

# Retirement Information Session: The Steps Towards Retirement



# Purpose of today's program is to:

- Prepare you for your upcoming retirement date.
- Review the retirement timeline and steps to initiate the process.
- Review at the MSRPS and the HCPSS retirement forms.
- Provide an overview of the MSRA monthly payment allowance options.
- Explain the unused sick leave benefit.

# Optimal Retirement Planning Timeline

## ▪ **Annually**

- Review your Personal Statement of Benefits (PSB), available on the MSRA website each September, to determine your retirement eligibility date(s).
- To review the PSB, go to [SRA.Maryland.gov](https://SRA.Maryland.gov) under the **Members** section.

## ▪ **9-12 months before retirement**

- Request for an estimate of benefits by completing an MSRA Form 9.
- One can also create a custom online estimate of benefits by visiting the MSRA website and creating an account under [mysrps.org](https://mysrps.org)
- Apply to purchase any eligible service.
- Apply for active-duty military service credit.
- Prepare your retirement budget

## • **6-9 months before retirement**

- Attend Retirement Information Workshop.
- Discuss your retirement payment allowance options with your family and/or financial advisor.
- Review retiree healthcare options.

## • **3-6 months before retirement**

- Contact the Leave and Retirement Office to schedule a virtual appointment via pick-a-time: <https://pickatime.com/client?ven=11610158&event=312986>
- Personal retirement conferences can also be scheduled by appointment
- Send the hard copy of the forms to the MSRA and an electronic copy to the Retirement Office via email to [HRRetirement@hcpss.org](mailto:HRRetirement@hcpss.org).

# Initiate the Retirement Process

We have transitioned to a new process to notify us of your **Intent to Retire**.

- Please complete the following form to log your **Intent to Retire** in our system:  
<https://forms.gle/PuLkL9SC4mtQTDQS8>
- You must use your HCPSS account to access, complete and submit your Intent to Retire.

Contact an HCPSS Retirement Specialist with any questions you may have.

- [Kirk.Thompson@hcpss.org](mailto:Kirk.Thompson@hcpss.org)
- [Jennifer.Watkins@hcpss.org](mailto:Jennifer.Watkins@hcpss.org)
- [HRRetirement@hcpss.org](mailto:HRRetirement@hcpss.org)
- You will receive an email containing the required retirement documents and information detailing the retirement process.

# I Think I'm Ready To Do This...

## 4-Step Process

1. Request a **Service Retirement Estimate (Form #9)** or create an online estimate). Keep in mind that a Service Retirement Estimate is not a retirement application. It is designed for planning purposes only - [https://sra.maryland.gov/sites/main/files/file-attachments/form\\_9.pdf](https://sra.maryland.gov/sites/main/files/file-attachments/form_9.pdf) or by creating an online estimate using [mysrps.org](https://mysrps.org)
2. Use this link to access the MSRA and HCPSS retirement forms and instructions needed to declare your retirement –
3. Schedule a retirement appointment by clicking on the Pick-A-Time link - <https://pickatime.com/client?ven=11610158&event=312986>
4. Submit your completed hard copy of the retirement packet (MSRPS forms only) to the MSRA and an electronic copy of all retirement documents to HCPSS.

# 1. REQUEST AN ESTIMATE FROM MSRPS

- You **must** secure a Service Retirement Estimate to ensure you are eligible to retire.
  - Eligible members can estimate their retirement benefits or create a **custom estimate** using the online benefit estimator through the secure website **mySRPS** at <https://sra.maryland.gov/personal-statement-benefits>
  - The results of the estimate can be received immediately. You can find more information about mySRPS at <https://sra.maryland.gov/mysrps>
  - You can also use Form 9 to request an estimate. Please allow 6 – 8 weeks for processing. The Form 9 can be found at [https://sra.maryland.gov/sites/main/files/file-attachments/form\\_9.pdf?1604681138](https://sra.maryland.gov/sites/main/files/file-attachments/form_9.pdf?1604681138)



## 2. COMPLETE RETIREMENT FORMS

- a) MSRPS Form #13/23 - Application for Service/Disability Retirement
  - b) MSRPS Form #4 - Designation of Beneficiary (If Needed)
  - c) MSRPS Form #766 - Federal & MD State Tax Withholding Request
  - d) MSRPS Form #85 - Electronic Funds Transfer Sign Up
  - e) HCPSS Life Insurance Beneficiary Form (If Applicable)
  - f) HCPSS Health Insurance Authorization Form (If Applicable)
- \*Please also complete the HCPSS Intent to Retire Link

# MSRPS FORM 13/23

## Application for Service/Disability Retirement

- Sign your application in the presence of notary.
- We cannot accept forms with items scratched out... even if initialed.
- If you only have one beneficiary, use the space provided on the Application for Service/Disability Retirement (Page 5) regardless of option choice.
- Retirement Allowance Option is selected on the second page (Page 6) of the form.



