

Retiree News & NOTES



MARYLAND STATE RETIREMENT and PENSION SYSTEM

FEBRUARY 2025
VOL. 43 NO. 1



Inside:
Payment dates for 2025

A Newsletter for Retirees from the Maryland State Retirement & Pension System

Trustee election update

NOMINATION petitions for two Board of Trustees candidates—one representing the Employees' Systems and the other the Teachers' Systems—are currently being tallied by staff at the Maryland State Retirement Agency. Once nominations are certified, information will be provided to retirees and active members of the Maryland State Retirement and Pension System regarding the trustee election slated for this spring.

Your annual tax statement available by mail, **mySRPS**

WHETHER YOU RETRIEVE it from your mailbox or download it from our secure **mySRPS** website, your annual 1099-R tax statement is an invaluable tool for income tax preparation. Internal Revenue Service Form 1099-R was mailed to retirees' homes and posted online no later than January 31, 2025.

Your 1099-R provides detailed information on the payments

you received from the Maryland State Retirement Agency during calendar year 2024.

Most payees will receive only one 1099-R tax form each year. Two types of retirees will receive two 1099-R forms:

- Members who retired in 2024 will receive a second 1099-R tax form

See Statement, page 3

sra.maryland.gov

PRESORTED
STANDARD
U.S. POSTAGE PAID
BALTIMORE, MD
Permit No. 7916

MARYLAND
STATE RETIREMENT
and PENSION SYSTEM
120 East Baltimore Street
Baltimore, Maryland 21202-6700



Fund successfully exceeds annual benchmark with 6.93% FY 2024 return

THE INVESTMENT FUND of the Maryland State Retirement and Pension System generated a 6.93% return for the fiscal year ending June 30, 2024, topping its actuarial rate of return by 13 basis points and beating its policy benchmark by 59 basis points. This latest return demonstrates the agency's track record of consistently meeting or exceeding its benchmarks for long term performance.

"I am pleased the System earned its actuarial target rate of return for the fiscal year and over the last five years," said SRPS Chief Investment Officer Andrew Palmer. "Our strategic mix of public and private market investments has enabled the System to earn the target return over time, participating in strong public market environments, such as fiscal year 2024, and

providing a level of protection during difficult times through the more stable private market valuation practices. I am also pleased with our implementation of the asset allocation policy, with more than 60% of plan assets exceeding their respective benchmarks for the past year, and over 90% of System assets outperforming benchmarks over the last five years."

The relative performance of pension plans for fiscal year 2024 was determined by the proportion of public market and private equity, the regional mix of public equity, the type and size of bond portfolios and the allocation to real assets. In Maryland, the System's long-term strategic



Maryland State Treasurer and SRPS Board Chair Derek E. Davis, Retirement Agency Executive Director Martin Noven, and Chief Investment Officer Andrew C. Palmer, clockwise from top left.

benchmark is designed to be competitive over longer periods with lower volatility.



"The more than 420,000 Marylanders we serve deserve to retire with dignity, knowing they are financially secure," said SRPS Executive Director Martin Noven. "As fiduciaries, the best interests of our members guide our investment decisions, and we sustain the trust of those we serve by delivering a well-funded portfolio. Our strong returns this year reflect our steady progress toward achieving full funding to keep the promises made to our members."

The Maryland State Retirement and Pension System continues

Keep track of your pension fund with regular online updates

WANT TO KEEP AN EYE on your \$68 billion pension fund throughout the year? The Maryland State Retirement and Pension System website provides a wealth of resources to keep you informed.

Go to sra.maryland.gov and click on **Investments & Financials** to

review quarterly investment performance updates, annual financial reports and actuarial valuations. Dig a little deeper to learn about your plan's investment policies, divestiture rules, and ESG and DEI practices. You even can submit your questions and comments through a handy online dialog box.

Questions about the investment program? Submit them at sra.maryland.gov/agency-investment-contact.

See Return, page 3

Statement, from page 1

for any additional payments, such as a refund of any excess member contributions.

