

Retiree News & NOTES



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

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Inside:
New direct
deposit sign-up
won't require a
trip to the
bank!

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

Use new forms to designate tax withholding

NOBODY ENJOYS paying taxes. With two new tax withholding forms from the Maryland State Retirement Agency, however, tax time may be a little more convenient.

Previously, retirees completed a *Federal and Maryland State Tax Withholding Request* (Form 766) to designate their desired withholdings. This form has been

See Forms, page 6

Retirees to see monthly benefit increase with July 2022 COLA

ELIGIBLE RETIREES of the Maryland State Retirement and Pension System will notice a boost in their monthly allowance beginning in July as the 2022 cost-of-living adjustment takes effect.

This year's COLA rate of 4.698% exceeds the rate caps provided in state law for some systems. As a result, most payees will receive a capped cost-of-living adjustment on part or all of their monthly benefit.

A summary of COLA rate caps is provided on page 2.

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, 2022, qualifies for this year's COLA. Those who retired after July 2021 (August 2021 or later) will be eligible to receive their first COLA in July 2023.

See COLA, page 2

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Q. Which payment will include the new COLA increase?

A. Qualifying payees will see the adjustment in their July 2022 monthly allowance paid at the end of July.

Q. I forgot my system. What is it?

A. There are multiple methods to determine your system of membership:

- Log into **mySRPS**, the Retirement Agency's secure website. See page 3 for registration instructions.
- Review the *Notice of Retirement Allowance* you received at retirement.
- Look on the last Personal Statements of Benefits you received before retirement.

Q. How is the annual COLA increase applied?

A. A payee's benefit system determines how the annual increase is calculated. Eligible payees receive either a compound rate or a simple rate. For payees receiving the compound rate, the COLA increase is based on their current allowance, allowing COLAs to compound over time. Under the simple rate, the increase is based on the initial allowance. The compound rate applies for eligible payees of all systems except the Employees' Non-Contributory Pension System and the Local Fire and Police System.

Q. How is the COLA rate determined?

A. To calculate the annual COLA rate, the Consumer Price Index for the calendar year ending December 31 in the second preceding fiscal year is subtracted from the CPI for the

System	COLA Cap
Correctional Officers' Retirement System	COLA is 4.698% on the portion of the allowance earned before July 1, 2011. COLA is capped at 2.5% on the portion earned on or after July 1, 2011.
Employees' and Teachers' Pension Systems	COLA is capped at 3% on the portion of the allowance earned before July 1, 2011. COLA is capped at 2.5% on the portion earned on or after July 1, 2011.
Employees' and Teachers' Retirement Systems	COLA is 4.698%. <i>Exception:</i> Bifurcated payees will receive the full COLA of 4.698% on the portion of the allowance earned before they elected to bifurcate. COLA is capped at 3% on the portion earned after they elected to bifurcate.
Law Enforcement Officers' Pension System	COLA is capped at 3% on the portion of the allowance earned before July 1, 2011. COLA is capped at 2.5% on the portion earned on or after July 1, 2011. <i>Exception:</i> Members who transferred from the Employees' or Teachers' Retirement System under Selections A or B who did not elect to participate in the Law Enforcement Modified Pension Benefit receive the full COLA of 4.698%.
Local Fire and Police System	COLA is capped at 3%. <i>Exception:</i> Members who transferred from the Employees' Retirement System will receive the full COLA of 4.698%.
State Police Retirement System	COLA is 4.698% on the portion of the allowance earned before July 1, 2011. COLA is capped at 2.5% on the portion earned on or after July 1, 2011.
Judges Retirement System and Legislative Pension Plan	The COLA does not apply to retired Maryland legislators, judges or governors. Those retirees receive adjustments based on the specific terms of their plans.

calendar year ending the same date in the preceding fiscal year. This difference is then divided by the CPI for the calendar year ending December 31 in the second preceding fiscal year. The CPI is defined by law as "the annual average Consumer

Price Index (all urban consumers, United States city average, all items, not seasonally adjusted, 1967-100) for the calendar year ending December 31 as published by the United States Department of Labor, Bureau of Labor Statistics."

New direct deposit sign-up will not require bank visit

RETIREES AND BENEFICIARIES soon will be able to register for direct deposit of their monthly benefit using the Maryland State Retirement Agency's secure website **mySRPS**. A new and improved paper sign-up form also will be available. Best of all, once the new process is launched, payees will be able to complete either method without a trip to the bank!

Currently, payees registering for direct deposit must visit their savings institution to have a paper form completed and signed by a bank employee. No more! The new process will allow retirees and beneficiaries to sign up for direct deposit online or using a paper form, whichever they prefer. Either way, a trip to the bank to ask a teller to complete and sign the form won't be needed.

In addition to being convenient and secure, the new direct deposit sign-up process will be fast. Once launched, most direct deposit requests will go into effect the next business day.

