

THE Mentor

News from the State Retirement and Pension System of Maryland

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STATE RETIREMENT
and PENSION SYSTEM
of MARYLAND



Pension bills become law

SEVERAL PIECES OF RETIREMENT LEGISLATION

described in the spring 2008 edition of *The Mentor* have been signed into law by Governor Martin O'Malley.

The Governor signed House Bills 482, 554, 725 and 1233. He also signed Senate Bills 195, 214, 375, 422, 480 and 859. A synopsis of each of these bills is available online at www.sra.state.md.us. Simply click on **Members**, then select **Active Newsletter** and **2008 Spring Edition**.

*Pre-Retirement Seminars
are filling up fast!*

*If you're within eight years
of retiring, registration forms
are available from your
personnel dept. and online at
www.sra.state.md.us/seminars.htm*

Changing jobs? Don't forget to transfer your retirement credit

IF YOU RECENTLY CHANGED JOBS and retirement or pension systems, you may be eligible to transfer the service credit that you earned in the former system into your new retirement or pension account. To qualify for the transfer of service credit, your employment must be continuous and you must apply to transfer the qualified credit within one year of becoming a member of your new system. Under these rules, continuous employment means that you changed jobs without incurring a break in employment.

It is important to remember that any transfer of service credit must be done within one year after becoming a member of your new system. Under limited circumstances, this one-year time limit may be waived, as follows:

- A waiver may be granted if you submit your transfer application in a timely manner but your employer fails to surrender your member contributions and interest to the State Retirement Agency.
- or
- You may request a waiver from the filing deadline if you fail to submit your transfer application in a timely manner due solely to:

1) misinformation from or mishandling by your employer or, 2) your own physical or mental incapacity. Such a request must be made within four years of joining your new system or, if you became eligible to transfer prior to July 1, 2007, the request must be submitted on or before June 30, 2011. Draft regulations are available on the **Members main page** at www.sra.state.md.us.

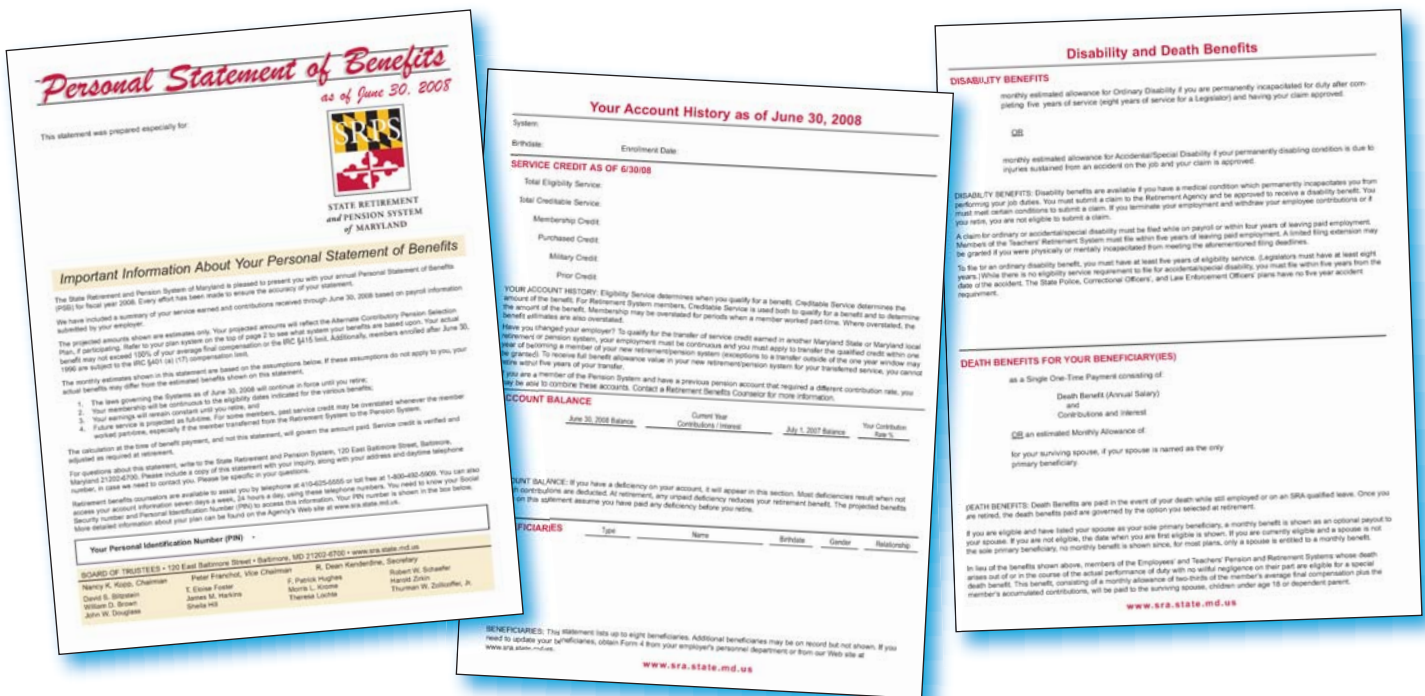
The rules of your new system determine the amount of employee contributions with interest needed to accompany the transfer of service. If you do not pay these funds, a contribution deficiency will be placed on your account. At retirement, any deficient funds and accrued interest owed to the system will result in an actuarial reduction of your monthly benefit.

