

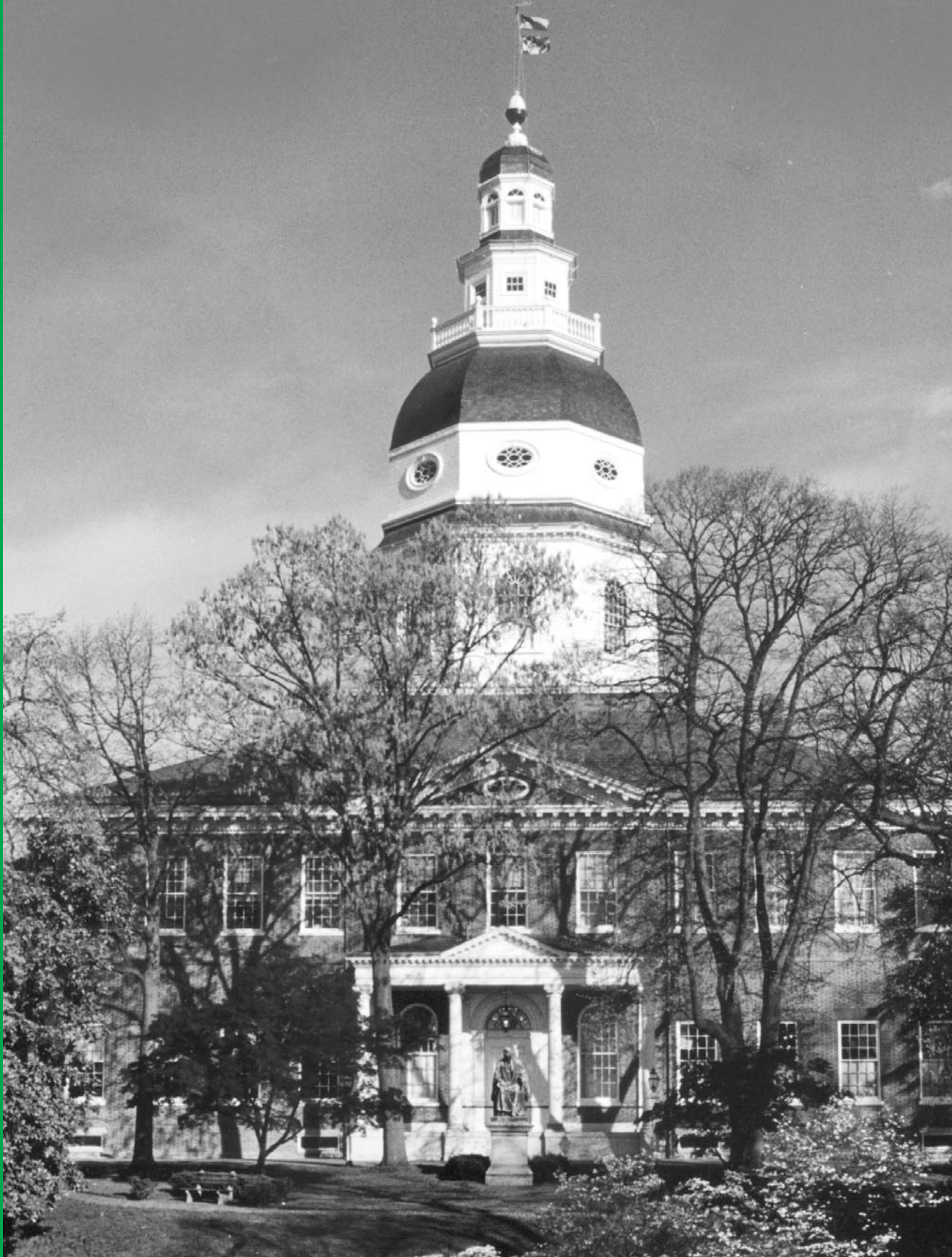
2023–2026

Benefits

handbook

Pension Plan
for Legislators
of the State
of Maryland

2023-2026



PENSION PLAN
FOR LEGISLATORS
OF THE STATE OF MARYLAND

Benefits Handbook for 2023–2026

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December 1, 2022 This booklet provides a summary of the features and benefits of your pension plan. Pension provisions outlined in this document are set forth in the Resolution of the General Assembly Compensation Commission effective January 11, 2023. A copy of the retirement provisions of the Resolution of the General Assembly Compensation Commission effective January 11, 2023, is included in this booklet in the Appendix. If there are any questions of interpretation, the provisions of the Resolution of the General Assembly Compensation Commission effective January 11, 2023, will control to resolve them.



Message from the Board of Trustees

It is our pleasure to present you with this copy of the Legislative Pension Plan Benefits Handbook for 2023-2026.

The Maryland State Retirement and Pension System carries out two equally important business functions: the administration of retirement and pension benefits for more than 400,000 members and retirees, and the management of invested assets. In addition to legislators, these groups include State government employees, teachers, State Police, law enforcement officers, correctional officers, judges and local government employees and fire fighters whose employers have elected to participate in the system.

This handbook has been especially designed for you, our legislative participants, to become acquainted with the benefits and features of the pension plan. Concise explanations and sample calculations are posted throughout the book. In addition to being a valuable resource for retirement planning, this handbook also provides detailed information on benefits available to your family during your elected service career.

You should be aware of other benefits, such as health insurance, which may be available to you after you retire. Please contact your personnel office for more information about those benefits.

Please be assured that the Board of Trustees and the State Retirement Agency work with diligence and prudence to keep your pension benefits safe and secure. Each of you has our very best wishes for a productive, challenging career and a fulfilling retirement.

*If you ever need assistance,
please contact me directly at
410-625-5602 or
agawthrop@sra.state.md.us.*

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Director of Legislative Affairs
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1



MEMBERSHIP BASICS

The System that Serves You

