

Retiree News & NOTES



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

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

JULY 2024
VOL. 42 NO. 2



! The following information is provided courtesy of the Maryland Department of Budget and Management for retirees from Maryland state government.

Health benefits open enrollment slated for retired state employees

FALL OPEN ENROLLMENT for health benefits for retirees of Maryland state government has been scheduled by the Department of Budget and Management (DBM) Employee Benefits Division. Enrollment will take place Oct. 15 through Nov. 8, 2024 for coverage in calendar year 2025.

See *Open Enrollment*, page 2

Eligible retirees to receive COLA of up to 4.116%

ELIGIBLE PAYEES (retirees and beneficiaries) of the Maryland State Retirement and Pension System will notice a boost in their monthly allowance beginning in July as the 2024 cost-of-living adjustment takes effect.

This year's COLA rate of 4.116% exceeds the statutory rate caps that apply for most payees.

To determine which COLA rate applies to you, you must know your system of membership. The name of your retirement system is printed on the *Notice of Retirement Allowance* you received at retirement. You also can determine your system after signing up for **mySRPS**, the Retirement Agency's secure website.

See *COLA*, page 3

sra.maryland.gov

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Retiree
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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.**

Open Enrollment, from page 1

Retirees of Maryland state agencies will be able to use the State Personnel System/Workday website or paper forms to enroll for health benefits administered by DBM.

Here is some important information about open enrollment:

- Be sure to update your address, as needed, with the Employee Benefits Division: ebd.mail@maryland.gov.
- Open enrollment packets will be mailed in late September.
- For Medicare-eligible retirees, DBM's open enrollment period for 2025 is for medical, dental, and life insurance only. Please see the important information below.

Medicare-eligible retiree prescription drug coverage

Action Required

STATE-PROVIDED PRESCRIPTION DRUG BENEFITS for Medicare-eligible retirees will end December 31, 2024. Medicare-eligible retirees and their Medicare-eligible dependents must take action to ensure they have prescription drug coverage in 2025. If you are Medicare-eligible, you will need to enroll in a Medicare Part D plan during Medicare's open enrollment (Oct. 15-Dec. 7).

DBM is contracting with a company that will provide one-on-

Have questions about health or prescription benefits?

Maryland Department of Budget and Management
Employee Benefits Division

410-767-4775 or 1-800-307-8283
(weekdays 8:30 a.m. - 4:30 p.m.)

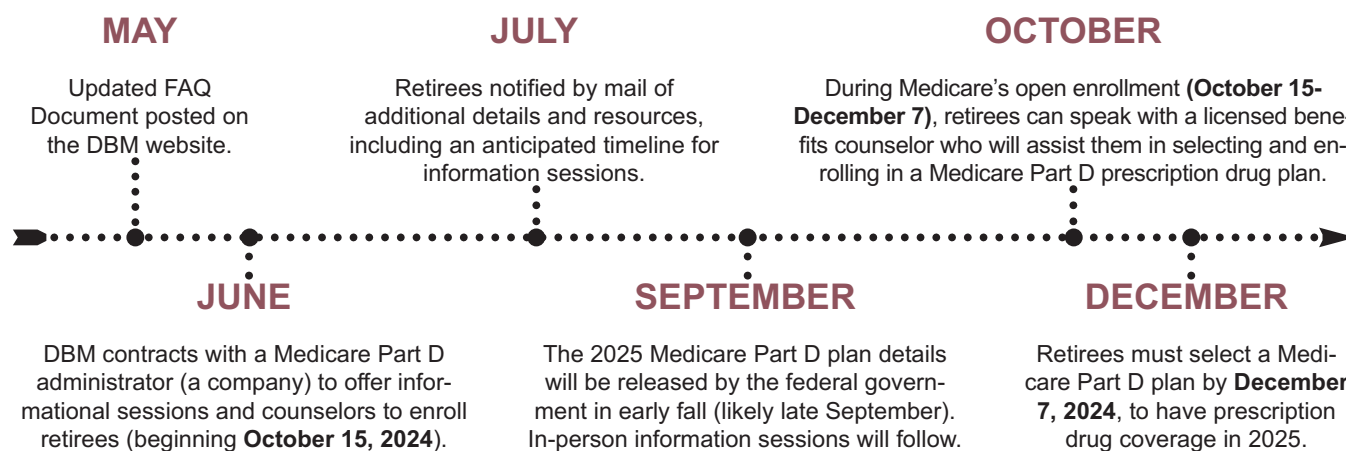
ebd.mail@maryland.gov

one counseling from a licensed benefits counselor to assist you with the selection of a Medicare Part D prescription drug plan.