Two general types of credit transfers are possible. A member may be eligible to transfer service credit from:

1. one State Retirement and Pension System (SRPS) plan to a new SRPS plan. An example would be a correctional officer, with membership in the Correctional Officers' Retirement System, who accepts a position

See Transferring, page 3

Watch your mail for your annual Personal



A valuable tool for retirement planning will be delivered to your home

YOUR PERSONAL STATEMENT OF BENEFITS (PSB) PROVIDES an up-to-date summary of your retirement account, including your years and months of service and contributions paid. Your PSB also includes projections of future retirement benefits available to you when you become eligible.

As an active member of the State Retirement and Pension System, you receive a PSB by mail to your home. The information contained in this year's PSB reflects your account status as of June 30, 2008.

Statements will not be issued for potential members who have failed to submit enrollment forms.

Answers to frequently asked questions about the PSB are provided here.

Q. Where are my future retirement benefits shown on the statement?

A. Your estimated future retirement benefits can be found on page four of your PSB. Remember, the projected amounts shown are estimates only.

Q. What is my Personal Identification Number (PIN)?

A. Your PIN is printed at the bottom of page one of your PSB. This number is a four digit code consisting of the month and year of your enrollment. For example, if you enrolled in January 2005, your PIN would be 0105. You can use your PIN and Social Security number to access your retirement account information via the SRPS automated phone system at any time.

Simply call 410-625-5555 or 1-800-492-5909 to reach the Agency's automated phone system.

Q. Why is my enrollment date later than my employment date?

A. Most employees' enrollment date is the first day of the month they started working. A later date may appear if you began work prior to the mid-seventies. Processing requirements at the time caused a one or two month delay between a member's first day on the job and the start of retirement contributions from the member's paycheck. To purchase this lapsed time, submit a Form 26, *Request to Purchase Previous Service*. This purchased time will be listed under Service Credit in the following

Statement of Benefits

Your Estimated Monthly Retirement Benefits

RETIREMENT BENEFITS

Retirement Date _____ Early Service _____ Service Retirement _____

Retirement Age _____

Lifetime Monthly Estimated Allowance _____

RETIREMENT BENEFITS: The estimated monthly expected lifetime benefits are based on the assumptions that (1) your earnings will remain constant until you retire; (2) the provisions of your plan remain unchanged; (3) you have made all required contributions; (4) you have made all required service credit adjustments and a reduction in your monthly retirement benefit; (5) you have made all required employment adjustments and a reduction in your monthly retirement benefit.

Calculations for conditional officers assume a minimum of five years in an eligible conditional officer classification immediately preceding retirement. Calculations for maximum assuredly alternate assume that past and projected service is in an eligible maximum security alternate classification. Certain elected and appointed officers may be eligible for full benefits after 10 years of service.