The Maryland State Retirement and Pension System (System) has a long, secure history of providing retirement benefits to the employees of the "Free State." Created in 1927 to provide pension benefits to the State's public school employees, the Maryland State Retirement and Pension System has grown to cover more than 400,000 retirees and employees. Active members in the System include teachers, State and municipal employees, and you, our elected lawmakers in Annapolis.

Your plan, the Legislative Pension Plan, is unique. Under Maryland's Constitution, a nine-member Compensation Commission reviews and recommends changes to compensation, allowances, and pension benefits for the members of the General Assembly. The Compensation Commission's recommendations are submitted to the General Assembly during the last regular session of each four-year term of office. If accepted, the Commission's report takes effect at the beginning of the next four-year term.

The information in this handbook is based on the Resolution of the General Assembly Compensation Commission effective on January 11, 2023 for the 2023-2026 term of office. If there are questions of interpretation, the provisions of the Resolution will control to resolve them.

The Legislative Pension Plan is administered by the State Retirement Agency (Agency), which manages the day-to-day operations of your retirement fund and handles all membership matters, from enrollment to benefit payments. The Agency operates under the direction of a 15-member Board of Trustees which establishes policy, oversees investments, and represents the interests of our various members and retirees.

Your Board of Trustees

Your Board of Trustees plays an important role in the stewardship of the System. The Board guides system operations, establishes investment policies, formulates administrative policy, and oversees the management of system assets.

Some trustees serve on the Board because of their position in State government. Others are appointed by the Governor because of their particular expertise, while others are elected by you, our members.

Your Board consists of the following 15 members:

- Comptroller of the Treasury
- State Treasurer
- Secretary of the Department of Budget and Management
- Five members appointed by the Governor who have expertise in investments
- One member appointed by the Governor to represent participating municipal corporations
- One member appointed by the Governor to represent county governments
- One elected member or retiree from the State Police Retirement System
- Two elected members of the Employees' Systems*
- Two elected members of the Teachers' Systems

* Legislators participate in elections for Employee Systems' trustees.