- Retirees who turned age 59½ in calendar year 2024 will receive a 1099-R tax form for pension payments distributed in the calendar year prior to reaching age 59½ with a distribution code 2. They will receive a separate 1099-R tax form for pension payments distributed in the calendar year on or after the date they reached

age 59½ with a distribution code 7.

Print your 1099-R

You can access and print your 1099-R tax statement in three easy steps:

1. Log into your **mySRPS** account.
2. Click on the **My Documents** tab in the upper right-hand corner of the screen.
3. Select **View** next to the tax form that you wish to access.

Not registered for mySRPS?

With **mySRPS** you can securely download and print your annual

1099-R tax statement anytime, anywhere. You also can update your federal or Maryland State tax withholdings, sign up for direct deposit or change banks, print an award letter for a landlord or lender, and update your designated beneficiaries.

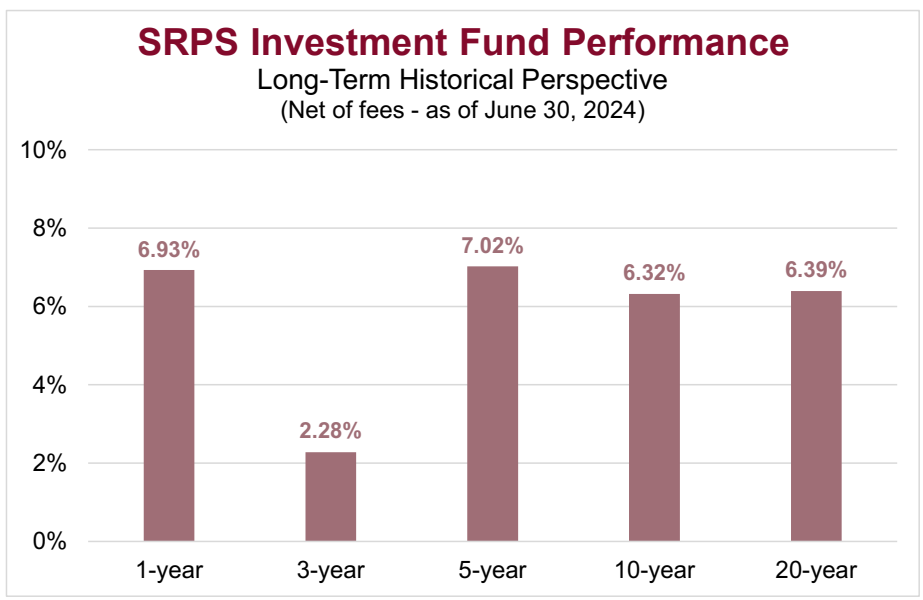
Signing up is easy! Visit us online at sra.maryland.gov, click on **mySRPS Login**, then **Register**. Follow the prompts to receive a registration packet in the mail.

Return, from page 2

to post consistently strong long term performance outcomes. Moreover, because the strategic portfolio exhibits lower volatility along the way, it accumulates more assets for the System during a volatile period characterized by high inflation, rising interest rates and geopolitical uncertainty.

“Consistent with our fiduciary responsibilities, the Board’s investment strategies are designed to create long term value and secure the financial future of our participants,” said State Treasurer Dereck E. Davis, Chair of the Maryland SRPS Board of Trustees. “Our goal is to give Marylanders the financial security they have come to expect and deserve.”

Benchmarks are set by the Board of Trustees, which directs the management of the



System’s \$68 billion investment portfolio. The returns of asset classes and the System’s total portfolio are measured against the benchmarks, which identifies the contribution or loss caused

by manager performance and tactical asset allocation decisions.

Key components of your 1099-R form

SEVERAL important parts of your 1099-R form are described here. More detailed instructions are printed on the form.

BOX 1: Gross Distribution

This is the total amount of pension benefits paid to you by the Maryland State Retirement Agency during the 2024 calendar year.

BOX 2a: Taxable Amount

This is the taxable amount of the pension benefits paid to you. Depending on when you retired, your retirement type and whether you contributed to help fund your benefits, you may not be taxed on the total amount of pension benefits paid to you. If this is the case, the amount shown in this box will differ from the amount in Box 1.

