly benefits held in suspension are payable to the participant upon reinstatement of the benefits.*