How Investments Are Made

The State of Maryland is required to contribute a certain percentage of payroll each year to fund pension benefits. The contribution rate is established annually by the Board of Trustees based upon an annual actuarial valuation. These contributions, along with employee contributions, are invested under the direction of the System's Board of Trustees.

Safeguards

To safeguard the proper operation and funding of this multi-billion dollar pension fund, operations are monitored both internally and externally. The System's financial activities are subject to an annual audit by the State's external auditor and the System's administrative activities are subject to a tri-annual audit by the State's legislative auditor. Additionally, the system's financial and administrative activities are subject to routine internal audits. Funding requirements are calculated by an independent actuary, who prepares an annual valuation of the System's assets and liabilities. Before investment programs are undertaken by the Board, they are reviewed by the Board's Investment Committee, which includes three outside investment experts. Pension law requires that assets be invested prudently and conservatively in the best interest of our members.

For regular reports on how your assets are being managed, see the Agency's active member newsletter, *The Mentor*. The System also produces an Annual Comprehensive Financial Report detailing all of the year's major transactions. This document is posted each January on the Agency's website sra.maryland.gov. Reports for prior years also are available online.

Eligibility

As a member of the Maryland General Assembly, your membership in the Legislative Pension Plan is mandatory. Generally, your membership ends in December of the final year of the term.

Pension benefits may not be paid to a member of the Legislative Pension Plan or the member's beneficiary if the member is convicted of or enters a plea of nolo contendere to any crime that is committed during the member's term in office. The crime must be a felony or a misdemeanor related to the member's public duties and responsibilities and involves moral turpitude for which the penalty may be incarceration in any penal institution.

A retiree of the Legislative Pension Plan and the retiree's beneficiary are subject to forfeiture of pension benefits if the retiree is receiving such benefits at the time he or she is convicted of a crime as described above.

Enrollment

NEWLY ELECTED LEGISLATORS

Newly elected members of the General Assembly will be asked to complete and file enrollment materials with the Agency. If you need assistance completing these forms, please contact your personnel office. You will need to provide three documents:

- **Application for Membership (Form 2):** Provides the Agency with basic personal information necessary to establish your retirement account.
- **Designation of Beneficiary (Form 55):** Identifies who receives a survivor benefit should you die during your service in the General Assembly. Use Form 55 to make your initial designation at enrollment and whenever you need to make changes during your membership. If you are married, your spouse must be designated as your beneficiary. If you are not married, you may designate another person as your beneficiary. You may designate multiple beneficiaries.
- **Proof of Birth:** Along with your completed membership application and beneficiary form, you are required to provide the Agency with verification of your date of birth. This information is essential since your retirement date and benefits are based upon your age in combination with your service credit. The most commonly used documents for proof of age are a copy of your birth certificate, a valid unexpired driver's license, or passport.

Questions to Ask Before Leaving Membership

If you leave elected office before qualifying to retire, as you end your membership in the Legislative Pension Plan, you should ask yourself the following questions. If you answer "yes" to any of these questions, contact the Agency and your personnel office before leaving office.

Do I have at least eight years of creditable service to qualify for a future benefit? YES NO

Do I meet the minimum qualifications of eight years of membership service credit earned through employment as a legislator to qualify to receive creditable service for military service? YES NO

Have I checked with the personnel office on the impact that termination has on other State provided employee benefits? YES NO

Do I meet the minimum qualifications of permanently disabled and eight years of creditable service to qualify to apply for a disability retirement? IMPORTANT: If you believe you are eligible to apply for disability benefits, please contact the Retirement Agency immediately. ()YES ()NO

For members who enrolled in the Legislative Pension Plan prior to Jan. 14, 2015:

Do I meet the minimum qualifications for retirement benefits? (Minimum qualifications are age 60 and eight years of creditable service in the Legislative Pension Plan.) ()YES ()NO