Visit the Maryland State Retirement Agency online at **sra.maryland.gov** for updates on the launch of the new direct deposit process.

Pension transactions are fast, easy with mySRPS

UPDATE YOUR tax withholdings, check and change beneficiaries, obtain pension payment records and print your annual 1099-R tax statement quickly and conveniently using the Maryland State Retirement Agency's secure website, **mySRPS**.

These types of transactions, which formerly required a phone call, paper forms and a lengthy wait, are now fast and trouble-free with **mySRPS**!

Not signed up for mySRPS?

Simply go to **sra.maryland.gov**, click **mySRPS** in the top-right corner of the homepage and follow the instructions provided.

The following information is provided courtesy of the Maryland Department of Aging. For more information, call 1-844-MAP-LINK (627-5465).



"Can you hear me?" Do NOT say, "Yes."

Scammers call and ask questions to get a "Yes" that they can record and then use, saying you have agreed to a product or service. Instead, try other phrases like "I can," "I do," "I hear you."

For more tips from the Maryland Department of Aging on scam and fraud prevention, visit:
aging.maryland.gov/Pages/ScamsFraud.aspx

Learn how to:

- Recognize the red flags
- Know who is at risk
- Report scams and fraud
- Prevent and detect scams and fraud



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

2023 open enrollment slated for State of Maryland retirees

FALL OPEN ENROLLMENT for calendar year 2023 has been scheduled for Oct. 10 through Nov. 4, 2022, for retirees from Maryland state government. State retirees will be able to use the State Personnel System/Workday web enrollment or paper enrollment forms.

- Be sure to update your address with the Employee Benefits Division:
ebd.mail@maryland.gov
- Open enrollment packets will be mailed in September.
- **Retiree prescription drug benefits will continue through at least December 31, 2023.** For the latest updates, go to:
dbm.maryland.gov/benefits/Pages/Retirees.aspx
- Not making change? Do nothing!

Questions? Call the Employee Benefits Division at 410-767-4775 or 1-800-307-8283.

Assembly tackles climate risk, earnings limits, workplace COVID deaths, Russian divestment

BEFORE THE FINAL GAVEL fell on this year's legislative session in Annapolis, the Maryland General Assembly passed several bills of interest to retirees of the Maryland State Retirement and Pension System. Governor Lawrence J. Hogan, Jr., may sign these bills into law, veto them or permit the legislation to become law without his signature.

House Bill 740/Senate Bill 566: Investment Climate Risk – Fiduciary Duties

Synopsis: This legislation requires the System to consider the potential risks of climate change on the investment fund to ensure a path to a long-term sustainable portfolio. The legislation also requires the System to engage on this issue with investment managers and report progress annually to the legislature. Under this legislation, the System is not compelled to take any action that is inconsistent with its fiduciary responsibilities. **UPDATE:** Gov. Hogan permitted this legislation to become law without his signature.

House Bill 742/Senate Bill 409: COVID-19-Related Death Benefits – Sunset Extension

Synopsis: This legislation extends eligibility dates to June 30, 2023, for COVID-19-related death benefits. Family members of active members of the System who died from COVID-19 should contact the Maryland State Retirement Agency for more information. **UPDATE:** Gov. Hogan signed SB 409.



BIPARTISAN TAX CUT FOR RETIREES Governor Lawrence J. Hogan, Jr., in April signed into law the Retirement Tax Elimination Act, providing tax relief for Maryland retirees. Gov. Hogan was joined by Senate President Bill Ferguson and House Speaker Adrienne A. Jones, along with lawmakers from both the House and Senate. Both chambers voted unanimously to pass the bipartisan legislation. Photo courtesy of the Executive Office of the Governor.

IMPORTANT: Contact your tax advisor for more information. Maryland State Retirement Agency staff cannot provide tax advice.

House Bill 1482/Senate Bill 1005: Divestment from Russia

Synopsis: This emergency bill requires the System to 1) review its investment holdings in Russian businesses and 2) take divestment action in these businesses, subject to the fiduciary duties of the System's Board of Trustees. **UPDATE:** Gov. Hogan signed SB 1005.

House Bill 744: State Retirement and Pension System - Administration - Clarifications and Corrections

Synopsis: This legislation clarifies and corrects several provisions of the State Personnel and Pensions Article, including adding a reemployment exemp-

tion for retired correctional officers who are reemployed as parole and probation employees. **UPDATE:** Gov. Hogan signed HB 744.

House Bill 743/Senate Bill 410: Teachers' Retirement and Pension Systems – Reemployment

Synopsis: This bill permits local school systems and the Maryland School for the Deaf to each rehire 25 retired teachers as classroom teachers, substitute classroom teachers, principals or teacher mentors without an earnings limit until June 30, 2024. **UPDATE:** Gov. Hogan signed both bills.