The estimated monthly amounts shown are the base allowances which are the largest benefit amounts that would be paid. At retirement, most members may choose another benefit option which will provide a lower monthly benefit than shown here under an eligible Domestic Retirement Order.

At retirement, you will receive credit for any of your unused sick leave, but only if you retire within 30 days of your separation from employment.

VESTED RETIREMENT BENEFITS

In your estimated monthly vested benefit earned as of June 30, 2008 and payable at your plan's normal retirement age.

VESTED BENEFITS: If you have at least five years of eligible service, you are vested (eight years of service for a regulatory and have earned the right to receive a monthly benefit when you reach your plan's normal retirement age, even if you are not working at that time. The vested benefit shown is calculated as if you had stopped work as of June 30, 2008. To determine the value, in some plans, you may be eligible to collect a reduced early benefit prior to your normal retirement age. Withdrawal of your contributions will cause you to forfeit your vested benefit.

COST OF LIVING ADJUSTMENT (COLA)

COST OF LIVING ADJUSTMENT (COLA): Automatic post-retirement adjustments are part of the benefit structure of the State Retirement and Pension System. This annual adjustment has been designed to help your retirement benefit keep pace with inflation. A member must be retired at least one year as of age 1 to be eligible to receive that year's increase in the July check.

www.sra.state.md.us

year's PSB, but your enrollment date will remain the same.

Q. Why isn't my military credit listed?

A. It's up to each eligible member to claim military service.

Military service is not automatically credited to your account. File a Form 43, *Claim of Retirement Credit for Military Service*, to apply for military credit. If you serve in the U.S. Armed Forces or Maryland National Guard during your SRPS membership, you may claim military credit immediately under certain conditions. If your military duty preceded SRPS membership, you must have 10 years of retirement credit before claiming military service.

Q. Why do I have a "deficiency" under contributions?

A. When sufficient retirement deductions are not made during any pay period, the word "deficiency" appears. The deficiency equals the amount of the missing contribution, plus interest applied at the end of each fiscal year.

To repay a contribution deficiency, contact the Retirement Agency and request to be billed for this amount. Payment made before the end of the fiscal year carries no interest for that year. If a contribution deficiency exists when you retire, the benefit paid will be actuarially reduced.

How do I change beneficiary-ies?

A. To change beneficiaries, contact your personnel office or go to our Web site at www.sra.state.md.us and obtain Form 4, *Designation of Beneficiary*. Submit the completed form to the State Retirement Agency. It is vital to keep beneficiary choices up to date, because when a member dies during active membership, survivor benefits are paid to his or her designated beneficiary(ies).

Q. Why isn't early retirement listed?

A. The space under Early Service is left blank for members who

reach regular service retirement age before earning the required years of service for early retirement, if applicable.

Q. What about part-time employment?

A. Service credit may be overstated on the PSB if you worked part time during your membership. This is especially likely if you transferred from the Retirement System to the Pension System. The PSB assumes all future service as full time, so if you are working part time now, your benefits may be overstated.

Q. What if I have other questions concerning my PSB?

A. If something on your PSB doesn't seem correct, note the discrepancy, send a photocopy of your statement and indicate how you arrived at your conclusion. Address your correspondence to: State Retirement and Pension System, 120 East Baltimore Street, Baltimore, Maryland 21202-6700.

Transferring, continued from page 1

as a law enforcement officer and joins the Law Enforcement Officers' Pension System. To transfer credit within SRPS, you must submit a *Request to Transfer* (Form 37).

2. a retirement or pension system operated under the laws of any political subdivision of Maryland to an SRPS plan. An example would be a Baltimore City employee, with membership in

Baltimore City's retirement plan, who becomes a state employee and joins the Employees' Pension System. To transfer credit earned with a non-SRPS plan, submit a *Request to Purchase Previous Service* (Form 26).

For more information on eligible service transfers, contact a retirement benefits specialist at 410-625-5555 or toll free at 1-800-492-5909.

