

Retiree News & Notes



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

JULY 2021
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A Newsletter for Retirees from the Maryland State Retirement & Pension System

Breaking News

BALTIMORE – The Maryland pension fund's fiscal year-to-date performance as of May 31 was 24.65%, adding nearly \$12 billion in assets under management since the end of the last fiscal year. Full audited investment results will be posted online when available.

Eligible retirees to receive 1.234% COLA in July

RETIRED MARYLAND teachers, state and municipal employees, correctional officers and police will notice an increase to their monthly retirement benefit in July as the annual cost-of-living adjustment (COLA) takes effect.

This year's COLA rate for the fiscal year beginning July 1 is 1.234%.

The increased monthly benefit will be shown on the Automatic

Deposit Advice mailed to the homes of all retirees on July 31.

Frequently asked questions

Q. Who qualifies to receive the COLA this July?

A. A retiree who has been retired at least one year as of July 1, 2021 qualifies for this year's COLA. Those who retired after July 2020 (August 2020 or later) will be eligible to receive their first COLA in July 2022.

COLA, page 2

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Walk-in retirement assistance resumes at Retirement Agency offices in Baltimore

AFTER NEARLY 13 MONTHS of serving retirees by phone, email and letter, the Maryland State Retirement Agency reopened its Baltimore headquarters in June for in-person retirement counseling. Visit us at 120 East Baltimore Street, 14th floor, in the Sun Trust Building, to ask questions about your pension benefit or to drop off retiree forms such as *Direct Deposit — Electronic Funds Transfer Sign-Up* (Form 85) or *Change of Address Form for Payees (Retirees and Beneficiaries)* (Form 77).

The Maryland State Retirement Agency...

✓
Manages a \$66.8 billion pension fund

✓
Pays \$351 million in monthly checks

✗
Administers health insurance benefits

THE MARYLAND State Retirement Agency makes sure you receive your monthly retirement benefit on time and in the correct amount. We do not, however, administer your health insurance coverage.

For information about health benefits, retired state employees

should contact the Maryland Department of Budget and Management Employee Benefits Division at 410-767-4775 or 1-800-307-8283. Retired teachers and county/town employees should contact their former employer.

COLA, from page 1

The COLA does not apply to retired Maryland legislators, judges or governors. Those retirees receive adjustments based on the specific terms of their plans.

Q. How is the COLA rate determined?

A. The COLA rate is calculated using a formula provided in state law and is based on the change in the Consumer Price Index (CPI) for the most recent calendar year ending December

31, compared to the CPI for the prior calendar year.

This rate is then compared to the maximum COLA rate allowed by state law for the various Maryland retirement plans to determine the correct adjustment to each individual retirement allowance. This year, the COLA rate does not exceed any of the rate caps that apply to retirees of the various state systems, so the COLA for each eligible retiree will be based on the COLA rate of 1.234%

A reminder for retirees who selected Option 5 or 6

NO RETIREE expects to outlive a beneficiary but, unfortunately, it does happen. When a retiree who selected Option 5 or 6 at retirement experiences the death of his or her designated beneficiary, special action is required.

Retirement Options 5 and 6 provide a reduced monthly benefit. Then, following the death of the retiree, a continuing monthly benefit is paid to a sole surviving beneficiary. However, if the beneficiary dies first, the retiree's monthly benefit will increase, *upon notification to the Maryland State Retirement Agency*, to the un-reduced Basic Allowance, the maximum monthly benefit payable. This increased payment continues indefinitely, or until the retiree names a new beneficiary.

A retiree who selected Option 5 or 6 at retirement and experiences the death of a beneficiary should notify the Retirement Agency immediately. *Without this notification, the retiree's reduced Option 5 or 6 monthly benefit will not increase.*

If you don't recall which retirement option you selected, please refer to the Notice of Retirement Allowance mailed to you at retirement. This information also is available on the Retirement Agency's secure website, **mySRPS**.

Illinois pension executive tapped to lead Maryland State Retirement Agency

FOLLOWING a nationwide search, the Board of Trustees of the Maryland State Retirement and Pension System has tapped Martin Noven, of Illinois, as Executive Director of the Maryland State Retirement Agency. Mr. Noven took over the reins July 1 from R. Dean Kenderdine, who retired June 30 after serving as Executive Director for 14 years.

“I am excited to work with an exceptional team to deliver hard-earned retirement benefits to Maryland workers,” said Mr. Noven. “The Maryland State Retirement Agency is nationally recognized as a well-run public pension plan and it is indeed an honor to be selected to take the helm of this fine organization.”

Mr. Noven served for four years as Executive Director of the Illinois State Universities Retirement

System (SURS), a \$22 billion fund that serves 230,000 public university and community college employees and retirees in Illinois. Prior to SURS, he was Senior Director for Government Markets at TIAA (Teachers Insurance and Annuity Association of America), which provides retirement services for people in academia, research, medicine and other fields. He also served as the Deputy State Treasurer and worked in various management positions at the Illinois State Treasurer’s Office from 1993 to 2007.

