

# THE Mentor

News from the State Retirement and Pension System of Maryland

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STATE RETIREMENT  
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of MARYLAND

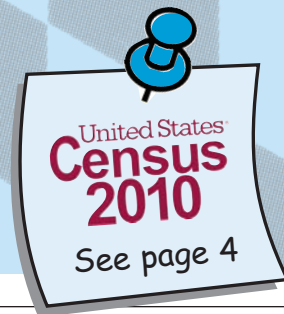


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## Legislative update

### THE 2009 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, 2009, unless otherwise noted.

#### House Bill 975 / Senate Bill 591: Military Service Credit

*Synopsis:* Permits eligible members of the State Retirement and Pension System to apply for service credit for active or inactive duty

## Two candidates qualify for seats on Board

### TWO CANDIDATES FOR THE BOARD OF TRUSTEES

of the State Retirement and Pension System of Maryland were successful in collecting the 500 required signatures to vie for seats on the Board this spring.

As the only qualified candidates, incumbent teachers' representative William D. Brown and incumbent employees' representative Sheila Hill will retain their Board seats.

Because Mr. Brown and Ms. Hill are unchallenged, a trustee election will not be conducted. The two incumbents will continue to serve on the Board and will begin new four-year terms beginning August 1, 2009. Mr. Brown has served on the Board since 1997 and Ms. Hill since 2004.

The Board of Trustees is charged with the fiduciary responsibility for properly administering the retirement and pension allowances of more than 115,000 retirees and beneficiaries as well as the future benefits for more than 197,000 active members. These groups include state government employees, teachers, law enforcement personnel, legislators, judges, local government employees and fire fighters whose employers have elected to participate in the System.



William D. Brown



Sheila Hill

training that interrupts the member's employment. Also provides disability and survivor benefits to eligible members who die in 2007 or later during military service that interrupts their employment.

#### House Bill 977 / Senate Bill 592: Compliance with Federal Tax Provisions

*Synopsis:* Brings state retirement law into compliance with federal regulations so that 1) benefits forfeited by a member or former member are used only to reduce employer contributions and 2) eligible beneficiaries may rollover their benefit into qualified retirement plans. The legislation also permits benefit rollovers by a member's

See Update, page 5

# Disability retirement benefits: valuable protection is there when you need it

**DISABILITY RETIREMENT BENEFITS PROVIDE VALUABLE PROTECTION** for members who experience a serious illness or injury 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 exten-

sion may be granted for members who can prove they were mentally or physically incapacitated from filing within the deadline due to the disability itself. The requirements to receive this filing extension are difficult to meet. The chart on page 3 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 Specialist immediately.

## Learn the steps 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),
- *Application for an Estimate of Disability Retirement Allowances* (Form 21; Form 22 for State Police; Form 100 for LEOPS) and
- *Authorization for Release of Medical Records by Employing Agency* (Form 632).

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

See *Steps to file*, page 3

# Former non-vested members should consider withdrawing contributions

**IF YOU LEAVE EMPLOYMENT** with an employer who participates in the State Retirement and Pension System of Maryland and you have less than five years of service credit in one of the System's plans (i.e., before becoming vested), you should consider withdrawing your accumulated contributions with interest.

However, please be aware that by making such a withdrawal, you will **forfeit any future benefit** from the System.

Former members who leave employment before vesting can receive a special packet of information (Form 5 packet) from the State Retirement Agency

See *Withdrawing*, page 5



## Steps to file, continued from page 2

- 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 Specialists at the State Retirement Agency are available to answer questions and guide members through the filing process. A newly-expanded list of answers to members' frequently asked questions about disability retirement is available online at [www.sra.state.md.us](http://www.sra.state.md.us). For more information, call a Retirement Benefits Specialist at 410-625-5555 or toll free 1-800-492-5909.

## Need forms?

[www.sra.state.md.us/forms](http://www.sra.state.md.us/forms)

## 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

# Marylanders go all-out for complete count in Census 2010

**WITH BILLIONS OF DOLLARS OF FEDERAL FUNDING AT STAKE**, Marylanders from Oakland to Ocean City are busy making preparations for Census Day, April 1, 2010.

The importance of the U.S. Census cannot be overstated. By answering the Census, services and programs like job training, education, health care and transit improvements will serve Maryland communities for years to come. An undercount of as little as 1.7%, or 100,000 of Maryland's 5.8 million residents, translates to a loss of \$1 billion in federal revenue over the decade and considerably more in state funds distribution.

To achieve the goal of a complete count of every Marylander, Governor Martin O'Malley has launched an active outreach plan to be implemented under the leadership of the Maryland Department of Planning, the official state partner to the U.S. Census Bureau, along with the Office of the Secretary of State and the Governor's Office of Community Initiatives.