**RETIREMENT ALLOWANCE OPTIONS**  
**YOU MAY CHOOSE ONLY ONE OF THE FOLLOWING OPTIONS.**  
**INDICATE YOUR SELECTION BY SIGNING IN THE APPROPRIATE BOX BELOW.**

**BASIC ALLOWANCE:**  
 The Basic Allowance pays you the largest possible amount of money each month until your death. All monthly payments stop at your death, including beneficiary health coverage for state employees. After your death, your beneficiary or estate will receive one payment if your death occurs on the 16<sup>th</sup> of the month or later.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**OPTION 1:**  
 Provides a lower monthly benefit than the Basic Allowance, but guarantees monthly payments that equal the total of your retirement benefit's Present Value. The Present Value of your benefit is figured at the time of your retirement. If you die before receiving monthly payments that add up to the Present Value, the remaining payments will be paid in a lump sum to your designated beneficiary or beneficiaries who remain alive. For state employees: Option 1 does not provide for continued beneficiary health coverage after your death.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**OPTION 2:**  
 Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death the same monthly benefit will continue to be paid to your surviving beneficiary for his or her lifetime. No further payments will be made after the deaths of you and your beneficiary. If you choose this option, you must send proof of your beneficiary's date of birth with this application. Retirees electing Option 2 cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is the retiree's spouse or disabled child.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**OPTION 3:**  
 Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death one half of the monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. No further payments will be made after the deaths of you and your beneficiary. If you choose this option, you must send proof of your beneficiary's date of birth with this application.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**OPTION 4:**  
 Provides a lower monthly benefit than the Basic Allowance, but Guarantees the return of your accumulated contributions and interest as established when you retire. If you die before you have recovered the full amount of your accumulated contributions and interest, the remainder will be paid in a lump sum to your designated beneficiary or beneficiaries who remain alive. For state employees: Option 4 does not provide for continued beneficiary health coverage after your death.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**OPTION 5:**  
 Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death the same monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. It also provides that your monthly benefit will "pop-up" to the Basic Allowance for your lifetime the month following the death of your beneficiary if your beneficiary dies before you. If your original beneficiary dies and you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated under Option 5 based on the new beneficiary designation. If you choose this option, you must send proof of your beneficiary's date of birth with this application. Retirees electing Option 5 cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is the retiree's spouse or disabled child.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**OPTION 6:**  
 Provides a lower monthly benefit than the Basic Allowance, but guarantees that after your death one half of the monthly benefit paid to you will be paid to your surviving beneficiary for his or her lifetime. It also provides that your monthly benefit will "pop-up" to the Basic Allowance for your lifetime the month following the death of your beneficiary if your beneficiary dies before you. If your original beneficiary dies and you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated under Option 6 based on the new beneficiary designation. If you choose this option, you must send proof of your beneficiary's date of birth with this application.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

## Reemployment After Retirement

**VIDEO:** For an overview of this information, go to [era.maryland.gov](http://era.maryland.gov), select YouTube or Vimeo and watch "Reemployment After Retirement."

### FOR RETIREES OF THE TEACHERS' RETIREMENT/PENSION, EMPLOYEES' RETIREMENT/PENSION, CORRECTIONAL OFFICERS' RETIREMENT, OR LOCAL FIRE & POLICE PENSION SYSTEMS

Keep a copy of this information on file as a handy reference. You should also keep your Notice of Retirement Allowance that the State Retirement Agency sends to you as a new retiree. The Notice of Retirement Allowance lists the amount of your monthly retirement allowance, your designated beneficiary(ies) and your earnings limitation. Refer to your Notice of Retirement Allowance to identify the type of retirement you are receiving (service, ordinary disability or accidental disability) and the amount of your earnings limit. Then, apply the reemployment rules printed below to determine if an earnings limit applies for you. Once retired, you cannot enroll in another Maryland State Retirement and Pension System (SRPS) plan or the Optional Retirement Program (ORP).

