State Retirement and Pension System (SRPS)

Employees' And Teachers' Pension System (For members enrolled on or after July 1, 2011)
* PLEASE NOTE: Individuals who enrolled in a state retirement program prior to January 1, 1980 may be members of the Teachers' Retirement System or the Employees' Retirement System. If you are uncertain which plan you are enrolled in, please contact the Employee Benefits Office.

How SRPS Benefits Are Determined	The SRPS is the State Retirement and Pension System defined benefit plan that provides benefits based on a specific formula. This formula takes into account your years of creditable service and your final average salary. When you retire, you have several payment options to choose from.
Contributions to the SRPS	Each year, the State contributes a certain percentage of your salary to the SRPS which is determined annually by the State System's actuary. You must contribute 7% of your annual salary.
Investment Management	Several professional investment managers who are selected and monitored by the Board of Trustees of the SRPS invest the assets of the SRPS. Any investment losses or funding shortfalls are the responsibility of the State of Maryland.
Benefit Calculation	Your retirement benefit is calculated using the following formula: .012 *times* Average Final Salary (AFS) *times* Years of Credit to 6/30/98 *plus* .018 *times* Average Final Salary (AFS) *times* Years of Credit after 6/30/98 *equals* Annual Basic Allowance Annual Basic Allowance *divided by* 12 = Monthly Basic Allowance
Retirement Benefit Eligibility	Benefits are available through normal, early, vested, or disability retirement.
Normal Retirement	At least 90 years of combined age and years of eligibility service. For example: • Age 57 with 33 years of service • Age 60 with 30 years of service • Age 63 with 27 years of service Active members with at least 10 years of eligibility service become eligible for normal service retirement at age 65.
Vested Retirement	Former employees may receive benefits if they were vested (had at least 10 years of eligibility service) when they terminated employment. Your benefit is calculated using your total creditable service at termination, since no additional service is earned after termination. If you terminate

	employment with at least 15 years of eligibility service, you may elect a reduced monthly benefit beginning at age 60. Any benefit payable before age 65 will be reduced by 1/2% for each month you retire before age 65. If you wait until age 65, you receive a full retirement allowance.
Disability Retirement	There are two types of disability retirement benefits: ordinary and accidental. To qualify for ordinary disability retirement, you must be permanently disabled and have at least five years of eligibility service. Accidental disability benefits are paid if you are permanently and totally disabled as the direct result of a job-incurred injury.
Ordinary Disability Benefit	Creditable service is based on actual service when disabled, plus years and months of service to age 62. If you are working part-time when disabled, service is projected as part-time.
Accidental Disability Benefit	Unlike ordinary disability, accidental disability does not make use of the normal service retirement formula. The accidental benefit is based on two-thirds of an employee's average final salary at the time of disability, regardless of the member's age.
Early Retirement	If you retire early (age 60 with at least 15 years service), your monthly benefit will be equal to your pension benefit, reduced by 1/2% for each month you retire before age 65.
Survivor/Death Benefits	If you die *after* retirement, your benefit will be determined by the payment option you selected. If you die *as a former employee eligible for a vested benefit*, your contributions are paid in a lump sum to your designated beneficiary (ies) or estate. If you die *before* retirement, your designated beneficiary(ies) or estate will receive: • a lump-sum benefit equal to your contribution plus interest (is you contributed), and • a lump sum equal to 100% of your salary if you had at least one year of service or died in the performance of duty. If you are married, your spouse may elect a monthly benefit instead of a one-time payment if the spouse is designated as sole primary beneficiary and one of the following conditions is met: • Member was eligible to retire under either an early retirement or service retirement at the time of death or • Member had at least 25 years of eligibility service regardless of age. The monthly survivor benefit is equal to the payment your beneficiary would receive had you retired under Option 2, the 100% survivorship option. (See "Choosing an Allowance Option" for details.)

	You may change beneficiaries at any time before retirement by submitting the applicable change form to your Campus Benefits Counselor.
How Benefits Are Paid	You have several payment options from which to choose. You may choose to receive monthly payments throughout your lifetime with all benefits ending when you die. This option is called the basic allowance and provides the maximum monthly benefit for you alone. Under this option there is no beneficiary benefit. You may select an option that reduces your monthly benefit but provides varying degrees of protection for your beneficiary(ies). You may choose one of the following options: • Option 1 guarantees a return of your contributions (if any) with interest plus the State's contributions with interest. If you die before receiving the full guaranteed amount, the remainder is paid in a single lump-sum payment to your beneficiary(ies). • Option 2 guarantees that at your death your entire monthly benefit will continue to be paid to your beneficiary for the remainder of their lifetime. Payments end upon the death of your beneficiary. • Option 3 guarantees upon your death that your beneficiary receives 50% of your monthly benefit for the remainder of their lifetime. Payment ends upon the death of your beneficiary. • Option 4 guarantees a return of your contributions with interest. If you die before receiving the full guaranteed amount, the remainder is paid in single lump sum to your beneficiary(ies). • Option 5 guarantees upon your death that your beneficiary receives your entire monthly benefit for their lifetime. However, if your beneficiary dies before you, your reduced benefit is increased to the amount you would have received if you elected your basic allowance. • Option 6 guarantees your surviving beneficiary a lifetime monthly benefit equal to 50% of your monthly benefit. However, if your beneficiary dies before you, your reduced benefit is increased to the amount you would have received if you elected your basic allowance.
Cost-of-Living Increases	When you retire under the SRPS program, you may receive an annual cost-of-living increase to your basic retirement benefit. The amount is based on increases in the average Consumer Price Index -- All Urban Index as determined by the US. Department of Labor. Members of the Contributory Pension System receive a compounded COLA, meaning that the increase is applied to the current allowance. However, your increase cannot exceed 3% per year. You will receive your cost-of-living increase each July 1, provided you have been retired for at least one full year as of July 1.