The 2010 Census will have one of the shortest Census questionnaires in the history of the United States, dating back to the nation's first Census in 1790. The 2010 Census will ask for name, gender, age, race, ethnicity, relationship and whether the householder owns or rents his or her home. The Census form will take only about 10 minutes on average to complete, and answers are protected by law and strictly confidential.

## Why is the Census so important?

- The federal government uses Census numbers to allocate more than \$300 billion in federal funds annually for community programs and services, such as education, housing and community development, health care services for the elderly, job training and more. In fiscal year 2007, Maryland received more than \$5.8 billion in federal formula-based grants. That's \$1,000 for every Maryland resident!
- State, local and tribal governments use Census information for planning and allocating funds for new school construction, libraries and other public buildings, highway safety and public transportation systems, new roads and bridges, location of police and fire departments, and many other projects.
- Community organizations use Census information to develop social service programs, community action projects, senior lunch programs and child-care centers.
- The numbers help businesses identify where to locate factories, shopping centers, movie theaters, banks and offices — activities that often lead to new jobs.
- The Census totals are used to determine how many seats each state will have in the U.S. House of Representatives. In addition, states use the numbers to allocate seats in their state legislatures.



## How can I help?

At the center of achieving a complete count is the creation of Complete Count Committees. These teams are commissioned by state and local government and community leaders to:

- Motivate volunteers to get involved
- Urge participation in the Census
- Conduct targeted outreach within neighborhoods and communities identified as "hard to count"
- Give true expression to the campaign theme "The Success of the Census, It's in Our Hands Maryland!"
- Ignite community participation in the 2010 Census

For information about forming a Complete Count Committee, contact a Census Bureau Regional Office at [www.census.gov/field/www](http://www.census.gov/field/www).

You also may apply for short-term employment with the Census. Peak hiring will occur from February 2009 through May 2010, with most jobs lasting five to 10 weeks. By the end of the 2010 Census, the Census Bureau will have employed about 1.4 million temporary workers in communities across the U.S.

To apply for a Census job, call toll free 1-866-861-2010.

More information about the 2010 Census can be found at [www.mdp.state.md.us/msdc/Census2010.htm](http://www.mdp.state.md.us/msdc/Census2010.htm) or [www.census.gov/2010census](http://www.census.gov/2010census).

### Withdrawing, continued from page 3

explaining their options and describing the steps to apply for a withdrawal. It is important to review this material thoroughly.

The Form 5 packet includes the following:

- *Application for Withdrawal of Accumulated Contributions* (Form 5)
- *Trustee to Trustee Distribution Form* (Form 193)
- *Acknowledgement of Receipt of Safe Harbor Notice and Affirmative Election* (Form 746) and
- *Special Tax Notice Regarding Plan Payments*.

This packet is available from your former employer, on the State Retirement Agency's Web site at [www.sra.state.md.us](http://www.sra.state.md.us) or by contacting a Retirement

Benefits Specialist at 410-625-5555 or toll free 1-800-492-5909.

It is imperative that departing members understand the effect withdrawing their contributions can have on their retirement account. When a member withdraws his or her employee contributions, membership will end in any State Retirement and Pension System plans (except for the Non-Contributory Pension System and the Local Fire and Police System). Closing of your account results in the loss of all accrued retirement service credit, and, if eligible, any entitlement to an accrued future retirement benefit.

### Update, continued from page 1

spouse or former spouse who is an alternate payee under an eligible domestic relations order.

#### House Bill 1513: Reemployment of Retirees – Health Care Practitioners

*Synopsis:* Waives the earnings limit indefinitely for retirees of the Employees' Systems who return to work on a contractual basis as health care practitioners. Existing law limits the waiver to four years.

#### House Bill 1495 / Senate Bill 1019: State Police Retirement System – Reemployment of Retirees

*Synopsis:* Waives the earnings limit and extends survivor and special disability benefits for up to four years for retired State troopers who are under age 60 and return to contractual employment with the State

Police as a Trooper First Class. Also extends survivor and special disability benefits to retired State troopers rehired as helicopter pilots for the Maryland State Police Aviation Command.

#### House Bill 745: Town of Sykesville Employees – Participation in the Employees' Pension System

*Synopsis:* Extends membership in the Employees' Alternate Contributory Pension System to employees of the Town of Sykesville. Such persons, who are actively employed on the day the Town joins the System, will receive service credit in the System equal to 75% of their period of employment with the Town.

#### House Bill 1383 / Senate Bill 962: Town of University Park

#### Employees – Participation in the Employees' Pension System

*Synopsis:* Extends membership in the Employees' Alternate Contributory Pension System to employees of the Town of University Park. Such persons, who are actively employed on the day the Town joins the System, will receive service credit in the System equal to 70% of their period of employment with the Town.

### Visit us online!

The State Retirement Agency's Internet Web site is a valuable resource for retirement planning. Go to [www.sra.state.md.us](http://www.sra.state.md.us) to access printable forms, benefit calculators, handbooks, pamphlets, trustee biographies and investment updates.

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