BOX 4: Federal Income Tax Withheld

This is the total amount of federal income tax deducted from your monthly pension benefits.

BOX 5: Employee Contributions

This is the amount of your contributions that were recovered, tax free, during 2024. The dollar figure in this box does NOT include the amount of any health insurance premiums withheld from your pension benefit.

BOX 7: Distribution Code(s)

This is the IRS distribution code. IRS codes are explained on the back of the 1099-R form.

BOX 9b: Total Employee Contributions

This is the value of any of your member contributions made

during employment that can be recovered tax-free in retirement. Only if you retired in 2024 and made member contributions that can be recovered tax-free will you see a value in this box. If you retired prior to 2024, a zero will be printed in the box.

BOX 14: State Tax Withheld

This is the total amount of Maryland State income tax deducted

from your monthly pension benefits.

BOX 19: Pick-Up Contributions

This amount applies to you if your employer participated in the Employer Pick-up Program. See below for more information.

Employer Pick-up and your taxes

FOR ELIGIBLE RETIREES, Box 19 of the 1099-R form contains the amount of your tax-deferred contributions made under the Employer Pick-up Program. This figure is important for Maryland State income tax preparation.

The Employer Pick-up Program provides for the deferral of federal taxes for pension plan contributions made while working. They are taxable when received as part of your pension.

Since this program defers only federal taxes at the time the contributions are made, state income taxes were deducted.

Your participation in the Employer Pick-up Program was determined by whether your employer elected to participate and by whether your pension plan required you to make employee contributions.

Federal taxes

Since eligible members did not pay any federal taxes on their

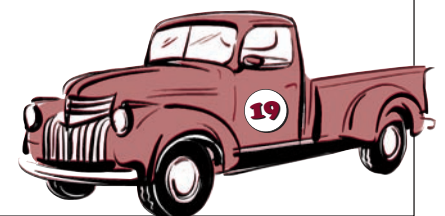
pick-up contributions during employment, taxes must be paid during retirement.

You do not need to make any special entries on your federal tax form. The Maryland State Retirement Agency has included your pick-up contributions when computing the taxable amount of your pension for federal tax purposes.

Maryland State taxes

You have already paid Maryland State taxes on the pick-up contributions listed on your 1099-R. To avoid paying taxes twice, you must subtract the pick-up amount from your federal adjusted gross income shown on page 2 of your Maryland tax return (Form 502) as follows:

See Pick-up, page 6



Access your pension account instantly with mySRPS

RETIREMENT AGENCY STAFF are available 8:30 a.m. to 4:30 p.m., Monday through Friday, to assist you with your pension, and we're happy to do it. With the Retirement Agency's secure website **mySRPS**, you also can access your account *any time*.

Log into **mySRPS** and perform the following tasks day or night without a phone call or paper forms.

- Sign up or change your direct deposit
- Update your federal and Maryland State tax withholdings
- Identify and, for single life annuities, change beneficiaries
- Print your annual tax statement
- Send us a secure message
- Review your payment history and deductions
- Print an income verification letter for a landlord or lender



Signing up for mySRPS is easy and secure!

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.

IMPORTANT: *The following information is provided courtesy of the Maryland Department of Budget and Management for **retirees from Maryland state government only**. If you retired from a public school, county or town, this information does not apply to you. Contact your former employer for information on health benefits. **The Maryland State Retirement Agency does not administer health benefits.***

State retiree prescription drug update

STATE-PROVIDED prescription drug benefits for Medicare-eligible retirees ended on December 31, 2024. As a result, the State will no longer deduct prescription drug premiums from your pension.

The State partnered with Via Benefits to help Medicare-eligible retirees and their Medicare-eligible dependents find and enroll in a Medicare Part D plan as a part of this transition. Retirees and eligible dependents with questions about their Medicare Part D plan that began on January 1, 2025, should contact Via Benefits directly at 1-855-556-4419.

