

OFFICE OF ADMINISTRATION & FINANCE

Office of Human Resources

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Retirement Plan Option Form Exempt Staff and Faculty Employees

_____ understand that certain newly employed University System of

Employee Name Maryland (USM) Exempt Staff and Faculty have the option of participating in one of two retirement programs: the Employees/Teachers Pension System (SRPS) or the Optional Retirement Program (ORP).

I have reviewed the information available on the Maryland State Retirement and Pension System (MSRPS) website at https://sra.maryland.gov/member-benefit-handbooks as well as the attached chart regarding my retirement program options. I have had an opportunity to ask questions and I understand that I am free to seek information from the MSRPS, the ORP vendors, and the Maryland Department of Budget and Management – Employee Benefits Division regarding retiree health benefits and any outside financial or other consultants of my choice.

I understand that if I ever participated as a member of the SRPS (other than as an employee of a local K-12 school system), I may NOT enroll in the ORP, and if I ever participated in the ORP, I may not enroll in the SRPS.

In Sections I. and II., please initial all statement(s) that apply to you.

I. CERTIFICATION - NO PRIOR SERVICE WITH AN ENTITY LISTED BELOW

- A. _____Before I began or will begin my USM position, I was never employed by any agency, department or unit of the State of Maryland, or I was employed but did not receive benefits including SRPS or ORP. This includes but is not limited to:
 - The USM, any of its constituent institutions or centers and any predecessors to these (such as a former State of Maryland Board of Trustees school prior to the creation of the University System);
 - Morgan State University;
 - St. Mary's College of Maryland;
 - The Maryland Higher Education Commission;
 - Any public community or regional college in the State of Maryland; or
 - A predecessor of any of the above.

If you selected I.A., please skip Section II. and go on to Section III.

II. CERTIFICATION - PRIOR SERVICE WITH AN ENTITY LISTED ABOVE

A. _____Before I began or will begin my USM position, I was employed by an agency, department or unit of the State of Maryland and participated in SRPS or the ORP. This includes but is not limited to any of the entities listed below. If you initial this item, please provide details on the next page, including the name of the agency, department, unit or institution(s), your position(s), and your approximate dates of employment. If you do not know this exact information, you should still initial this box and provide any information that you can. You should list all State agencies, departments or units by which you were employed, including the employers listed above in Section I.A. (If you were employed by more than 4 employers from the list above, please continue your employer list on a separate page and attach it to this form).

Section II.A., cont'd.

Name of Institution:		Dates of Employment _		_
Position Title:	Exempt/Non-Exempt:	Enro	olled in ORP: YesNo	
Name of Institution:		Dates of Employment _		-
Position Title:	Exempt/Non-Exempt:	Enro	olled in ORP: Yes No	
Name of Institution:		Dates of Employment _		-
Position Title:	Exempt/Non-Exempt:	Enro	olled in ORP: Yes No	
Name of Institution:		Dates of Employment _		
Position Title:	Exempt/Non-Exempt:	Enro	olled in ORP: Yes No	
B. I am presently receiving a retirement allowance from the MSRPS.				
CI withdrew my employee contributions from the MSRPS when I previously left State employment.			i.	
D. I received a lump sum distribution from the MSRPS when I previously left State employment.				

III. PLAN ELECTION

If you initialed I.A., please initial ONE of the following options below and then move on to Section IV. If you selected IIA., II.B, II.C., or II.D., please skip this section and proceed to Section IV.

I elect to participate in the ORP by filing an ORP vendor selection form, along with all supporting paperwork/documents and I understand that I also need to complete an Election Not to Participate in SRPS (EPS/TPS) – Form 60.

_____ I elect not to participate in the ORP and I understand that I must enroll in the SRPS by completing an Application for Membership – Form 1 and a Designation of Beneficiary – Form 4.

IV. AUTHORIZATION

I understand that my employment history and pension and retirement plan participation and benefits determine my eligibility to participate in a retirement or pension system and/or the ORP, in accordance with Maryland law. In some instances, this information also determines whether I must participate in the MSRP or the ORP. If any of the information I have provided in Sections I.- II. is incorrect, I understand that USM will enroll me in such retirement or pension option (if any) as is permitted or required by Maryland law. USM and/or the MSRPS may also change my participation election if the choice I made is not permitted by law. By my signature below, I authorize the MSRPS to release information to the USM relating to the history of my participation in any State of Maryland retirement or pension system. By my signature below, I also release both the MSRPS and the ORP vendors (past and present) to release information to the USM relating to any ORP elections I may have made, and the history of my participation in the ORP.