The counselors will review your current medications with you,

See Drug, page 3

State of Maryland Retiree Medicare Part D Transition Timeline



COLA, from page 1

The COLA rates that generally apply for payees of the various state systems are provided here:

Correctional Officers' Retirement System

- 4.116% on the portion of the allowance based on creditable service earned before July 1, 2011, and 2.5% on the portion earned on or after July 1, 2011

Employees' and Teachers' Pension Systems

- 3% on the portion of the allowance based on creditable service earned before July 1, 2011, and 2.5% on the portion earned on or after July 1, 2011

Employees' and Teachers' Retirement Systems

- For payees subject to Selection A (Additional member contributions) or who separated from service on or before June 30, 1984, the COLA is 4.116%.
- For payees subject to Selection B (Limited COLA), the COLA is 4.116%.

- Payees subject to Selection C (Combination formula) are subject to the following COLA rates:
 - ▶ For payees who were subject to Selection A before electing Selection C, the COLA is 4.116% on the portion of the allowance based on creditable service earned before electing Selection C and 3% on the portion earned after electing Selection C.
 - ▶ For payees who were subject to Selection B before electing Selection C, the COLA is 4.116% on the portion of the allowance based on creditable service earned before electing Selection C and 3% on the portion earned after electing Selection C.

Law Enforcement Officers' Pension System

- 3% on the portion of the allowance based on creditable service earned before July 1, 2011, and 2.5% on the portion earned on or after July 1, 2011. An exception applies

for 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, who will receive 4.116%.

Local Fire and Police System

- 3% (except for transferees from the Employees' Retirement System, who will receive 4.116%)

State Police Retirement System

- 4.116% on the portion of the allowance based on creditable service earned before July 1, 2011, and 2.5% on the portion earned on or after July 1, 2011

This COLA does not apply to most payees of the Legislative Pension Plan and Judges' Retirement System. The majority of payees from these systems are subject to adjustments based on the salary increases received by active legislators and judges.

Drug, from page 2

help you understand your options, and assist you with selecting and enrolling in a Medicare Part D plan.

It is important to be on the lookout for communications and

directions from the Department of Budget and Management's Employee Benefits Division over the next few months. Visit the State's retiree website: [https://dbm.maryland.gov/bene-](https://dbm.maryland.gov/benefits/Pages/Retirees.aspx)

[fits/Pages/Retirees.aspx](https://dbm.maryland.gov/benefits/Pages/Retirees.aspx) for detailed information to include Frequently Asked Questions. Learn what to expect and when from the timeline on page 2 of this newsletter.

Your COLA questions *answered!*

Q. *Who qualifies to receive the COLA this July?*

A. A payee must have retired on or before July 1, 2023, to receive this year's COLA. Those who retired after July 1, 2023, (August 2023 or later) will receive their first COLA increase in July 2025.

Q. *Which payment will include the new COLA?*

A. Qualifying payees will see the adjustment in their July 2024 allowance, payable July 31, 2024.

Q. *How is the annual COLA increase applied?*

A. Each payee's benefit system determines how the COLA is calculated for that person's payment. 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 retirees 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. The COLA rate is based on the calendar-year-over-calendar-year change in the Consumer Price Index (all urban consumers – United States city average – all items, not seasonally adjusted, 1967 = 100) as published by the United States Department of Labor, Bureau of Labor Statistics. The CPI for calendar year 2023 is 912.751 and for calendar year 2022 is 876.664.

$$(912.751 - 876.664) \div 876.664 = 0.0411640035406952$$

$$0.04116 \times 100 = 4.116\% \text{ COLA for July 2024}$$

Read more about the COLA online at <https://sra.maryland.gov/post/cost-living-adjustments-cola>.

Secure website **mySRPS** provides you with instant access to your pension account

WHILE ENJOYING your well-earned retirement, your time is valuable. That's why we created **mySRPS**, the Maryland State Retirement Agency's secure website. While you're always welcome to call, write or visit us, with **mySRPS** you can perform many pension transactions on *your* schedule, day or night.

Want to 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, or update your designated beneficiaries? You can do all this and more — anytime, anyplace — with the **mySRPS** secure website. And, it's so easy to use!

Not yet a registered **mySRPS** user? Sign up now. Visit the Maryland State Retirement Agency online at sra.maryland.gov, click on **mySRPS Login**, then **Register**. Follow the prompts to receive a registration packet in the mail.

Protect yourself from phone and email scammers

THE MARYLAND State Retirement Agency works diligently to safeguard data security and to maintain the privacy of your personal information.

It is extremely rare that you will receive an unsolicited call from us. We will never call you to demand immediate repayment of

an amount allegedly owed to the system. And, we will never ask you to wire transfer money to us, or to make repayment using pre-paid debit, credit or gift cards.

Please note that representatives from our agency will always identify themselves and all email communications will come from

an address ending in sra.state.md.us.

If you are uncertain as to the legitimacy of someone representing the Maryland State Retirement Agency, please hang up and immediately contact our customer service unit at 410-625-5555 or 1-800-492-5909.

