

OFFICE OF ADMINISTRATION & FINANCE

Office of Human Resources

Retirement Plan Option Form
Exempt Staff and Faculty Employees

I, _____ understand that certain newly employed University System of 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).

Employee Name

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: _____ Enrolled in ORP: Yes ___ No ___

Name of Institution: _____ Dates of Employment _____

Position Title: _____ Exempt/Non-Exempt: _____ Enrolled in ORP: Yes ___ No ___

Name of Institution: _____ Dates of Employment _____

Position Title: _____ Exempt/Non-Exempt: _____ Enrolled in ORP: Yes ___ No ___

Name of Institution: _____ Dates of Employment _____

Position Title: _____ Exempt/Non-Exempt: _____ Enrolled in ORP: Yes ___ No ___

B. _____ I am presently receiving a retirement allowance from the MSRPS.

C. _____ I withdrew my employee contributions from the MSRPS when I previously left State employment.

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., IIB., IIC., or IID., 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

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	<p>Ordinary disability: you must be permanently disabled and have 5 or more years of eligibility service.</p> <p>Accidental disability: you must be permanently and totally disabled as a direct result of a job-related injury.</p>	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	<p><i>Current PENSION Members & Transfers (hired before 7/1/2011):</i></p> <ol style="list-style-type: none"> 1) At least 5 years but less than 16 years of creditable service, <u>may</u> 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. 	<p><i>Employees hired before 7/1/2011:</i></p> <ol style="list-style-type: none"> 1) At least 5 years but less than 16 years of creditable service, <u>may</u> be eligible for health benefits, depending on the circumstances of retirement, but with a prorated subsidy. Must retire directly from USM service. Individual coverage only--no 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.
	<p><i>New Members (hired 7/1/2011 or later):</i></p> <ol style="list-style-type: none"> 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. 	<p><i>New Members (hired 7/1/2011 or later):</i></p> <ol style="list-style-type: none"> 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.

FORM 60 (REV. 7/19)

	# of pay periods reported per year
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**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,
I, _____, 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):

VENDOR:

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 20 pays 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 hired on or after July 1, 1996, 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: _____
(Institution Representative)

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