Howard County Public School System

Retirement Information Session: The Steps Towards Retirement

We Will Review:

- Timeline and steps of the retirement process
- MSRA and HCPSS retirement forms
- Resources to assist you
- How MSRA and HCPSS are here to help you
- Payment options points to remember
- Unused sick leave credit explanation
- Unused sick, personal, and annual leave upon retirement information
- Years of Service audit explanation
- Reemployment information
- Earnings limitations after retirement information

Optimal Retirement Planning Timeline

- **9-12 months before retirement**
  - Create an estimate of your monthly benefits using your mySRPS account
  - Apply to purchase any previous eligible service
  - Apply for active-duty military service credit
  - Prepare your retirement budget
- **6-9 months before retirement**
  - Attend a Retirement Information Workshop through HCPSS or MSRA
  - Discuss your retirement payment allowance options with your family and/or financial advisor
  - Review retiree healthcare options
- **3-6 months before retirement**
  - Contact your Retirement Specialist for the retirement package
  - Complete and submit your Intent to Retire Notification
  - Complete the required Retirement paperwork and submit your retirement documents to HCPSS

Retirement Process - Overview

1. **Create a custom Estimate of Your Retirement Allowance.** This will allow you to see your retirement eligibility date and allowance options.
2. **Request a retirement package** from your Retirement Specialist. This will provide you with the required MSRA and HCPSS forms to retire.
3. **Complete the Intent to Retire form**. A link will be included in the retirement package. This will allow our team to complete a Years of Service (YOS) Audit to determine eligibility for HCPSS Retiree Health Insurance.
4. **Contact available resources** to answer your retirement questions.
5. **Complete the retirement paperwork.** Retirement Specialists are notaries!
6. **Submit your retirement forms to HCPSS** via email, mail, or through an appointment with your Retirement Specialist.

1. Request an Estimate from MSRA

- You **must** secure a Service Retirement Estimate to ensure you are eligible to retire.

- Members can create a custom estimate of their retirement allowance by logging in to their **mySRPS** account, selecting **Estimate my Benefits**, and following the prompts/questions for creating a custom estimate.
  - The results of the estimate can be produced immediately.
  - Estimates can be saved for future review.
  - Estimates can be generated as often as you would like.

2. Request a Retirement Package from HCPSS

- Email your Retirement Specialist
  - Breakdown provided in the presentation
- Email HRRetirement@hcpss.org
- Retirement forms can be found on our website here
- Instructions on completing the forms and next steps of the process are included in the package

3. Complete the Intent to Retire form

- Complete Intent to Retire form to provide your intention to retire
  - This link is in the retirement package
  - You must use your HCPSS email account to access, complete and submit the form

- Once the Intent to Retire is completed, this will allow our team to start a Years of Service Audit. This will determine the number of years of service with HCPSS for Retiree Health Insurance.
  - More information about Years of Service audits is provided later in the presentation

4. Contact Available Resources

There are many resources available to assist you with your retirement questions:

- **Maryland State Retirement Agency (MSRA)**
  - Website - http://sra.maryland.gov
    - Videos (links throughout our presentation)
    - Webinars
      - Pre-Retirement link
      - First Steps link
  - Telephone - 410-625-5555
  - Email - sra@sra.state.md.us
  - mySRPS - https://sra.maryland.gov/member-portal for Benefits Estimate
  - Appointment with a Retirement Counselor link

Resources, Continued

- **HCPSS Retiree Benefits and Employee Assistance Program**
  - Website - https://www.hcpss.org/employees/retiree-benefits/
  - Email - benefits@hcpss.org
  - The Well-Being website can be found here

- **HCPSS Leave and Retirement Office**
  - Jennifer (Lisa) Watkins – handles last names of A-G
  - Fatima Sye – handles last names of H-O
  - Gale Gibbs – handles last names of P-Z
  - Sarah Wilson – Coordinator of Employee Services
  - HRRetirement@hcpss.org

5. Complete the Retirement Forms

- Application for Service/Disability Retirement
- Designation of Beneficiary (if needed)
- MD State Tax Withholding Request / Form W-4P Federal Withholding Certificate for Periodic Pension or Annuity Payment
- Electronic Funds Transfer Sign Up
- HCPSS Life Insurance Beneficiary Form (if applicable)
- HCPSS Health Insurance Authorization Form (if applicable)

MSRA 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 13/23, Page 5, regardless of the option you choose.
- Retirement Allowance Option is selected on Page 6. Sign and date the selected option.
- **Only** enter your name, job title, and social security number on the top of Page 7.

MSRA Form 4 – Designation of Beneficiary

- Sign this form in the presence of a notary.
- Scratch outs are not permitted.
- If you have more than one beneficiary use the Designation of Beneficiary Form (MSRA-4).
    - You should not have beneficiaries listed on both the MSRA 13/23 - page 5 and the MSRA-4 form.