“The State Retirement and Pension System Board of Trustees is extremely pleased with the selection of Martin Noven,” said State Treasurer Nancy K. Kopp, Board Chair. “He comes to Maryland with an exceptional depth of experience, much

needed at this critical time, and we are confident he will serve our members well.”



Martin Noven assumed the role of Executive Director of the Maryland State Retirement Agency on July 1.

Mr. Noven graduated Phi Beta Kappa in speech communication from the University of Illinois at Urbana-Champaign and earned a law degree from the University of Texas at Austin. He resides in Howard County, Maryland, with his wife and two children.

Maryland Charity Campaign slated

WATCH YOUR MAILBOX THIS FALL for information about the 2021 Maryland Charity Campaign, a workplace charitable giving program that offers retirees the opportunity to donate to vetted, pre-approved charities.

For more information, please visit <http://mcc.maryland.gov> or contact MCC Administrator Lori Parks at 410-260-3857.

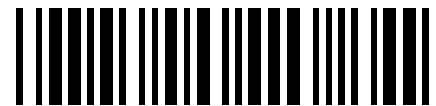
Where do retirees live?

MARYLAND State Retirement and Pension System payees reside primarily in these states:

- Maryland.....75.1%
- Florida.....4.6%
- Pennsylvania3.6%
- Virginia.....2.5%
- Delaware2.3%
- North Carolina2.2%
- South Carolina.....1.4%
- West Virginia.....1.3%

No other state is home to more than 1% of our payees.

Use barcoded forms for faster service



BARCODES are printed on all forms used by members of the Maryland State Retirement and Pension System. These codes help staff process your submitted forms more quickly. Before completing a Retirement Agency form, please be sure it displays a barcode. If a Retirement Agency form does not include a barcode, the form is out of date and should not be used.

Your Board of Trustees

Prince George's official tapped to serve on Board

A GOVERNMENT FINANCE PROFESSIONAL from Prince George's County has been appointed by Governor Lawrence J. Hogan, Jr., to represent the interests of participating governmental units as the newest member of the Board of Trustees of the Maryland State Retirement and Pension System.

Trustee Linda Vaughn Allen assumed the seat previously held by James M. Harkins, who retired from the Board after 14 years of dedicated service.

Trustee Allen is Deputy Director of the Office of Finance for Prince George's County, where she has served in various capacities for 16 years. Ms. Allen was Treasurer from 2010 to 2018 and Cash and

Investments Manager from 2005 to 2010. Prior to joining Prince George's County, Ms. Allen served as Corporate Cash Manager for Manor-Care Health Services, a long-term healthcare organization.

Trustee Allen attended Howard University and holds an MBA from the University of Maryland's Robert H. Smith School of Business.



Trustee Linda Vaughn Allen is a gubernatorial appointee to the Board.

Teachers propel Trustee Prouty to second Board term

INCUMBENT TEACHERS' SYSTEMS REPRESENTATIVE Douglas Prouty has been elected to a second term on the Board of Trustees of the Maryland State Retirement and Pension System. As a member of the 15-member Board, Trustee Prouty will help oversee \$2.6 billion in annual pension payments to nearly 415,000 current and future retirees.

As the only potential candidate to submit the required nominations to appear on the ballot, Trustee Prouty was certified, in accordance with the Code of Maryland Regulations, as elected to fill the post. His new four-year term will begin August 1.

A Board member since August 2017, Trustee Prouty serves as Vice Chair of the Board's Corporate Governance Committee and is a member of the Investment Committee.



Election slated for Trooper rep

RETIRED AND ACTIVE members of the Maryland State Police Retirement System who wish to represent their fellow Troopers on the Board of Trustees of the Maryland State Retirement and Pension System may obtain nomination petitions beginning September 1.

Qualified nominees will compete in an election next spring, with the successful candidate taking office August 1, 2022. Current State Police representative Richard E. Norman was elected to the Board in 2014.

A Trustee's duties are substantial. The Board of Trustees:

- Oversees the management of the Maryland State Retirement Agency,
- Establishes investment policy for a \$66.8 billion pension fund and
- Ensures accurate and timely payment of retirement benefits for more than 167,000 retirees and beneficiaries.

Election results for Employees' plans to be announced

WHILE NOT AVAILABLE AT PRESS TIME, results of this spring's trustee election for the Employees' Systems will be posted online when they become available. Voting was slated to conclude July 14 in the race between incumbent Trustee Jamaal R. A. Craddock and challenger Stephanie Peebles. Go to sra.maryland.gov for election results.

Welcome to retirement!

CONGRATULATIONS on your recent retirement!

Whether you were employed as a teacher, government employee, correctional officer, police officer or in another important role, you *earned* your Maryland State Retirement and Pension System benefits through your hard work and service to the citizens of the Free State.

To help make your transition to retirement as smooth as possible, answers to the questions most frequently asked by new retirees are provided here.