BOARD OF TRUSTEES UPDATE

Franchot, Davis lead Pension System into 2022

WITH A YEAR-END FLURRY of personnel changes on the Board of Trustees, the Maryland State Retirement and Pension System entered 2022 with new leadership.

Comptroller is Chair

With the retirement of Maryland State Treasurer Nancy K. Kopp in December 2021, Comptroller Peter Franchot ascended to the position of Board Chair. Mr. Franchot had served as the panel's Vice-Chair since 2007.

"This role garners few headlines, but it's of utmost importance to hundreds of thousands of state workers, retirees, educators and others who depend on the health of the pension system in their

post-employment lives," said Comptroller Franchot. "I pledge, just as I have for the past 15 years as Vice-Chair, to be a watchful steward of these funds and to speak out when money is being mismanaged or when investments fail to yield the expected returns."

Prior to his election as Maryland State Comptroller, Mr. Franchot served 20 years in the Maryland House of Delegates where he sat on the House Appropriations Committee and chaired its Transportation and the Environment Subcommittee. The Montgomery County resident earned a bachelor's degree from Amherst College and his J.D. from Northeastern School of Law. From

1968 to 1970 Mr. Franchot served in the United States Army.

New Treasurer joins Board

Also in December, Dereck E. Davis became the newest member of the Board with his election as State Treasurer by the Maryland General Assembly.

"I look forward to joining this talented and diverse group of trustees, who possess a wide range of professional expertise and personal backgrounds," said Treasurer Davis. "Pensioners should have faith that the System will continue to safeguard their money and ensure benefits are properly administered."

See Lead, page 6

Wyskiel appointed, Norman reelected, election slated

THE APPOINTMENT AND ELECTION of Trustees was on the agenda during recent meetings of the Maryland State Retirement and Pension System Board in Baltimore.

Gov. appoints new Trustee

Matthew Wyskiel, the founder and President of a Baltimore investment firm, was appointed to the Board effective March 15 by Maryland Governor Lawrence J. Hogan, Jr. Trustee Wyskiel holds a BA in mathematics and economics from Williams College and an MBA in finance and accounting from New York University's Stern School of Business.

A native Baltimorean, Mr. Wyskiel will serve the remainder

of an unexpired term ending in 2024.

Trooper rep wins new term

Trustee Richard E. Norman has been propelled to a third Board term by members and retirees of the State Police Retirement System.

As the only prospective candidate to collect the required nomination signatures to appear on the ballot, Mr. Norman's reelection was certified by the Board in February.

Trustee election slated

Retired employees and teachers who wish to help lead the Maryland State Retirement and Pension System as members of the Board of Trustees may begin

collecting nominations this September on official forms available from the Maryland State Retirement Agency.

Candidates for the teachers' Board seat must be retirees of the Teachers' Retirement or Pension Systems. Employee candidates must be retired from the Employees' Retirement or Pension Systems, Correctional Officers' System, Law Enforcement Officers' System, Local Fire and Police System or the Judges' or Legislators' plans.

Eligible nominees will compete in an election slated to run May through June 2023. The two trustees elected will serve four year terms on the Board.

Lead, from page 5

Treasurer Davis, a member of the House of Delegates since January 1995 and Chair of the Economic Matters Committee for nearly two decades, brings a wealth of financial and governmental experience to his role as an ex officio member of the Board. He was elected Vice-Chair of the Board by his fellow Trustees at their December 2021 meeting.

Trustee Davis is employed by Prince George's County as Deputy Director for the Office of Community Relations. He holds bachelor's and master's degrees from the University of Maryland, College Park, in political science and public policy, respectively.

Who are my trustees?

The Board of Trustees is responsible for administering the Maryland State Retirement Agency, managing the System's \$69.3 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

Forms, from page 1

replaced by two new and improved forms:

1. *Maryland State Tax Withholding Request* (Form 766.11) — Use this new form for Maryland state tax withholding.
2. *Withholding Certificate for Pension or Annuity Payments* (IRS Form W-4P) — This optional form is for federal tax withholding.

Both forms are available at sra.maryland.gov/retiree-forms.

Detailed instructions are provided on each form.

No action is needed!

If you are satisfied with your current tax withholdings, there is **no need** to fill out new forms. Use these forms only if you wish to change your withholdings.

Want to skip the forms?

If you prefer, update your tax withholdings online. Go to sra.maryland.gov, click on **mySRPS** in the top-right corner of the homepage and follow the instructions provided.

Maryland Charity Campaign slated

WATCH YOUR MAILBOX THIS FALL for information about the 2022 Maryland Charity Campaign, a workplace charitable giving program that offers retirees the opportunity to donate to vetted, pre-approved, reputable charities.



In 2021, employees of the Maryland State Retirement Agency donated more than \$35,000 to the Maryland Charity Campaign.

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

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