



ANNUAL ELECTION FORM

State Match Contributions for Payments Made on Higher Education Student Loans

Background Information

Maryland House Bill 982 was signed into law on April 24, 2023 and amended Md. Code Ann., State Personnel and Pensions Article §32-205(a) to require the State of Maryland to make contributions to the applicable State supplemental retirement plan employer in an amount equal to the lesser of participating employees' payroll deferral/contributions or \$600 per fiscal year for State employees participating in the supplemental retirement plans included under §32-204 of that title. A participating employee who makes higher education student loan payment match payments on the employee's own behalf may opt to, instead, receive a matching contribution of the lesser of \$600 or the amount of the higher education student loan match payments per fiscal year.

An individual may not receive a matching contribution for both higher education student loan repayments and regular employee supplemental retirement plan deferrals/contributions. If an eligible employee receives matching contributions that exceed a total of \$600.00 per fiscal year because of dual enrollment in both options presented below, the employee must refund MSRP directly. MSRP will subsequently reimburse the employee's agency. Please use this form only when electing Option 2. No form is necessary for Option 1.

OPTION 1: The eligible employee deferrals/contributions shall be made as payrolls are paid (by payroll deduction or by a reduction in salary in accordance with the Internal Revenue Code and as provided by the applicable State supplemental retirement plan) to the applicable State supplemental retirement plan employer for State employees participating in qualifying supplemental retirement plans (see Eligibility Requirements section below). No further action by the employee is needed to receive the State match of up to \$600 per fiscal year.

OPTION 2: If elected by the participating employee (via this form), the State will, instead, contribute to the applicable State Supplemental Retirement Plan Employer Contribution Fund, an amount equal to the lesser of the participating employee's higher education student loan payments (made by the employee on the employee's own behalf) or \$600.00 per current fiscal year. If the eligible employee makes this election, the eligible employee must: (1) make that annual election using this form each year and (2) provide documentation to the State of the amount the eligible employee has made toward the employee's own higher education student loan during the current fiscal year. Acceptable documentation is required and may include receipts detailing payments, invoices showing that payment has been credited, and cancelled check copies. Documents will be reviewed for sufficiency and credibility upon receipt. **MSRP will begin submitting Higher Education Student Loan Repayment match contributions within 45 days of approved election form request.**

Eligibility Requirements

Pursuant to Maryland State Personnel and Pensions Article § 32-101(a) and (b):

"Eligible employee" means a member of the Employees' Pension System or the Employees' Retirement System who is subject to Selection C (Combination Formula) as provided in § 22-221 of this article, other than:

- (i) an employee of a participating governmental unit or a former participating governmental unit that has withdrawn; or
- (ii) a member of the Employees' Pension System who transferred from the Employees' Retirement System after April 1, 1998.

"Eligible employee" includes:

- (i) a member of the Employees' Pension System who contributes to a State supplemental plan authorized by an employing institution as defined in § 30-101 of this article; or
- (ii) a member of the Employees' Pension System who is an employee of the Northeast Maryland Waste Disposal Authority.

Are you an eligible employee based on the eligibility requirements listed above?

- **Yes** – Continue to the Participant Information section of this form.
- **No** – Stop here. You do not meet the eligibility requirements.



Participant Information

Last First, MI Date

Address: _____
Street Address Apartment/Unit #

City State ZIP Code

Phone: _____ Email _____

Your Department/ Agency Code
Agency Name: _____ (ex. 26.12.00): _____

Your Agency's Human Resources Representative's Name and contact information (email address & phone number):

What is the name of your supplemental retirement plan (MSRP, TIAA or Fidelity Investments)? Include all plans in which you are participating.

What is your Account Number for your plan? (It is NOT your social security number.)

Fiscal Year of Election for the Higher Education Student Loan Payment Match Option

Fill in the blanks below to identify the fiscal year pertaining to this election request.

(Example, Fiscal Year 2024 begins on July 1, 2023; Fiscal Year 2025 begins on July 1, 2024.)