Q. *When will my first retirement payment be issued?*

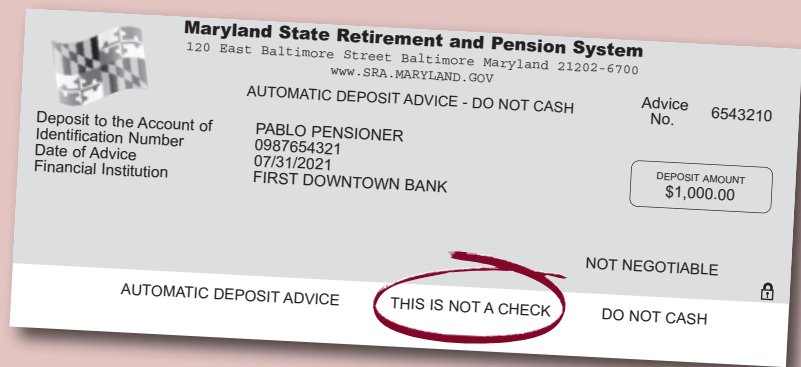
A. In general, retirement payments are issued the last business day of each month. You will receive a Notice of Retirement Allowance before your first monthly payment is issued. This document provides important information about your benefit, including your gross monthly allowance, beneficiaries and yearly earnings limit. It also confirms the retirement option you selected and shows any additional credit you received for unused sick leave. Please keep this document for your records.

Q. *How can I confirm that my payment was deposited in my bank account and that proper deductions were made?*

A. An Automatic Deposit Advice, pictured above, will be mailed to you the first time a deposit is made in your bank

This is *not* a check (but you are being paid)

An Automatic Deposit Advice mailed to your home may *look* like a check, but it is not negotiable. This document simply alerts you that your payment has been electronically deposited at your bank.



account. This document shows the gross amount of your benefit; the value of any deductions for health insurance, tax withholding or other payments; and the net amount of the deposit.

After this first deposit, an advice slip will be mailed to you only in January and July. In addition to these twice-yearly notifications, a Deposit Advice will be mailed to you any time the amount of your deposit changes.

Q. *Why was my payment made by paper check, not direct deposit?*

A. Sometimes a new retiree's direct deposit is not set up in time for the first monthly payment. In these cases, to avoid a delay in payment, retirees receive a paper check via mail until the direct deposit is initiated.

In some cases a direct deposit fails or is rejected by the bank.

This is usually because the bank account number or routing number provided to the Maryland State Retirement Agency is incorrect. If a direct deposit fails, the retiree will receive a paper check by mail and, in a separate envelope, a notification about the failed deposit. It may take several days for a check to be issued in the case of a failed deposit.

Q. *Why have I received a refund check after my date of retirement?*

A. Retirement contributions are deducted automatically from your pay while you are employed. In some cases, a payroll deduction is received after your date of retirement and is not needed to fund your pension benefit. In these cases the excess contribution is refunded.

Online services are quick, easy and secure

*Why wait on the phone when **mySRPS** is a click away?*

WITH MORE THAN 412,000 retirees and active members, phones at the Maryland State Retirement Agency never stop ringing. And while we love to hear from you, we know you don't like to wait on hold. That's why **mySRPS**, the Retirement Agency's secure website, is such a great resource. And, it keeps getting better!

After signing up using our secure process, retirees can tap **mySRPS** to perform many functions that formerly required a time consuming phone call and paper forms. Users of **mySRPS** can:

- Change their income tax withholdings
- Print out their IRS Form 1099-R
- Review their payment history for the past five years, including deductions
- Update their mailing address in Retirement Agency files
- Print an income verification letter for a landlord or lender
- Check who is their designated beneficiary and
- Change their beneficiary (single-life annuities only)

Signing up for **mySRPS** is easy. Visit sra.maryland.gov and, in the top right of the webpage, click on **mySRPS Login**. Click

Register and follow the instructions to receive your registration code and packet by mail.

For retirees who prefer communicating by telephone or letter, those options will continue.

Kenderdine concludes career of service



Trustee David R. Brinkley, Maryland Secretary of Budget and Management, left, presents a citation from Governor Lawrence J. Hogan, Jr., to retiring Maryland State Retirement Agency Executive Director R. Dean Kenderdine. State Treasurer and Board Chair Nancy K. Kopp, center, delivered a Board resolution to Mr. Kenderdine.

R. DEAN KENDERDINE, who as Executive Director led the Maryland State Retirement Agency through the largest legislative pension reform in System history and the replacement of a decades-old computer mainframe, retired July 1 after 14 years at the Agency's helm.

A lifelong public servant, Mr. Kenderdine previously served in leadership roles at the Office of both the Maryland Governor and Comptroller, the Maryland

Department of Business and Economic Development, the Office of U.S. Senator Barbara Mikulski and the Maryland Department of Human Resources.

A Maryland General Assembly resolution presented on the Maryland State Senate floor in March congratulated Mr. Kenderdine on his retirement after "more than 40 years of dedicated and exemplary service to the State of Maryland."

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