- You may designate more than one beneficiary <u>ONLY</u> for the Basic Option, Option 1 or Option 4.

MSRA Form 766 (Maryland Tax Withholding Request) and Form W-4P (Withholding Certificate for Periodic Pension or Annuity Payments

- These forms should be completed before your appointment to turn your forms in.
- 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

MSRA Form 85 – Direct Deposit Authorization

- Complete the required information on both pages of the MSRA-85.
- Your pension will be directly deposited in the identified account each month.
- Pension checks are deposited on the last business day of the month.
- You must provide either a voided check, voided deposit slip or a bank statement.

HCPSS Life Insurance Beneficiary Form

- Complete this form **only** if you have at least 10 cumulative years of service with HCPSS at the time of retirement.
- 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.

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 for at least one full year immediately prior to retirement date.
- Details regarding retiree medical benefits are available during the benefits portion of the HCPSS Retirement Seminar.

6. Submit your Retirement Forms to HCPSS

- Options to submit the forms:
  - Email to your Retirement Specialist
  - Mail/Drop off to Central Office
  - Make a 15-minute appointment with your Retirement Specialist
    - Review forms for completion
    - Notarize forms, if needed

- Retirement Specialists will upload the forms to MSRA’s portal. They will send you a confirmation email and additional information on your upcoming retirement.

MSRA and HCPSS Working for You!

MSRA Retirement Specialists

- Specific retirement account information
- Options overview and selection help
- Pension Benefits statement explanation

HCPSS Retirement Specialists

- Retiree Benefits eligibility
- Forms review and submission
- Unused sick leave balance verification

Who Can Help Me?

Question	Agency
What is the difference between early retirement and normal retirement?	MSRA
When can I retire?	MSRA
How much money will I get in retirement?	MSRA
Can you explain the Option Allowances to me?	MSRA
Am I eligible for HCPSS retiree benefits?	HCPSS
How much will I pay for HCPSS retiree benefits?	HCPSS
What is the HCEA Sick Leave Incentive and what is the deadline?	HCPSS
What does MSRA do with my unused sick leave?	MSRA
What happens with my unused sick, personal, and annual leave?	HCPSS
How do I submit my retirement forms?	HCPSS
What is an earnings limitations and does it apply to me?	MSRA

Retirement Payment Allowance Options

- This is a personal decision that only you and your family can make!
- Per MSRA, HCPSS Retirement Specialists are not authorized to provide specific payment option information…however, MSRA Retirement Specialists are trained to assist you!
- From MSRA's website: Choosing an Allowance Option video

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.

Credit for Unused Sick Leave

- MSRA awards 1 month of creditable service when calculating your pension for every 22 days of unused sick leave

- HCPSS Retirement Specialists will certify the number of unused sick leave days on your retirement application, then re-certify the unused sick leave days 30 days after your retirement

- MSRA calculates the additional creditable service

- From MSRA's website: [Unused Sick Leave video]

Unused Leave Balances Upon Retirement

- Unused sick leave
  - Balance is provided to MSRA to calculate for additional creditable service
  - It is not paid out upon retirement

- Unused personal leave
  - It is not paid out upon retirement

- Unused annual leave (if applicable)
  - Paid out per the appropriate negotiated agreement
  - Paid on your final HCPSS paycheck

Years of Service (YOS) Audit

- The YOS will be emailed to you by your Retirement Specialist
- Please allow 4-6 weeks for this process to occur, especially during the peak retirement season
- YOS is **only** used by HCPSS to determine HCPSS retiree health insurance eligibility
- HCPSS employment that does **not count** towards YOS:
    - Part time of a 0.4 or less classification
    - Substitute and/or Temporary work
    - General Leave of Absences

Reemployment After Retirement

- No offers of reemployment should be discussed by you and your employer prior to your retirement.
- There needs to be a minimum of 45 days between retirement date and the date rehired by a MSRA employer.
- Notify MSRA of intention to accept reemployment, the name of employer, and compensation to be received.
- From MSRA's website: Reemployment After Retirement video

Earnings Limitation

- Maximum annual income retiree may earn through MSRPS reemployment without being subject to a reduction of monthly retirement allowance.
- Based on retiree's Average Final Compensation (AFC) and annualized Basic Allowance.
- The Earnings limitation **is applicable** if you return to employment with the **employer from which you retired**.
- Calculated by the Retirement Agency.

•NOTE: MSRPS stands for Maryland State Retirement and Pension System

Earnings Limitation (cont.)

- Earnings limitation will be listed on retiree’s *Notice of Retirement Allowance.*

- Additional information can be found on form 13/23 Application for Service or Disability Retirement.

- It is suggested to contact MSRA before accepting a position from a participating employer.

Thank You for Attending!

Questions?