State Retirement Agency posts regional counseling schedule for 2008-2009

RETIREMENT SPECIALISTS from the State Retirement Agency travel regularly throughout Maryland to assist members planning for retirement who find visiting the Baltimore office inconvenient. Specialists will visit the following locations on the dates listed. To schedule an appointment with a specialist visiting your area, please call 410-625-5555 or toll free 1-800-492-5909.

Allegany County

Allegany College of Maryland

Room CC150
College Center Building
12401 Willowbrook Rd.
Cumberland
Sept. 23, Nov. 5, Mar. 9, May 11

Anne Arundel County

Louis L. Goldstein Treasury Building

Room 212
80 Calvert St., Annapolis
Sept. 18, Oct. 16, Nov. 13, Dec. 4, Jan. 15, Feb. 12, Mar. 12, Apr. 9, May 14

Baltimore County

State Highway Administration

2323 W. Joppa Rd., Brooklandville
Sept. 22, Oct. 21, Nov. 12, Dec. 9, Jan. 6, Feb. 10, Mar. 4, Apr. 1, May 6

Calvert County

Board of Education

Human Resources Conference Room
1305 Dares Beach Rd.
Prince Frederick
Sept. 11, Nov. 3, Jan. 12, Mar. 16, May 19

Carroll County

County Office Building

Department of Human Resources
225 N. Center St., Westminster
Sept. 12, Oct. 3, Nov. 7, Jan. 9, Feb. 13, Apr. 17, May 22

Cecil County

Various Public Schools

Oct. 7, Nov. 26, Mar. 25, Apr. 21

Charles County

Board of Education

Room 121/122
Central Office Building
5980 Radio Station Rd., LaPlata
Oct. 6, Nov. 17, Jan. 5, Mar. 23, May 18

Dorchester County

Eastern Shore Hospital Center

Room 717
5262 Woods Rd., Cambridge
Oct. 27, Dec. 1, Feb. 23, Apr. 13, May 4

Frederick County

Frederick Community College

Room E123, Conference Center
7932 Opossumtown Pike, Frederick
Sept. 5, Nov. 14, Dec. 5, Feb. 6, Mar. 6, Apr. 3

Garrett County

Garrett College

Room 209
Continuing Education Building
687 Mosser Rd., McHenry
Sept. 24, Nov. 6, Mar. 10, May 12

Harford County

Government Center

112 Hayes St., Bel Air
Sept. 25, Oct. 23, Nov. 20, Jan. 22, Feb. 26, Mar. 19

Howard County

Howard Community College

Room ELB-230
English, Language, Business Building
10901 Little Patuxent Parkway
Columbia
Sept. 10, Oct. 22, Nov. 25, Dec. 17, Jan. 21, Feb. 18, Apr. 22, May 20

Montgomery County

Board of Education

Consulting Room A, Employee and Retiree Service Center
7361 Calhoun Place, Rockville
Sept. 16, Oct. 14, Nov. 18, Dec. 16, Jan. 13, Feb. 17, Mar. 17, Apr. 7, May 13, June 2

Prince George's County

State Highway Administration

SHA District Office
9300 Kennilworth Ave., Greenbelt
Oct. 8, Dec. 18, Feb. 5, Mar. 5, Apr. 2, May 7

Queen Anne's County

Chesapeake College

Room EDC-19
Economic Development Center
1000 College Circle, Wye Mills
Sept. 19, Dec. 8, Feb. 2, Apr. 6

Washington County

Board of Education

Auditorium
820 Commonwealth Avenue
Hagerstown
Sept. 8, Oct. 24, Dec. 12, Feb. 20, Mar. 27, May 1

Wicomico County

Salisbury Multi-Service Center

First Floor Conference Room
201 Baptist St., Salisbury
Oct. 28, Dec. 2, Feb. 24, Apr. 14, May 5

The Mentor is published by
The State Retirement Agency
120 East Baltimore Street
Baltimore, MD 21202-6700
410-625-5555
1-800-492-5909
TDD/TTY 410-625-5535
www.sra.state.md.us

EDITOR: Benjamin Robb

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