Two tapped for Board of Trustees by Gov. Moore

TWO FINANCIAL PROFESSIONALS have been appointed by Governor Wes Moore to the Maryland State Retirement and Pension System Board of Trustees. Charles Hopkins and Tarrus Richardson joined the Board in May.

Trustee Hopkins is the founder and managing partner of Hamilton Hall Real Estate Partners, LLC, which focuses on real asset and commercial retail investments in airports as an emerging fund manager of private equity real estate investments. He has more than 30 years' experience in the investment banking, mergers and acquisitions, real estate, private equity and commercial development sectors.

Trustee Hopkins received an AB degree in politics *cum laude* from Princeton University, where he was a Westinghouse Fellow and Rhodes Scholar Finalist (Md.), and an MBA in finance and real estate from The Wharton School of the University of Pennsylvania, where he was a Mobil Corporation Scholar.

Trustee Richardson is the founder and CEO of IMB, which was started in 2010. He has 25 years of private equity experience, has invested over \$500 million of capital and completed over 20 platform buyouts and add-on acquisitions.

Prior to IMB, Trustee Richardson co-founded ICV Partners, a \$440 million minority-owned private equity firm from 1998-2010 and worked at JLL Partners, a pri-

About your Board of Trustees

YOUR BOARD OF TRUSTEES plays an important role in the stewardship of the Maryland State Retirement and Pension System. The 15-member Board's fundamental mission is to ensure that retirement benefits are paid accurately and on time. The Board also oversees the investment of System assets to ensure the funding necessary to meet those obligations and administration of the Maryland State Retirement Agency.

Three trustees serve on the Board by virtue of their position in state government. These ex officio Trustees are the Maryland State Treasurer, State Comptroller and Secretary of the Maryland Department of Budget and Management. Seven trustees are appointed by the Governor because of their particular experience as institutional investors or government managers. Five additional Trustees are members or retirees of the plan and are elected by you, their fellow members and retirees.

Who are my Trustees?

Learn more about your System's volunteer Board, including Trustee photos, biographies, committee assignments and meeting minutes at sra.maryland.gov/board-trustees.



vate equity firm with more than \$2 billion of assets under management, and Citibank (formerly Salomon Brothers).

Trustee Richardson received a BS in accounting from Purdue University, where he served as the Purdue Black Alumni President and as Student Body President, and an MBA from Harvard Business School, where he was a Robert Toigo Fellow.

Trustees conclude service

Former Trustees Linda Vaughn Allen and Michael J. Howard concluded their Board service earlier this year. During her term, Trustee Allen was

appointed Vice-Chair of the Board's Administrative Committee and member of the Board's Audit Committee. Trustee Howard also held leadership roles as Chair of the Board's Investment Committee, Vice-Chair of the Audit Committee and member of both the Corporate Governance and Securities Litigation Committee and Objective Criteria Committee.

Both departing Trustees were thanked by the Board for their dedicated and diligent service to the System and to the State of Maryland.

Pension legislation is enacted in Annapolis

IMPORTANT PENSION LEGISLATION was passed by the Maryland General Assembly during this year's session in Annapolis. The following bills have been signed into law by Governor Wes Moore.

Senate Bill 143: Teachers' Retirement and Pension Systems – Reemployment

This legislation will clarify that the superintendent of each Maryland school district may hire up to five retirees in any capacity and at any facility within the superintendent's school district without those retirees being subject to an earnings limit. The legislation is retroactive to July 1, 2020.

House Bill 1211/Senate Bill 366: Teachers' Pension Systems – Reemployment of Retirees

This legislation will repeal a previous earnings limit exemption for retirees who are reemployed by a participating employer but compensated through third-party grant funding.

House Bill 1212: State Retirement and Pension System – Director of Diversity, Equity, and Inclusion and Governance Program

This legislation will require the Maryland State Retirement Agency to hire a director of diversity, equity and inclusion.

House Bill 966/Senate Bill 706: Law Enforcement Officers' Pension System – Reemploy-



ment as Sheriff

These bills will require the Retirement Agency to suspend the retirement benefit of a LEOPS retiree who, within one year after retirement, is elected as a sheriff. After the retiree ceases employment as sheriff,

the retiree's retirement benefit will be reinstated, including any cost-of-living adjustments that were payable while the benefit was suspended. The legislation does not apply to any LEOPS retiree who retired before July 1, 2024.

Volunteers sought for Maryland Attorney General's Consumer Protection Division

by Rebecca Zick, Mediation Supervisor
Office of the Attorney General

LOOKING for a rewarding volunteer experience in retirement? Then volunteer as a mediator in the Attorney General's Consumer Protection Division! Our volunteers provide an invaluable service to Maryland consumers, resolving consumer complaints against businesses and health care providers and assisting consumers on our hotline.

Volunteers are asked to work two days a week for a total of 10 hours at our Baltimore or Largo offices. We provide all the training you need. Free parking is available at both locations, and we provide a \$20 stipend per day. For more information, please contact volunteer@oag.state.md.us.

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