Under no circumstances should your decision to retire be conditioned upon an offer of reemployment and in fact no offers of reemployment should be discussed by you and your employer prior to your retirement. However, if after your retirement you consider reemployment with an employer that participates in the SRPS you need to be aware of two important issues: Internal Revenue Service (IRS) guidelines regarding reemployment and Maryland retirement law regarding reemployment.

#### INTERNAL REVENUE SERVICE GUIDELINES REGARDING REEMPLOYMENT

There can be significant consequences to you and the SRPS if you retire before the normal retirement age of your plan and/or before age 59 1/2, and are reemployed with the same employer without a bona fide separation of service. Please note that all units of Maryland state government, including the University System of Maryland, are considered one employer.

The IRS can impose a significant tax penalty on your income if you are under the age of 59 1/2, retire and begin receiving your monthly retirement benefits, and are reemployed by the same employer from whom you retired. In order to avoid this penalty there must be a bona fide separation from service between you and your former employer.

If you retire before your normal retirement age, there are also serious IRS consequences to the SRPS if a bona fide separation does not take place following retirement and prior to reemployment with the same employer.

While the IRS has not specifically defined what constitutes a bona fide separation from service, it is clear that the greater the difference between your last job before retirement and the job being performed upon your reemployment, and the longer the break between the date of your retirement and the date of your reemployment, the more likely it is that there has been a bona fide separation of service. If you are reemployed to perform the same job, even if there is a reduction in your work schedule, this would not likely qualify as a bona fide separation of service unless there is a lengthy break in employment. Even arrangements where you are rehired as an "independent contractor" may not meet the IRS' standard.

#### MARYLAND RETIREMENT LAW REGARDING REEMPLOYMENT

Maryland law requires that there must be a minimum of 45 DAYS between your retirement date and the date you are rehired by any employer that is a participating employer in the SRPS. This rule applies even if you retired from an employer that withdrew from the SRPS. All units of Maryland State government, including the University System of Maryland, are considered to be one employer under these reemployment rules.

Additionally, employment after retirement, under certain conditions, may cause your retirement allowance to be reduced.

#### SERVICE RETIREMENT

(For disability retirement rules, see following page.)

**Applicable to all systems:** If you accept employment with a participating employer, that is an employer who offers State Retirement Benefits to their employees (a list of these employers can be found on page three), you must notify the Board of Trustees in writing of your intent to accept reemployment and the amount of your anticipated compensation. If you accept employment with the same employer from which you retired, you are subject to an earnings limit. All units of Maryland State government, including the University System of Maryland, are considered to be one employer under these reemployment rules. If you are subject to an earnings limit, your allowance will be reduced only if your reemployment earnings exceed the earnings limitation printed on your Notice of Retirement Allowance.

Reemployment earnings are the annual reemployment compensation reported to the IRS that you received during a calendar year. Your benefit is reduced one dollar for every dollar you earn in excess of your limit, up to a maximum of the full retirement allowance. If you retired as an elected or appointed official, contact the State Retirement Agency to learn how the reemployment provisions apply to you.

**Applicable only to Employees/Teachers' Systems:** Additionally, if you accept an early retirement and have been retired fewer than 12 months, you are subject to an earnings limit if you return to work for any participating employer during the first 12 months of retirement.

#### SERVICE RETIREMENT: EXCEPTIONS

**Applicable to all systems:** Earnings limits do not apply if your average final compensation used in your retirement calculation is less than \$25,000 and you are reemployed on a permanent, temporary or contractual basis. Earnings limits do not apply if you have been retired more than five years. With the exception of a January 1<sup>st</sup> retirement date, the five year period begins on January 1<sup>st</sup> of the year following the year of retirement.

**Applicable only to Teachers' Systems:** Earnings limits do not apply if you are a teacher who meets all of the following criteria:

- Is or has been certified to teach in the state.
- Has verification of satisfactory or better performance in last assignment prior to retirement.
- Has been appointed in accordance with §4-103 of the Education Article, and
- Retired with normal service retirement, or retired with an early service retirement and has been retired at least 12 months

AND

(continued on following page)

# MSRPS FORM 4

## Designation of Beneficiary

- Sign this form in the presence of a notary.
- Scratch outs are not allowed.
- If you have more than one beneficiary, use the Designation of Beneficiary Form (MSRA-4). You should not have beneficiaries listed on both forms.
- You may designate more than one beneficiary ONLY for the Basic Allowance, Option 1 or Option 4.