Employee's Printed Name	DATE	Employee's Signature
<i>I</i> Benefits Coordinator's Printed Name / Institution Name	DATE	Benefits Coordinator's Signature

YOUR RETIREMENT PROGRAMS AT-A-GLANCE

	State Retirement & Pension System (SRPS)	Optional Retirement Plan (ORP)
Type of Program	Defined benefit plan provides a determinable benefit based upon your salary and service.	Defined contribution plan provides a benefit based upon your accumulated account balance.
How Benefits Are Determined	Benefits are calculated using a specific formula that takes into consideration a fixed percentage of your years of creditable service and average final compensation .	Benefits are based on your ORP account accumulation, which consists of State contributions, income, expenses and investment gains and losses.
Contributions	The State contributes a certain amount, which is determined annually by the state system's actuary. You must contribute 7% of your salary.	The State contributes a certain percentage of your salary each year to your ORP account. Currently, the contribution rate is 7.25% of salary.
Investment Management	The SRPS assets are invested by professional investment managers chosen by the SRPS Board of Trustees. You do not bear any investment risk.	You choose one of the investment vendors when you join the plan. You may invest your account among your vendor's investment options. You bear all investment risk.
Normal Service Retirement Benefit	Eligibility service plus age equal at least 90 (Rule of 90); or Age 65 with 10 years of eligibility service.	Benefits may begin upon separation from employment. A federal penalty tax may apply.
Early Retirement Benefit	After age 60 with 15 or more years of eligibility service , benefit is reduced 1/2% each month by which your retirement date precedes age 65.	Benefits may begin upon separation from employment. A federal penalty tax may apply.
Disability	Ordinary disability: you must be permanently disabled and have 5 or more years of eligibility service . Accidental disability: you must be permanently and totally disabled as a direct result of a job-related injury.	The ORP investment accounts do not include disability benefits. However, if you become disabled, you may receive the full value of your current ORP account balance.

	SRPS	ORP
Death Benefit	Pre-retirement death benefits are available. The benefit amount depends upon your age, eligibility service , accumulated member contributions and your salary at time of death.	Pre-retirement death benefits are available. The benefit is your account balance – including all State contributions and investment earnings – paid to your designated beneficiary(ies) or estate.
Vested Retirement Allowance	You are fully vested after completing 10 years of eligibility service . Benefit payment may commence at age 65 or reduced payments may commence as early as age 60 with 15 years eligibility service .	You are immediately fully vested in your total account balance. Benefits may begin upon separation from employment. A federal penalty tax may apply.
How Benefits Are Paid	You may elect one of several payment options available under the program.	You may elect one of several payment options available through your investment vendor.
Cost-of-Living Increases	Adjustment is made each July 1. Cost- of-living adjustment has (i) a 2.5% compounded interest annual cap if the SRPS investment target is reached; or (ii) a 1% compounded interest annual cap if the SRPS investment target is not reached.	ORP benefits do not include an annual cost-of-living adjustment.
Portability	SRPS benefits are transferable among certain governmental plans within the State of Maryland.	ORP accounts may be transferable to a broader array of other employers' retirement programs.
Sick Leave	Unused sick leave may be credited toward retirement allowance. Member must retire within 30 days of separating from employment to be eligible to receive additional creditable service for unused sick leave. For every 22 days of accrued sick leave, one month of creditable service is received. Unused sick leave is reported at the time the member files for retirement, and again 30 days after the effective date of retirement.	No credit for unused sick leave toward retirement allowance.