I elect to enroll in the Higher Education Student Loan Repayment Match option for Fiscal Year _____ which begins on July 1, _____ **(You may update your election until May 31st of the fiscal year prior to the fiscal year of your election of this option.)**

Are you submitting this form to renew a previous submission for the upcoming fiscal month? YES NO

Certifications

By signing and submitting this form, you authorize MSRP to use the information included in this form to contribute an amount equal to the lesser of your higher education student loan payments made by you on your own behalf or \$600.00 for the fiscal year identified instead of the automatic deferral/contribution match. Your submission also signifies that you understand that this election will remain in place for the entire fiscal year identified and will expire at the end of the fiscal year that you have identified. **A new election form must be submitted for each fiscal year - renewal is not automatic from one fiscal year to the next.** As a reminder, **you have until May 31st each year to renew your election** by submitting a new form and indicating that it is a renewal.

I certify that the responses provided in this document are true and complete to the best of my knowledge.

Participant's Signature & Workday #: _____ Date: _____

Human Resource's Representative: _____
Printed Name & Title

Signature Date: _____

Procedures

Keep this page for your records

1. After you complete this form, please print, sign, and forward it with your higher education student loan payment documentation **to your Human Resources representative for eligibility certification.**
2. Your Human Resources representative should:
 - ✓ Certify your eligibility by signing and dating this annual election option form.
 - ✓ Provide you with a copy of the form.
 - ✓ Provide the Central Payroll Bureau with a copy of the form.
 - ✓ Forward the annual election option form with supporting higher education student loan payment documentation to MSRP via email to Nakeia Smith at nakeia.smith@maryland.gov, or by mail to 6 St. Paul Street, Suite 200, Baltimore, MD 21202-1608, ATTN: Nakeia Smith.
3. MSRP will remit the applicable match payment to your participating State supplemental retirement plan and submit an invoice to your employing agency for reimbursement.
4. Please allow MSRP 30-45 days to process your request. If MSRP determines that you have received match contributions above \$600.00 for any fiscal year due to dual enrollment (deferral/contribution match and higher education student loan repayment match), you must reimburse MSRP directly.
5. An approval/denial letter will be sent to participants via US Mail.

Frequently Asked Questions

Q: What is the Match?

A: As of July 1, 2023, the State will match eligible employee deferrals/contributions to the MSRP's 457(b), 401(k), or 403(b) plans or a State higher education employing institution's 457(b), 401(k), or 403(b) plans (MSRP, TIAA or Fidelity Investments), dollar-for-dollar, up to \$600 each fiscal year. This means that for every dollar you defer/contribute, the State will contribute a dollar on your behalf until the maximum of \$600 is reached. With each new fiscal year, the match starts again.

Q: When will employees see the match contribution post their accounts?

A: The matching contribution will occur beginning with the pay period ending 6/27/2023 with pay date 7/5/2023 for regular State employees. For University System of Maryland employees, the matching contribution will occur with the pay period ending 7/1/2023 with pay date 7/7/2023.

Q: Who is considered an eligible employee for the match?

A: Employees, full-time or part-time, who are members of the Employees' Pension System (with a few exceptions) and those who are members of the Employees' Retirement System subject to Selection C (Contribution Formula) are eligible to receive the match.

Q: What other requirements are there to receive the match?

A: In addition to eligibility requirements, employees who defer/contribute to the MSRP 457(b), 401(k), or 403(b) plans or State higher education employing institutions' 457(b), 401(k), or 403(b) plans (MSRP, TIAA, or Fidelity Investments) either by payroll deduction or reduction in salary will be eligible for the match up to \$600 per fiscal year as of July 1, 2023.

Q: Do I need to contribute to a plan to be eligible for the match?

A: Yes. To receive the deferral/contribution match, an eligible employee must be making deferrals/contributions to a State supplemental retirement plan through payroll deduction.

Q: Can I open a new plan to receive the match?