MARYLAND STATE RETIREMENT AGENCY  
120 EAST BALTIMORE STREET  
BALTIMORE, MARYLAND 21202-6700



DESIGNATION OF BENEFICIARY

IMPORTANT: Please return completed form to the address listed above. Print clearly and read the instructions first. Fill in all sections. Retain a copy for your records.

Clear fields

FOR RETIREMENT USE ONLY FORM 4 (REV. 8/19)

APPLICANT'S SOCIAL SECURITY NUMBER CHECK ONE:  Active  Vested  Retired (if retiring, retirement date)

APPLICANT'S NAME Initial Last

HOME ADDRESS

Number and Street

City State ZIP Code

PRIMARY BENEFICIARY(IES) All money shall be paid in equal shares to the primary beneficiary(ies) who are living at the time of my death.  Check if you used an additional Form 4 to name additional primary beneficiaries.

BENEFICIARY'S NAME RELATIONSHIP Gender (M or F) Birthdate Month Day Year  
First Initial Last

BENEFICIARY'S ADDRESS

BENEFICIARY'S NAME RELATIONSHIP Gender (M or F) Birthdate Month Day Year  
First Initial Last

BENEFICIARY'S ADDRESS

CONTINGENT BENEFICIARY(IES) If all primary beneficiaries die before me all money shall be paid in equal shares to the following person(s) who are living at the time of my death.  Check if you used an additional Form 4 to name additional contingent beneficiaries.

BENEFICIARY'S NAME RELATIONSHIP Gender (M or F) Birthdate Month Day Year  
First Initial Last

BENEFICIARY'S ADDRESS

BENEFICIARY'S NAME RELATIONSHIP Gender (M or F) Birthdate Month Day Year  
First Initial Last

BENEFICIARY'S ADDRESS

Signature Date Signed

Print

This form must be signed and notarized in order to be valid.

- Please check (✓) for your system:
- 1 Teachers' Retirement System
  - 2 Employees' Retirement System
  - 20 Correctional Officers' Retirement System
  - 3 State Police Retirement System
  - 6 Teachers' Pension System (Incl. Bifurcated)
  - 7 Employees' Pension Sys. (Incl. Bifurcated)
  - 89 Law Enforcement Officers' Pension System

State of \_\_\_\_\_ County of \_\_\_\_\_ (or City of Baltimore)  
On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer,  Official Seal must be affixed.  
personally appeared \_\_\_\_\_ known to me  
NAME OF PERSON WHOSE SIGNATURE IS BEING ACKNOWLEDGED \*  
(or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that (he/she) executed the same for the purposes therein contained. In witness whereof I hereunto set my hand and official seal.  
Signature of Notary Public \_\_\_\_\_  
Printed Name of Notary Public \_\_\_\_\_ My Commission Expires \_\_\_\_\_  
\* IMPORTANT: If the name of the individual whose signature is being acknowledged is not filled in, this form will be INVALID and have no legal effect.

# MSRA FORM 85

## Direct Deposit Authorization

- Complete the required information on both pages of the MSRA-85.
- Your pension will be direct deposited each month.





# MSRPS FORM 766

## Federal & MD State Tax Withholding Request

- This form should be completed before your appointment
- We cannot advise you as to your tax withholding. Seek professional advice, if needed.
- Federal and State of Maryland On-line Tax Resources:  
<https://interactive.marylandtaxes.gov/Extranet/cpb/PayChkCalc/PayChkCalc.aspx>  
<https://apps.irs.gov/app/tax-withholding-estimator/tax-credits>



# HCPSS Life Insurance Beneficiary Form

- Complete this form only if you have at least 10 cumulative years of service with HCPSS .
- You may copy this form if you need more spaces for primary and/or contingent beneficiaries.
- There is no cost to the retiree for this life insurance.