	SRPS	ORP
Retiree Health Benefits	 Current PENSION Members & Transfers (hired before 7/1/2011): 1) At least 5 years but less than 16 years of creditable service, may be eligible for health benefits, depending on the circumstances of their retirement, but with a prorated subsidy. Dependents are also eligible. 2) With 16 or more years of creditable service, eligible for health benefits with maximum State subsidy. Dependents are also eligible for maximum subsidy. 	 <i>Employees hired before 7/1/2011:</i> 1) At least 5 years but less than 16 years of creditable service, may be eligible for health benefits, depending on the circumstances of retirement, but with a prorated subsidy. Must retire directly from USM service. Individual coverage onlyno dependent coverage. 2) With at least 16 years but less than 25 years of creditable service, eligible for health benefits with maximum State subsidy if you retire directly. Individual coverage only- no dependent coverage. 3) Maximum premium subsidy at 25 or more years of creditable service, for yourself and dependent, whether you retire directly or defer.
	 New Members (hired 7/1/2011 or later): 1) More than 10 years but less than 25 years of creditable service to qualify for a prorated premium subsidy. 2) Maximum premium subsidy at 25 or more years of creditable service. 3) Spouse/dependent coverage-eligible with at least 25 years of creditable service. 	 New Members (hired 7/1/2011 or later): 1) Able to enroll in retiree health benefits, but not eligible for any subsidy if you do not retire directly upon ending ORP service and have less than 25 years of creditable service. You pay 100% of the premium. 2) More than 10 years but less than 25 years of creditable service to qualify for a prorated premium subsidy if you retire directly. No subsidy for dependent coverage. 3) Maximum premium subsidy at 25 or more years of creditable service, for yourself and dependent, whether you retire directly or defer.

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

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of pay periods

ELECTION NOT TO PARTICIPATE IN THE TEACHERS'/EMPLOYEES' SYSTEM BY FACULTY OR PROFESSIONAL OR ADMINISTRATIVE EMPLOYEES OF INSTITUTIONS OF HIGHER LEARNING FORM 60 (REV. 7/19) **SECTION ONE:** To be completed by the applicant. Please use a pen and print clearly. SOCIAL SECURITY NUMBER GENDER DATE OF BIRTH DAYTIME PHONE NUMBER Da NAME First Initial Last EMAIL ADDRESS EMPLOYING AGENCY □ Yes Have you ever been a member of the Optional Retirement Program? 🗆 No Have you ever been a member of the Maryland State Retirement and Pension System? □ Yes 2a. If yes, did you participate as a result of employment with the state of Maryland, the University System of Maryland, Morgan State University, St. Mary's College, or any community college or regional community college established under Education Article Title 16? □ Yes □ No □ Yes 3. Are you presently receiving a retirement allowance from the Maryland State Retirement and Pension System? NOTES: Effective July 1, 2017, the election to participate in the Optional Retirement Program (ORP) must be made upon commencement of employment. The one year window to elect to participate in the ORP ended June 30, 2017. If you were ever employed by the state of Maryland, the University System of Maryland, Morgan State University, St. Mary's College, or any community college or regional community college established under Education Article Title 16, and were enrolled as a member of the Maryland State Retirement and Pension System (MSRPS), you may not enroll in the ORP. If you have never been employed by the state of Maryland, the University System of Maryland, Morgan State University, St. Mary's College, or any community college or regional community college established under Education Article Title 16, you may make this election to enroll in the ORP. ELECTION NOT TO PARTICIPATE IN THE TEACHERS'/EMPLOYEES' PENSION SYSTEM: Whereas, the undersigned, is eligible for membership in the Teachers'/Employees' Pension System, and; Whereas, the undersigned, as a condition of employment as faculty or a professional or administrative employee, has the option to join either the Teachers'/Employees' Pension System or an alternate retirement plan, approved by the Board of Trustees of the Maryland State Retirement and Pension System as set forth in Title 30, State Personnel and Pension Article, Annotated Code of Maryland; and Whereas, such option is final, binding and irrevocable as long as the individual is an employee of any institution of higher learning which permits such option, even if there is a break in service for any length of time, and; Whereas, the undersigned, is aware of the rights and benefits of a member of the Teachers'/Employees' Pension System, namely: Death Benefit of 100% of annual salary for completion of one final compensation for service credit earned on or after July 1, 1) vear of eligibility service. 2011. Vesting after 10 years of eligibility service, 8) For service beginning July 1, 2011, cost-of-living increases Service retirement if age and years of eligibility service equal 90 capped at 2.5% of the current retirement allowance if the 3) or at age 65 with 10 years of eligibility service, system meets or exceeds its assumed actuarial rate of return Ordinary disability after five years of eligibility service, or capped at 1.0% if the system does not meet or exceed this 4) 5) Accidental disability immediate upon membership, rate. Early retirement at age 60 with 15 years of eligibility service, 9) Additional service credit for military service and unused sick 6) A guaranteed retirement allowance equal to 1.5% of average leave granted at no cost, and; 7) Whereas, the undersigned, waives all rights for purchasing the service rendered while a member of the optional plan. Now, therefore, being informed of the above on (Date) , I hereby notify you that I wish to exercise my one-time, irrevocable election not to become a member of the Teachers'/Employees' Pension System on the date of my employment. Complete signature: SECTION TWO: To be completed by the Retirement Coordinator of the employing agency. NOTE: If, in section one, the applicant answered "Yes" in to questions #2 and #2a, he or she is not eligible for participation in the ORP. Instead, the applicant must be re-enrolled in the MSRPS using the Application for Membership form (Form 1). If, in section one, the applicant answered "Yes" to question #3, he or she is not eligible for participation in either the ORP or the MSRPS. 1. What is the date of hire for the applicant? (Please use MM-DD-YYYY format.) 2. What is the applicant's job classification or title? System Employing 3. Is the applicant's position eligible for the ORP? \Box Yes \Box No code: agency code: Retirement Coordinator signature: Date: Telephone Number: SECTION THREE: To be completed by the Ν Ε Maryland State Retirement Agency. Effective date: Reviewed by: Approved by: reported Initials Date Initials Date per year



