

Your Personal Statement of Benefits from the State Retirement and Pension System of Maryland

Your *Personal Statement of Benefits* should arrive during the month of September. You had to be actively employed in the month of June to receive this statement. Changes made after June may not be reflected in this statement. If you do not receive a statement **and** you were active in June, it is probably due to a change of address; personal statements are not forwarded. You can call the State at 1-800-492-5909 to request your statement.

Important items to check on your statement:

Enrollment date

This should be the date you started *permanent* employment with The Howard County Public School System (HCPSS) or some other agency, school system, etc. under The Maryland State Retirement and Pension Systems. If not, sometimes this loss of time can be easily credited without cost to you. You will need to complete a Form 26, *Request to Purchase Previous Service*.

Eligible vs. Creditable Service

Eligible service determines **WHEN** you can retire. Creditable service determines **HOW MUCH**; in other words, creditable service tells you the exact amount of time you worked, which in turn will be your multiplier in your final retirement formula. For instance, if you worked half-time during your 30 year tenure, then you would see 30 years of *eligible* service, but only 15 years of *creditable* service. Also, if you are a 12-month employee and started *after* July 1 (*after* September 1 for 10-month employees), then your eligible service will be more than your creditable service, since you can get one year of eligible service, if you work 500 hours in a year. (Prior to July 1, 1998 it was 700 hours.); creditable service, however, reflects the time you actually worked.

Missing Service

Are you missing service? Subtract the year and month you were enrolled from the year and month the *Personal Statement* was printed. Does your total service agree with this? If not, were you on an unpaid leave of absence? Was some of your service part-time? Did you have any unpaid breaks? Some leaves/breaks may be purchasable by completing Form 26, *Request to Purchase Previous Service*. If your service was continuous and you have no explanation for the missed service, then your statement may be incorrect. If you are within one year of eligibility to retire, complete a Form 9, *Application for an Estimate of Service Retirement Allowance*; the retirement system will audit your account with no obligation to retire. If you are not eligible to retire, request an audit.

On July 1, 2006 the pension system was enhanced and renamed the Alternate Contributory Pension System. If you were on an unpaid **and** unapproved leave, did not complete the proper leave Form 46, *Application to Be Placed on a Qualifying Leave of Absence*) or had a break in service prior to July 1, 2006 and came back after July 1, 2006, your statement may not have prior years of service listed. Call 1-800-492-5909 and ask what steps you need to take to combine your accounts.

Military Credit

If you have ten years of creditable retirement service, and you have **any** military service, you may be eligible to receive retirement credit for that military service by completing a Form 43, *Claim of Retirement Credit for Active Duty Military Service*, and attaching a DD214 or something similar. Active duty is not the only type of service you can claim.

Prior Credit

Credit earned under a non-pension system, which is operated under the laws of a political subdivision of Maryland (e.g., Howard County Government), can sometimes be transferred to a pension system account. If you have this type of credit, it will be posted here.

Deficiency

As of the July 2004 Personal Statement, the word deficiency starting appearing when insufficient contributions were made during any pay period since July 1, 1998. This deficiency equals the amount of missed contributions plus the interest (5% compounded) applied at the end of a fiscal year.

A deficiency may have occurred because you had a change in payroll due to a promotion or raise; the difference between your old contribution and the new contribution amount may have caused a small deficiency. If you are in the employees' pension system, your deficiency may represent missed contributions for the whole School Year 98/99. Members of the

employees' pension system were previously billed for this amount; if it wasn't paid, it will continue to appear on each statement.

If you have a deficiency, call the Maryland State Retirement Agency to determine when it occurred. If it occurred in Fiscal Year 2000, then it is School Year 1999/00. A counselor will be able to pinpoint the exact time of the missed contributions. If you decide to pay this deficiency, contact MSRA at 1 800 492 5909 and request a bill. If you decide not to pay it, remember that a deficiency is accumulating 5% interest, compounded at the end of each fiscal year. If you are years from retirement, this deficiency could impact the amount of your retirement benefit.

Beneficiaries

Check your beneficiaries and their birthdates. Request a Form 4, *Designation of Beneficiary*, if you need to make a change. Note that in the event of your death, your spouse may be eligible for a monthly allowance rather than a lump sum. The monthly allowance is noted under *Death Benefits for Your Beneficiary(ies)*, **only if** your spouse is the sole primary beneficiary and is eligible for your retirement under the spousal law. The spouse becomes eligible for the spousal law when the employee becomes eligible to retire under this law.

Retirement Benefits

Your estimated benefits are based on the salary noted on your *Personal Statement of Benefits*. If you are within two years of retirement, however, your benefits are based on the average salary of your last three years. The closer you get to your retirement age, the more accurate the statement. This benefit represents the maximum amount you can receive in retirement.

Vested Retirement Benefits

If you have five years of eligible service, you are vested. If you resign today, you can defer your Maryland State retirement benefits to age 62, and this is the amount you would receive. If you have fifteen years of service, you will be eligible to retire at age 55, but with a reduce benefit. **You cannot defer your Howard County health and life insurance benefits.**

Resources

Automated state phone system

You can access your account at any time by calling The Maryland State Retirement Agency at 1 800 492 5909 or locally at 410 625 5555. You will have to enter your social security number and PIN or four digit enrollment date (month and year: 0101 for January 2001), which is printed at the bottom of page one. This information may be more current than your *Personal Statement*. This is an easy way to verify your beneficiaries, if they were not reflected on your statement.

Web sites

The Maryland State Retirement Agency has a wonderful website. Forms, all issues of *The Mentor*, etc. can be found on www.sra.state.md.us.

For social security information, visit www.socialsecurity.gov.

Ann Fersht, HCPSS Retirement Coordinator is also available on CLC or at 410-313-6612.