



STATE RETIREMENT  
and PENSION SYSTEM  
of MARYLAND

## Legislative update

THE 2008 MARYLAND GENERAL ASSEMBLY enacted several bills of special interest to members of the State Retirement and Pension System (SRPS). Each of the bills must be signed by Governor Martin O'Malley to become law. Signed bills become effective July 1, 2008, unless noted.

### House Bill 725: State Retirement and Pension System – Line of Duty Death Benefits

*Synopsis:* Provides a lifetime monthly benefit to the surviving spouse, minor child(ren) or dependent parent(s) of an employee who is a member of the Employees' and Teachers' Retirement or Pension System who is **killed** in the performance of duty. The benefit is equal to two-thirds of the deceased member's average final compensation. For State employees, health insurance benefits would also be provided to eligible survivors. The legislation is effective June 1, 2008.

### House Bill 482 / Senate Bill 488: State Police Retirement System – Survivor Benefits

*Synopsis:* Increases the monthly benefit paid to the surviving spouse or minor child(ren) of a retired State trooper from 50% to 80% of the

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## Contributions for most Pension System members will increase to 5% in July

### BEGINNING WITH THE FIRST PAY PERIOD ENDING IN JULY 2008,

contributions for eligible members of the Employees' and Teachers' Alternate Contributory Pension System and bifurcated members of the Employees' and Teachers' Retirement System will increase to 5% of eligible salary. The contributions will be deducted automatically from members' pay.

**Only Pension System members who are currently contributing 4% of eligible salary will be subject to the 5% contribution effective this July.**

### Why are my contributions increasing?

Legislation enacted in 2006 created the Alternate Contributory Pension Selection Plan. This plan provides a better monthly retirement benefit.

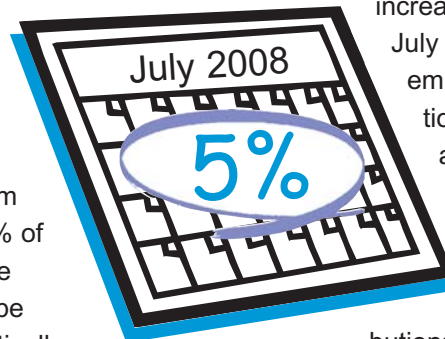
In exchange for the enhanced pension benefit, eligible members are required to make increased employee contributions to the System.

The first such increase occurred on July 1, 2006, when employee contributions rose to 3% of annual salary. Contributions then increased to 4% on July 1, 2007. Member contributions will level out at

5% starting July 1, 2008.

Most employers participate in the Employer Pick-up Program, which means that employee contributions reduce the taxable portion of members' salary for federal tax purposes.

More information on the Alternate Contributory Pension Selection Plan, including benefit estimators and worksheets, is available online at [www.sra.state.md.us](http://www.sra.state.md.us).



# When an accident or illness strikes, disability benefits provide valuable protection

**DISABILITY RETIREMENT BENEFITS PROVIDE VALUABLE PROTECTION** for members who suffer a serious injury or illness that permanently incapacitates them from performing their job duties.

## Types of disability retirement

The State Retirement and Pension System provides benefits for two types of disability retirement: ordinary and accidental.

- **Ordinary disability** covers any permanently disabling physical or mental condition.
- **Accidental disability** covers permanently disabling injuries that a member sustains in an accident that occurs on the job while he or she is performing assigned duties.

For either type of disability retirement, the medical condition must permanently prevent the member from performing the duties of his or her position.

## Special rules for law enforcement officers and State Police

To be eligible for accidental disability retirement, a member of the Law

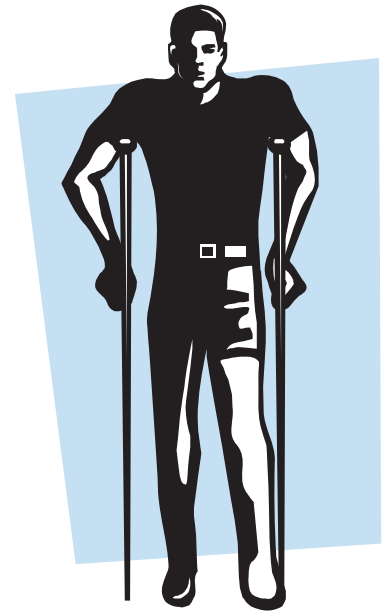
Enforcement Officers' Pension System (LEOPS) must be totally and permanently incapacitated for duty arising out of, or in the course of, the actual performance of duty without willful negligence by the member. The same standard applies for State Police; however, the term "special disability" is used instead of "accidental disability."

## Eligibility

To be eligible to apply for *ordinary disability* retirement, a member must have at least five years of eligibility service. There is no service requirement for members to apply for *accidental* or *special disability* retirement. Members who terminate employment and withdraw their employee contributions are not eligible to apply for disability benefits. Retirees, also, are not eligible.

## Filing requirements

For members seeking disability retirement benefits, timely filing is essential. Members may file for disability benefits while on payroll or within a set period of time, depending on their system, after leaving payroll. An additional filing extension may be granted for members who can prove they were mentally or physically incapacitated from fil-



ing within the deadline due to the disability itself. The requirements to receive this filing extension are difficult to meet. The chart lists the various filing deadlines.

Applications for accidental disability retirement **must be filed within five years of the date of the accident**. This filing deadline for accidental disability does not apply to the State Police, Correctional Officers', or Law Enforcement Officers' systems. Members who believe they may be eligible for disability benefits should contact a Retirement Benefits Counselor immediately.

