

THE Mentor

News from the Maryland State Retirement and Pension System

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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



Legislative update

SEVERAL BILLS of special interest to members of the Maryland State Retirement and Pension System were enacted during the 2014 session of the Maryland General Assembly. Each of the bills described here has been signed into law by Governor Martin O'Malley.

Senate Bill 575: Code Simplification and Clarification

Synopsis: Clarifies that a retiree of the Local Fire and Police Plan or the Judges' Retirement System is only subject to a reemployment earnings limit for five full calendar years fol-

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Please be patient if you requested a retirement estimate

MARYLAND STATE RETIREMENT AGENCY STAFF is working overtime to calculate benefit estimates for applicants nearing retirement. Processing time for members submitting a Form 9, 10 or 97 is currently two to three months. Refunds are processed in approximately 90 days. Your patience is appreciated during this exceptionally busy time of year.

Know how to file for...

Disability retirement

If you become unable to work because of an illness or injury, do you know how to apply for disability retirement benefits through the Maryland State Retirement and Pension System? Make sure you are familiar with the eligibility criteria, filing requirements and the steps necessary to apply.

DISABILITY RETIREMENT BENEFITS PROVIDE VALUABLE PROTECTION for eligible members who are determined by the system to be permanently disabled and unable to perform their normal job duties under state pension law.

Two types of disability retirement

The Maryland State Retirement and Pension System provides benefits for two types of disability retirement: ordinary and accidental/special:

Ordinary disability covers any permanent mental or physical incapacitation for the further performance of the normal duties of your position.

Accidental or special disability generally covers an accident that occurred in the actual performance of work duties at a definite time and place without

willful negligence. Accidental disability applicants must be totally and permanently incapacitated for the further performance of their normal duties as the natural and proximate result of the accident.

All disability claims will be evaluated for ordinary disability if the member has at least five years of eligibility service.

If an applicant/member does not apply for accidental or special disability, he or she may not later apply for accidental or special disability or submit a new claim based on an accident that took place prior to the date the claim is submitted.

Rules for LEOPS and State Police

To be eligible for accidental (special) disability retirement, a member of the Law Enforcement Officers' Pension System (LEOPS) must be totally and permanently incapacitated

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for duty arising out of, and 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.”

Participants in the Deferred Retirement Option Program (DROP) are not eligible to file for ordinary disability retirement. They can, however, file for accidental or special disability retirement if their incapacity arose out of, and in the course of, the actual performance of duty during their DROP participation.

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 for disability benefits. Retirees, also, are not eligible to apply.

Filing requirements

By signing and submitting a claim for disability, you certify that you are mentally or physically incapacitated for further performance of the normal duties of your job, and that this incapacity is likely to be permanent. Additionally, you are affirming that under the penalties of perjury, all information provided is true to the best of your knowledge and belief.

Members filing for disability must actively pursue their claim and comply with all requests by the Maryland State Retirement Agency.

Timely filing is essential

Submission of the required forms to the retirement agency is your re-

sponsibility. Information and documentation from your treating physician and employer (sections 2 and 3 of Form 20) must be properly completed and submitted to the retirement agency within 45 days of the date your claim is submitted. If you fail to meet this deadline, your disability claim will be terminated.

Members may file for disability benefits while on payroll or within a set period of time, depending on their system, after leaving payroll, as follows:

- Members of the Teachers' Retirement System may file up to five years after leaving payroll. A one-year filing extension may be available.
- Members of all other systems may file up to four years after leaving payroll. For these members, a two-year filing

extension may be available (excludes Judges' and Legislative Plans.)

Applications for accidental disability retirement **must be filed within five years from 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.

When all documentation necessary to submit a disability claim has been received by the retirement agency, the applicant will be informed in writing that the medical evaluation of his or her claim has begun. Applicants will be promptly notified in writing of a claim decision as soon as it is rendered by the system's Board of Trustees.

Applying for disability retirement benefits is a two-step process

FILING FOR DISABILITY RETIREMENT BENEFITS is a two-step process. A member seeking disability benefits must 1) file a disability claim and, if approved, then 2) apply to actually retire.

Step 1: File a disability claim

A member filing for ordinary or accidental/special disability benefits must properly complete and submit to the Maryland State Retirement Agency (SRA) the following forms (available online at sra.maryland.gov) and materials:

- *Statement of Disability* (Form 20),
- pertinent medical records,
- current job description signed and dated by employer,
- *Preliminary Application for Disability Retirement* (Form 129),
- *Application for an Estimate of Disability Retirement Allowances* (Form 21A; Form 22 for State Police; Form 100 for LEOPS),
- leave/attendance records for the last two years and
- performance evaluations for the last two years.

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Online resources are available to guide you through the disability application process



TWO ONLINE PRESENTATIONS are available to lead members step by step through the disability application process.