OPTIONAL RETIREMENT PLAN (ORP) VENDOR SELECTION FORM UNIVERSITY SYSTEM OF MARYLAND (USM)

In order to enroll in the Optional Retirement Plan and select the ORP Vendor of my choice,

l,		, SSN,		
First Name	Middle Initial	Last Name		
have attached an "Election Not to Participate in the MD State Pension System" form (MSRA-60), and the required				
proof of identity	(see reverse side).			

I select the following vendor and action (Please select one vendor and one action):

FIDELITY INVESTMENTS _____ TIAA-CREF _____

ACTION:

Enroll: _____ Change: _____

I recognize that the University will contribute an amount equal to **7.25%** of my base annual salary to the ORP on my behalf. I understand that University contributions will be made over <u>20 pays</u> during the academic year and invested upon enrollment in a "LifeCycle Fund". After enrollment is in effect, I can access the ORP Vendor website and, at my direction, designate my investment among the funds available for the USM-ORP. No money will be deducted from my salary. I reserve the right to make voluntary contributions on a salary reduction (before tax) basis to a Supplemental Retirement Plan, subject to Federal limits.

LIMITS ON CONTRIBUTIONS: I recognize that if I was <u>hired on or after July 1, 1996</u>, the University's 7.25% contribution to my ORP will stop once my earned salary in the fiscal year reaches the Federal limit on employer contributions to the ORP.

REHIRES: I understand that if I am rehired and I was an ORP participant in MD before July 1, 1996, the Federal contribution limit does not apply to me and I am entitled to have the 7.25% contribution apply to my full salary. My prior USM or other MD Institution of Higher Education dates of employment are:

Hired: _____ Terminated: _____

My initial MD-ORP participation date was: ______ Institution______

By signing this form, I understand:

- 1. The conditions stated above;
- 2. That I may enroll with only one ORP Vendor at any given time;
- 3. That I am entitled to change ORP Vendors only once during any calendar year; and
- 4. That I will keep a copy of this document for my files.

Employee's Signature:	Date:
USM Institution:	Office Phone:
USM Benefits Coordinator:	Date:

VALID TYPES OF IDENTIFICATION

New employees must provide proof of identity when making application for enrollment in the Optional Retirement Plans. Copies of the following documents are acceptable as proof of identity. Please attach two Xerox copies of the documents you are submitting as identification to your Optional Retirement Plan application forms. *Make sure that the copies of the documents can be read.*

Provide one of the following documents:	OR Provide two of the following documents:
Birth Certificate	Affidavit of Parent
	Birth Certificate of Child
Passport	Census Record
	Church or Sunday School Record
Naturalization Record	Club or Lodge Record
	Confirmation Record
Military Discharge Papers	Diary
	Driver's License
School or College Record (if at least five years	Election Registration
old)	Employment Record
	Family Doctor's Record
Life Insurance Policy (if at least five years old)	Fraternal Organization Record
	Hospital Record
Baptismal Certificate	Immigration Registration or Visa
	Marriage Record
Family Bible – copy of page	Military Identification or Service Card
(Will only be accepted if accompanied by a	Professional Organization Record
statement, from a Plan Representative in your	School Report Card
Institution's Benefit Office or a Notary Public,	Selective Service Registration
that provides the following information: 1)	Statement of Physician or Midwife Present
she/he has examined the Bible; 2) gives the	at Birth
name of the individual that made the entry in	Vaccination Record
the Bible, 3) the date the entry was made, and 4)	
that your name and date was shown in the	
entry.)	