**THE HOWARD COUNTY PUBLIC SCHOOL SYSTEM  
Retiree Designation of Beneficiary Form**

NAME \_\_\_\_\_ S.S. \_\_\_\_/\_\_\_\_/\_\_\_\_  
Last First Middle

ADDRESS \_\_\_\_\_ PHONE \_\_\_\_\_  
Street City State Zip

DATE OF BIRTH \_\_\_\_/\_\_\_\_/\_\_\_\_ SEX \_\_\_\_\_ DATE OF RETIREMENT \_\_\_\_/\_\_\_\_/\_\_\_\_

**PRIMARY BENEFICIARY**

Primary _____ Relationship _____ <small>Last First Middle</small>
Address _____ Phone _____
S.S.# ____/____/____ Date of Birth ____/____/____
Primary _____ Relationship _____ <small>Last First Middle</small>
Address _____ Phone _____
S.S.# ____/____/____ Date of Birth ____/____/____

**CONTINGENT BENEFICIARY**

Contingent _____ Relationship _____ <small>Last First Middle</small>
Address _____ Phone _____
S.S.# ____/____/____ Date of Birth ____/____/____
Contingent _____ Relationship _____ <small>Last First Middle</small>
Address _____ Phone _____
S.S.# ____/____/____ Date of Birth ____/____/____

**You may change your beneficiary any time, according to the terms of the Group Policy.**  
 If more than one primary beneficiary is named, the death benefit, unless otherwise provided herein, will be paid in equal shares to the designated beneficiaries who survive the employee. If no primary beneficiaries survive, the proceeds shall be paid in equal shares to the named contingent beneficiaries, if any. If no beneficiary survives, payment shall be made according to the terms of the policy. I understand certain payment due to a minor shall be made only to the legal guardian of that minor.

I hereby accept the form of group insurance presently contracted for by The Howard County Public School System in the amount for which I am or may become eligible.

Date \_\_\_\_/\_\_\_\_/\_\_\_\_ Applicant's Signature \_\_\_\_\_

# HCPSS HEALTH INSURANCE AUTHORIZATION FORM

- The HCPSS Health Insurance Authorization Form authorizes the Maryland State Retirement Agency to deduct the cost of retiree monthly medical premiums from your pension check.
- Eligibility for HCPSS retiree medical benefits is dependent on the following:
  - Must have at least 15 years of cumulative permanent employment service with HCPSS
  - Must carry HCPSS health insurance during the year of retirement
- Details regarding retiree medical benefits are available during the benefits portion of the HCPSS Retirement Information Seminar



I, \_\_\_\_\_, hereby authorize the Maryland State Retirement/ Pension Systems to deduct premiums from my monthly annuity check, if I am eligible to receive health benefits through Howard County Public School System.

**ALL changes to health coverage must be completed within thirty (30) days of the effective retirement date. A completed Benefits Change Form must be submitted to the Benefits Office within this time.** Changing medical plans is only allowed if one is moving out of the HMO service area.

If an employee retires after the last day of school, he/she is eligible to maintain current benefits without additional premium payments through August 31. **Any changes / termination made to health insurance coverage for July 1 or August 1 retirees will be effective September 1.**

**All HCPSS retiree health plans require enrollment in Medicare parts A and B when eligible for Medicare. If you do not enroll in Medicare parts A and B, your claims will be processed as if Medicare were your primary insurance.** Employees eligible for Medicare Part B upon retirement, should apply for Medicare coverage prior to the retirement date. The effective Medicare Part B date for retirees in July or August is September 1. For all other retirees, Medicare Part B is effective the month of retirement. If you are approved for Social Security disability and become eligible for Medicare, you **MUST** elect Medicare Part B. **Send a copy of the Medicare B card to the Benefits Office upon receipt for our records.**

Retiree health benefits information is located online at [www.hcpss.org/employees/retiree-benefits/](http://www.hcpss.org/employees/retiree-benefits/) to include the monthly premium costs and plan information.

**PLEASE KEEP YOUR ADDRESS CURRENT WITH THE BENEFITS OFFICE**, as a Retiree Health Benefits packet will be mailed to you each year for open enrollment. If you have any questions, please contact the **Benefits Office at 410-313-1564 or email [benefits@hcpss.org](mailto:benefits@hcpss.org)**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

Date of birth \_\_\_\_\_ Social Security # \_\_\_\_\_ Home phone # \_\_\_\_\_

E-mail address \_\_\_\_\_ Mobile phone # \_\_\_\_\_

**(For Office Use Only)**

Number of **Cumulative** years employed by Howard County \_\_\_\_\_ Base salary \_\_\_\_\_

Date of Retirement \_\_\_\_\_ Type of Retirement \_\_\_\_\_ Emp ID \_\_\_\_\_

Employment Date \_\_\_\_\_ Current position \_\_\_\_\_

10910 Clarksville Pike • Ellicott City, MD 21042 • 410-313-6600 • [www.hcpss.org](http://www.hcpss.org)

# Intent to Retire Link and Retirement Letter

- Indicate the date you intend to retire on both the Intent to Retire Link (<https://forms.gle/24mYhhm7vEcbjDkt6>) and your Retirement Letter.
- All retirements must be effective the first of a month.
- Provide a copy of your letter to your supervisor, if desired.