Conveniently located on both YouTube and Vimeo, the presentations — sometimes called webinars — are narrated by the agency's highly-trained retirement benefits specialists. You can watch on your own time and no registration is needed.

The first presentation, **Overview of Disability Retirement**, provides a summary of disability benefits available from the Maryland State Retirement and Pension System. **Filing for Disability Retirement**, the second webinar, outlines the steps to file for disability, lists necessary forms and describes what members can expect during the process.

To access the presentations, simply visit the retirement agency website at sra.maryland.gov and, in the bottom-left corner of the homepage, click on the YouTube or Vimeo icons.

Printable disability retirement forms also are available on the site.

If, during the disability application process, your employer places you on a medical unpaid leave of absence, you also should file an *Application to be Placed on a Qualifying Approved Leave of Absence* (Form 46). This form preserves your death benefit while on medical unpaid leave.

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

- employer's first report of injury, forms submitted to Workers' Compensation and copies of awards,
 - medical evidence establishing the accident as the cause of the disability
- OR
- evidence that the disability arose out of, and in the course of, the performance of duty (Maryland State Police and LEOPS only).

Following a review by the system's medical board, the system's Board of Trustees takes final action on the claim and the applicant is notified. The filing process for ordinary disability can take up to six months. Accidental or special disability claims may take longer. Requests for reconsideration or the appeal process can extend the timeline by six to eight months or more.

IMPORTANT: A disability claim can only be opened upon receipt of a properly completed Form 20 and Form 129. If either of these documents is not received or is not properly completed, the claim will be rejected and all documents will be returned to the member. A disability application is considered submitted on the date it is received by the Maryland State Retirement Agency.

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 within 120 days 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).

If these forms are not submitted within 120 days of claim approval, the disability claim will be closed and you will not be entitled to disability benefits.

IMPORTANT: Maryland personnel regulations provide that state employees approved for disability retirement have 120 days to accept and file for retirement or will be considered resigned by their employer.

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lowing retirement. In addition, SB575 makes clear that members of the Law Enforcement Officers' Pension System and the State Police Retirement System who participate in the Deferred Retirement Option Program (DROP) and are awarded a special or accidental disability benefit may not continue participating in the DROP. SB575 also clarifies that former members who withdraw their member contributions forfeit any further benefit from their retirement or pension system.

Senate Bill 665: Correctional Officers' Retirement System – Membership

Synopsis: Alters membership in the Correctional Officers' Retirement System (CORS) to include individuals who begin serving in positions as security chief, facility administrator, assistant warden and warden on or after July 1, 2014. In addition, this legislation also gives correctional officers who are serving in those positions on June 30, 2014, until December 31, 2014 to transfer their service credit from the Employees' Pension System (EPS) to the CORS if they continue serving in those positions on the bill's effective date (July 1, 2014.) Transfers of service credit under the bill must be done in accordance with Title 37 of the Maryland State Personnel and Pensions Article.

Senate Bill 576: Teachers' Retirement and Pension System – Reemployment of Retirees – Penalty for Failure to Submit Certification

Synopsis: Amends the penalty assessed on school systems that fail to report reemployed retirees who are eligible to participate in the retire/rehire program. The current amount of the penalty equals the amount of the earnings offset that would have been applied if the retiree was not eligible to participate. SB 576 reduces this penalty to \$50 per month, not to exceed \$1,000, for each retiree that is eligible to participate in the program but is not reported by the school system.

House Bill 1047: Employees' Pension System – Prince George's County – Optional Membership

Synopsis: Makes membership in the EPS optional for certain Prince George's County elected and appointed officials elected or hired on or after July 1, 2014. HB 1047 also requires these individuals to elect to participate or not to participate in the EPS within one year of being hired. Their decision is a one-time irrevocable decision. Employees serving in these same positions who were elected or hired before July 1, 2004, continue to serve in these same positions on the bill's effective date (July 1, 2014), and have not joined the EPS before the bill's effective date are prohibited from joining EPS.

House Bill 1046: City of College Park Employees – Participation in the Employees' Pension System

Synopsis: Permits the employees of the City of College Park to join the EPS as a participating governmental unit. Individuals who are employees of the City of College Park on June 30, 2014 and remain employees on July 1, 2014 will receive service credit in the EPS equal to 60% of the employee's service with the City of College Park.

Senate Bill 1082: State Retirement Contributory Employees' and Teachers' Pension Systems – Prior Eligibility Service

Synopsis: Authorizes a member participating in the EPS or Teachers' Pension System (TPS) Reformed Contributory Pension Benefit (RCPB) for at least one year who has prior eligibility service in the EPS or TPS to combine that service with the member's service credit in the RCPB if the member was previously vested in the EPS or TPS and the member deposits the member contributions from the prior service credit into the annuity savings fund for the RCPB.

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