## Disability Filing Deadlines

System	After leaving payroll	Additional filing extension (if applicable)
Teachers' Retirement	5 years	1 year
All other systems	4 years	2 years

# Governor appoints Blitzstein to Board

**GOVERNOR MARTIN O'MALLEY IN APRIL APPOINTED** David S. Blitzstein to serve on the Board of Trustees of the State Retirement and Pension System of Maryland.

Mr. Blitzstein is Special Assistant for Multiemployer Plans for the United Food & Commercial Workers International Union (UFCW). He currently serves as a trustee on five Taft-Hartley pension funds and two health funds representing a quarter of a million plan participants. In addition, Mr. Blitzstein advises the UFCW International leadership on employee benefit policy issues. Mr. Blitzstein is a graduate of the University of Pennsylvania and holds a master of science in labor studies from the University of Massachusetts in Amherst.



*Governor Martin O'Malley and Lt. Governor Anthony G. Brown administer the oath of office to new State Retirement and Pension System Trustee David S. Blitzstein.*

## Know how to file for disability retirement

### FILING FOR DISABILITY RETIREMENT BENEFITS IS A TWO STEP PROCESS.

A member seeking disability benefits must 1) file a disability claim and then 2) apply to actually retire.

#### Step 1: File a disability claim

A member filing for ordinary or accidental disability benefits must submit to the State Retirement Agency (SRA) the following forms and materials:

- *Statement of Disability* (Form 20),
- pertinent medical records,
- current job description signed by employer,
- *Preliminary Application for Disability Retirement* (Form 129), and
- *Application for an Estimate of Disability Retirement Allowances* (Form 21; Form 22 for State Police; Form 100 for LEOPS).

Members applying for accidental or special disability also must submit the following:

- employer's first report of injury,
  - copies of Workers' Compensation awards and
  - medical evidence directly connecting the accident as the cause of the disability
- OR
- evidence that the disability arose out of, or in the course of, the performance of duty (Maryland State Police and LEOPS only).

Following a review by the Retirement Agency's Medical Board, the Board of Trustees takes final action on the claim and the applicant is notified. This process can take one to three months, or longer for complicated cases.

#### Step 2: If approved, apply to retire

If the claim is approved, the member will receive an estimate of his or her monthly disability retirement

payment. To retire and begin collecting monthly benefits, the member must submit the following:

- *Application for Service or Disability Retirement* (Form 13-23; Form 14-24 for State Police; Form 98-101 for LEOPS),
- *Electronic Fund Transfer (Direct Deposit) Sign-Up* (Form 85),
- *Reemployment After Retirement* (Form 127; Form 128 for State Police; Form 131 for LEOPS) and
- *Federal and Maryland State Tax Withholding Request* (Form 766).

Retirement Benefits Counselors at the State Retirement Agency are available to answer questions and guide members through the filing process. For more information, call a Retirement Benefits Counselor at 410-625-5555 or toll free 1-800-492-5909.

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deceased retiree's monthly allowance. The 80% benefit is only provided to survivors of retirees who died on or after July 1, 2008. Eliminates the special supplemental survivor benefit payable in accordance with Title II of the federal Social Security Act.

**House Bill 442 / Senate Bill 422:  
Deferred Retirement Option  
Program Participants –  
Application of Line of Duty  
Disability Benefits**

*Synopsis:* Provides that retired State troopers and law enforcement officers participating in the Deferred Retirement Option Program (DROP) may apply for special or accidental disability retirement only if their incapacity for duty arose during the DROP period.

**House Bill 554 / Senate Bill 480:  
State Retirement and Pension  
System – Membership and  
System Study**

*Synopsis:* Expands membership in the Correctional Officers' Retirement System to include correctional laundry officers and Maryland Correctional Enterprises officers, officer trainees, plant supervisors, plant managers or regional managers. Also expands the data to be obtained in an actuarial comparison of the various State systems to their peers in other public plans. The initial study will be in 2008, and every five years thereafter.

**Senate Bill 195: Law Enforcement  
Officers' Pension System –**



Photo by Jay Baker, Chief Photographer, Office of the Governor

**Baltimore City Community  
College – Police Officers**

*Synopsis:* Expands membership in the Law Enforcement Officers' Pension System to include police officers employed by Baltimore City Community College. This legislation does not apply to officers who transferred from the Employees' Retirement System to the Employees' Pension System on or after December 1, 1996.

**House Bill 472 / Senate Bill 375:  
State Retirement and Pension  
System – Imposition of  
Administrative Fees on Employers**

*Synopsis:* Permits the State Retirement and Pension System's Board of Trustees to establish regulations to set an administrative fee to be paid by participating employers who fail to properly enroll eligible employees.

**House Bill 1233 / Senate Bill 859:  
Blue Ribbon Commission to  
Study Retiree Health Care  
Funding Options – Extension of  
Reporting and Termination Dates**

*Synopsis:* Requires the Commission to submit an interim report of its findings on December 31, 2008, and a final report on December 31, 2009.

**Senate Bill 214: Divestiture from  
Iran and Sudan**

*Synopsis:* Prohibits the Board of Trustees of the State Retirement and Pension System from making new investments in companies doing business in Iran or Sudan. Also requires the Board to withdraw existing investments from such companies that do not agree to cease doing business in these nations.

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