## 3. Schedule Your Retirement Appointment

- Sign up for a retirement appointment through Pick-A-Time  
<https://pickatime.com/client?ven=11610158&event=312986>.  
Please email Kirk Thompson after you schedule your appointment to indicate if you would like a virtual or in-person conference.
- Forms should be completed prior to the final appointment.  
Appointments DO NOT include enough time for your paperwork to be completed with the Retirement Specialist. If your paperwork is incomplete, your final appointment may need to be rescheduled.
- In order to select your retirement payment option, you will need to your **Service Retirement Estimate**.

## 4. Day of Your Final Retirement Appointment

- Have your completed forms. We will review the forms with you.
- Forms must be notarized. Unsigned documents requiring notarization can be notarized during your final conference.
- You will be provided with Submission Directions
- You will be provided with information regarding your salary reserve (12-month pay) or annual leave (If applicable)

# Understanding Your Retirement Payment Options

# Choosing a Monthly Payment Option: Points to Remember

- You may select only one payment "allowance" option at the time of retirement.
- You cannot change your allowance option after you receive your first pension payment.
- You can change your beneficiaries after you retire, but your monthly benefit will be recalculated if you elected a dual life annuity, and may be reduced, depending on the age of your beneficiary.

# Monthly Payment Option Selection

- Basic Allowance (Maximum)
- Single Life Annuities
- Dual Life Annuities

# Basic Allowance

- Provides the largest monthly benefit you can receive for the remainder of your life.
- No protection for any beneficiaries.
- Benefits cease at death.

# Single Life Annuities- Payment Option 1

- Lifetime reduced monthly benefit to retiree.
- May provide lump sum payment to beneficiary(s) at retiree's death.
- If the retiree dies before receiving the full guaranteed amount the remainder, if any, is paid in a lump-sum payment to designated beneficiary(s).

# Example of Payment Option 1

- Lifetime monthly payment of \$3,000
- Present Value is \$300,000
- Present Value is reduced monthly by \$3,000
- Beneficiaries paid any remaining balance in a lump-sum payment

# Single Life Annuities: Payment Option 4

- Lifetime monthly benefit to the retiree
  - Provides the value of the member's accumulated contributions ( employee contributions and interest).
  - If the retiree dies before receiving the full guaranteed amount, the remainder is paid in a lump sum to the retiree's beneficiary (s).

## Example of Payment Option 4

- Monthly for the remainder of your life \$3,100
- Accumulated contributions and interest are \$60,000
- Accumulated contributions and interest reduced monthly rate of \$300
- Beneficiaries will be paid the balance in a lumps-sum payment

## Dual Life Annuities- If selected, you must provide proof of your beneficiary's date of birth.

- Provides a lifetime monthly benefit for the retiree.
- If the retiree dies, it provides a continued lifetime monthly benefit to your spouse or disabled dependent child as a sole beneficiary.
- Payment Option 2
  - 100% survivorship – Beneficiary receives the same monthly benefit as the retiree for his/her lifetime.
- Payment Option 3
  - 50% survivorship- Beneficiary receives half of the monthly benefit as retiree, for his/her lifetime.

# Dual Life Annuities- Continued

- "Pop-Up" provision
  - If the beneficiary predeceases the retiree, the retiree's monthly benefit amount increases to the " Basic Allowance" unless the retiree re-names a new beneficiary.
- Payment Option 5
  - 100% survivorship ( with "pop-up" provision) - Beneficiary receives same monthly benefit as retiree, for his/her lifetime.
  - Lower monthly benefit than Basic Allowance.
  - Payment ends after death of retiree and beneficiary.
- Payment Option 6
  - 50% survivorship ( with "pop-up" provision) - Beneficiary receives half the monthly benefit as retiree, for his/her lifetime.

# Dual Life Annuities- Continued

- Lower monthly benefit than Basic Allowance.
- Provides the monthly benefit and will “pop-up” to the Basic Allowance for the retiree if the beneficiary pre-deceases the retiree.
- Benefit ends after death of retiree and beneficiary.