A: Yes. Eligible employees must be enrolled in MSRP's 457(b), 401(k), or 403(b) plans or a State higher education employing institution's 457(b), 401(k), or 403(b) plans (MSRP, TIAA or Fidelity Investments) and be deferring/contributing to the plan after July 1, 2023, to be eligible for the match.

Q: What is the correlation between the match and the higher education student loan payment match?

A: Eligible employees who defer/contribute to MSRP's 457(b), 401(k), or 403(b) plans or State higher education employing institutions' 457(b), 401(k), or 403(b) plans (MSRP, TIAA or Fidelity Investments) and are paying toward their own higher education student loans, could opt, instead, to have the State contribute to their supplemental retirement plan the amount paid toward their own higher education student loans, dollar-for-each fiscal year. With each new fiscal year, the option for this contribution must be renewed again.

Q: What is the required plan deferral/contribution to receive the higher education student loan payment match?

A: The eligible employee must be making the minimum contribution/deferral to qualify as a "participating employee." For the MSRP plans and for the University System of MD plans, the minimum contribution is \$5 biweekly.

Q: Can I receive both a higher education student loan payment match and a deferral/contribution match in the same fiscal year?

A: No. Eligible deferring/contributing employees who are paying their own higher education student loans must choose whether to accept the deferral/contribution match of up to \$600 or request the higher education student loan payment match of up to \$600. An eligible deferring/contributing employee may not receive both at the same time. Each year, eligible employees can make the election to utilize the higher education student loan payment match provision, in lieu of the deferral/contribution match.

Frequently Asked Questions (continued)

Q: What is required for the higher education student loan payment match?

A: An eligible deferring/contributing employee must provide documentation of the amount the employee paid toward their own higher education student loan during the fiscal year, then the State will contribute the amount that was paid by the employee for their own higher education student loan to the employee's State supplemental retirement plan, up to \$600.

Q: Can the deferral/contribution match and a higher education student loan payment match occur in the same fiscal year, even if the combined amount does not exceed \$600?

A: No, the eligible employee must decide each fiscal year whether to use the higher education student loan payment match. If the eligible employee does not meet the requirements for the higher education student loan payment match before the new fiscal year starts, the deferral/contribution match for that fiscal year will automatically be made for any deferrals/contributions to the eligible employee's State supplemental retirement plan up to the \$600 limit.

Q: To qualify for the higher education student loan payment match, will student loan payments that are made on behalf of the employees' spouse or dependents count?

A: No. It is only the eligible employee's own higher education student loan payments that qualify for this benefit.

Q: Do I have to be making deferrals/contributions to a State supplemental retirement plan to receive the higher education student loan payment match?

A: Yes. To receive the higher education student loan payment match, an eligible employee must also be making deferrals/contributions. The deferrals/contributions would be to either MSRP's 457(b), 401(k), or 403(b) plans or an employing institution's 457(b), 401(k), or 403(b) plans (MSRP, TIAA or Fidelity Investments).

Q: What if the amount I paid on the higher education student loan is less than \$600?

A: If the documented amount paid on the employee's own higher education student loan is less than \$600, then the student loan repayment match is limited to that amount for the fiscal year.

Q: Can University System of Maryland employees receive the deferral/contribution match?

A: Yes. A State higher education employing institution includes the University System of Maryland.

Q: If I am a University System Employee and I contribute to TIAA or Fidelity Investments, do I qualify for the State deferral/contribution match?

A: Yes. If you are a member of the Employees' Pension System (with a few exceptions) or the Employees' Retirement System subject to Selection C (Contribution Formula) who contributes to a MSRP 457(b), 401(k), or 403(b) plan or University System of Maryland 457(b), 401(k), or 403(b) plan (MSRP, TIAA, or Fidelity Investments), you are eligible for the deferral/contribution match or the student loan payment match (but not both).

Q: Can the employee restart the deferral/contribution match after they have received their \$600.00 match from the higher education student loan payment in the same fiscal year?

A: No, this election is set for the fiscal year.

Additional questions and/ or concerns should be directed to:

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