If you are a retiree or dependent of a retiree and are eligible for the State-provided Health Reimbursement Arrangement (HRA), you will receive an HRA debit card to help pay for out-of-pocket prescription drug expenses. If you are eligible for the Life-Sustaining Prescription Drug Program (LSPDP), detailed information about the program can be found on the Via Benefits website at

**Medicare-eligible State of Maryland retirees:
Have questions about Rx benefits?**

Via Benefits

1-855-556-4419 (TTY: 711)

Monday – Friday

8 a.m. – 7 p.m. Eastern Time

<https://my.viabenefits.com/maryland>

<https://my.viabenefits.com/maryland> or on the Department of Budget and Management website at <https://dbm.maryland.gov/benefits/Pages/Retirees.aspx>.

To determine if you still have time to enroll for a future date, call Via Benefits directly at 1-855-556-4419. Have questions about your State-provided medical and dental insurance benefits? Please contact the Department of Budget and Management's Employee Benefits Division at 1-410-767-4775.

Pick-up, from page 4

Enter your pick-up amount on line "r" of Form 502SU. Enter the sum of all subtractions from Form 502SU on line 13 of Form 502. Enter code letter "r" in the code letter box of Form 502. Please attach the Form 502SU to the Form 502. This serves as a subtraction from your income which will reduce your taxable net income on line 20 (Form 502).

The subtraction is limited to the amount of pick-up contribution stated on the 1099-R or the taxable pension, whichever is less. The remainder of the pick-up amount is carried over to next year's taxes. When the pick-up amount reaches zero, "EP USED" will be printed in the pick-up box on your 1099-R. This usually occurs within a few years after the date of retirement.

Did you retire in 2024?

For members who ended active employment and retired in 2024, the W-2 form you receive from your former employer will show 1) your annual wages earned prior to retirement and 2) any state pick-up contributions made in 2024. This state pick-up amount serves as an addition to state income for 2024. Enter this figure on line 3 of your Maryland tax return (Form 502).

Need assistance?

For more information on Maryland State income tax, visit the Comptroller of Maryland at www.marylandtaxes.gov.

Clip & Save: 2025 Payment dates

THE SCHEDULE FOR DIRECT DEPOSIT of retirement benefits for calendar year 2025 has been announced by the Maryland State Retirement Agency. For retirees with an approved waiver, mailed check delivery dates also are listed.

Date direct deposit is credited to retirees' accounts

- Friday, January 31
- Friday, February 28
- Monday, March 31
- Wednesday, April 30
- Friday, May 30
- Monday, June 30
- Thursday, July 31
- Friday, August 29
- Tuesday, September 30
- Friday, October 31
- Friday, November 28
- Wednesday, December 31

Date post office begins to deliver retirement checks

- Friday, January 31
- Friday, February 28
- Monday, March 31
- Wednesday, April 30
- Saturday, May 31
- Monday, June 30
- Thursday, July 31
- Saturday, August 30
- Tuesday, September 30
- Friday, October 31
- Saturday, November 29
- Wednesday, December 31

Deposit advice slips are mailed in your first month of retirement. Then, they are mailed in January and July or when a benefit change occurs. Retirees may obtain their payment information at any time by accessing our secure website, **mySRPS**, at <https://mysrps.sra.maryland.gov>.

Retiree News going digital in 2026

THE LATEST INFORMATION about your pension will be delivered more quickly and efficiently in calendar 2026 as *Retiree News & Notes* switches from paper to electronic format.

Visit our website at sra.maryland.gov and enter your email address to receive the latest pension news. You also can provide your email address using our **mySRPS** secure portal or by submitting a Form 77.

Retiree News is published by
The Maryland State Retirement Agency
120 East Baltimore Street
Baltimore, MD 21202-6700
410-625-5555
1-800-492-5909
sra.maryland.gov

EDITOR:

Benjamin Robb

BOARD OF TRUSTEES

Dereck E. Davis
CHAIR

Brooke Lierman
VICE-CHAIR

Martin Noven
SECRETARY

Jamaal R. A. Craddock
James P. Daly, Jr.
Ayana K. English-Brown
Helene T. Grady
Sheila Hill
Charles Hopkins

Richard E. Norman
Mia N. Pittman
Douglas Prouty
Michelle RhodesBrown
Tarrus Richardson
Robert F. Sandlass, Jr.