# Naming a Beneficiary Under Payment Options 2 and 5

You may not designate a beneficiary who is more than 10 years younger than you unless the beneficiary is your spouse or your disabled child.



# Do You Have Unused Sick Time?

# Claiming Credit for Unused Sick Leave

Unused sick leave:

- 1. MSRA: awards 1 month of creditable service in calculating your pension for every 22 days of unused sick leave**
- 2. HCPSS will certify the number of unused sick leave days on your retirement application, then re-certify the unused sick leave days after retirement.**

**\*For members of HCEA certificated staff only (\*NOT HCEA-ESP)**

## **Early Notification Incentive**

**HCEA members (not HCEA-ESP) retiring effective July 1, will receive an Early Incentive Payment of \$ 750.00 by providing formal retirement notification to HCPSS by March 1.**

**UNUSED SICK LEAVE CREDIT CHART**

<b>Years of Service</b>	<b>Maximum UNUSED Sick Leave DAYS</b>	<b>UNUSED Sick Leave Days</b>	<b>Retirement Credit 10 months Teachers &amp; Employees</b>	<b>Retirement Credit 12 Month Employees</b>
0 - 1	0 - 15	1 - 10	0	0
1 - 2	16 - 30	11 - 32	1	1
2 - 3	31 - 45	33 - 54	2	2
3 - 4	46 - 60	55 - 76	3	3
4 - 5	61 - 75	77 - 98	4	4
5 - 6	76 - 90	99 - 120	5	5
6 - 7	91 - 105	121 - 142	6	6
7 - 8	106 - 120	143 - 164	7	7
8 - 9	121 - 135	165 - 186	8	8
9 - 10	136 - 150	187 - 208	9	9
10 - 11	151 - 165	209 - 230	10	10
11 - 12	166 - 180	231 - 252	10	11
12 - 13	181 - 195	253 - 274	10	12
13 - 14	196 - 210	275 - 296	11	13
14 - 15	211 - 225	297 - 318	12	14
15 - 16	226 - 240	319 - 340	13	15
16 - 17	241 - 255	341 - 362	14	16
17 - 18	256 - 270	363 - 384	15	17
18 - 19	271 - 285	385 - 406	16	18
19 - 20	286 - 300	407 - 428	17	19
20 - 21	301 - 315	429 - 450	18	20
21 - 22	316 - 330	451 - 472	19	21
22 - 23	331 - 345	473 - 494	20	22
23 - 24	346 - 360	495 - 516	20	23
24 - 25	361 - 375	517 - 538	20	24
25 - 26	376 - 390	539 - 560	21	25
26 - 27	391 - 405	561 - 582	22	26
27 - 28	406 - 420	583 - 604	23	27
28 - 29	421 - 435	605 - 626	24	28
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Unused sick leave: Leave available to the employee as sick leave during employment. No other unused leave balances (i.e. personal leave) may be reported as unused sick leave. Unused sick leave cannot be used to qualify a member for retirement or reduce an early retirement reduction.

Employers certify all unused leave days and report unused sick leave days to the Maryland State Retirement Agency

Maryland State Retirement Agency determines unused sick leave retirement credit.

Retirees may receive creditable service for unused sick leave if the member retires on or before 30 days after the member is separated from employment (§ 20-206). (Retirement type: ordinary disability, early or service retirement). Retirees may receive one month of creditable service for each 22 days of unused sick leave reported. And an additional month if they have 11 or more days remaining. Retirees are allowed a maximum of 15 days of unused sick leave for each year of service credit.

Retirees with over 45 years of service and 670 days of unused sick leave may receive more unused sick leave credit unless they have reached their plans maximum benefit.

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Additional Resources Are  
Available

# PREPARING FOR RETIREMENT VIDEOS

- PART 1 - ELIGIBILITY REQUIREMENT (8:14)
- PART 2 - MILITARY CREDIT/PURCHASE OF SERVICE (5:51)
- PART 3 - PAYMENT OPTION SELECTION(13:50)
- PART 4 - NECESSARY FORMS/AFTER RETIREMENT- Cost of Living Adjustment (COLA), UNUSED SICK LEAVE (8:03)

# ADDITIONAL VIDEOS

- GUIDE TO CHOOSING AN ALLOWANCE OPTION (12:31)
- UNUSED SICK LEAVE REPORTING (14:55)
- REEMPLOYMENT AFTER RETIREMENT (9:36)



# QUESTIONS?



# Thank You for Your Attendance Today