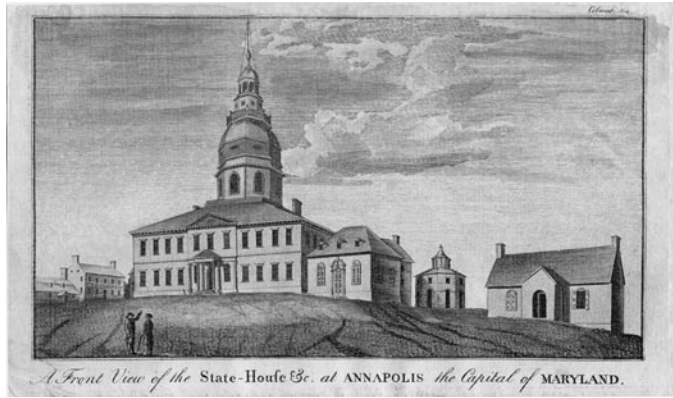
Do I meet the minimum qualifications for reduced retirement benefits? (Minimum qualifications are age 50 and eight years of creditable service in the Legislative Pension Plan.) ()YES ()NO

For members who enrolled in the Legislative Pension Plan on or after Jan. 14, 2015:

Do I meet the minimum qualifications for retirement benefits? (Minimum qualifications are age 62 and eight years of creditable service with no creditable service earned prior to January 14, 2015, in the Legislative Pension Plan.) ()YES ()NO

Do I meet the minimum qualifications for reduced retirement benefits? (Minimum qualifications are age 55 and eight years of creditable service, with no creditable service earned prior to January 14, 2015, in the Legislative Pension Plan.) ()YES ()NO

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CONTRIBUTIONS AND SERVICE

Employer Contributions

In addition to your employee contributions, the State pays on your behalf the contribution necessary to fund your pension benefits. Each year the Board of Trustees certifies to the State an employer rate determined by the System's actuary based on actuarial assumptions adopted by the Board. The State then pays the Agency that percentage of your salary as its annual contribution.

Employee Contributions

You are required to contribute 7% of your legislative salary during each year of your membership up to a maximum of 22 years and three months. Once you have accrued 22 years and three months, you cease making employee contributions. Contributions are deducted from your monthly paycheck and credited directly to your individual account.

EMPLOYER PICK-UP PROGRAM

Since January 1989, the State has participated in an "employer pick-up program." Under a pick-up program, an employee's contributions are treated as "employer" contributions for federal income tax purposes. Federal income tax on those contributions is deferred until termination of membership and withdrawal of contributions, or retirement.

The employer pick-up program affects federal income tax only. Employee contributions remain subject to Maryland income tax during active membership.

You should speak with your tax advisor if you have any further questions.

Maryland Supplemental Retirement Plans

The Maryland Supplemental Retirement Plans offer State employees a low cost way to save additional money for retirement—through the 457 Deferred Compensation Plan, 401(k) Savings & Investment Plan, and 403(b) Tax Deferred Annuity Plan. All contributions are made through payroll deduction. You choose to contribute before- or after-taxes (Roth), or use a combination. You choose how much to save and how to invest your contributions.

The Agency does not administer this program. For further information, contact the Maryland Teachers & State Employees Supplemental Retirement Plans by telephone at 410-767-8740 or 1-800-543-5605. Information also can be obtained from the website www.msrp.state.md.us.

Creditable Service

As a member of the plan, you earn creditable service for each month you serve in the General Assembly and contribute to the Legislative Pension Plan. Your creditable service is used to determine your eligibility for a benefit and to calculate the amount of your benefits.

The State submits your employer and employee contributions at the end of each monthly pay period to the Agency, which entitles you to one month of creditable service. Since your salary is paid the entire year, you earn 12 months of creditable service during each year you participate in and contribute to the plan.

Claimed Credit for Military Service

You may be eligible to claim additional credit if you have served in the military. It is your responsibility to claim this credit as a member or former member by completing the required forms, available through your personnel office or the Agency.

If you are a member or former member of the plan who has earned eight years of creditable service in the Legislative Pension Plan through employment as a legislator in the General Assembly, you may apply for up to three years of military service credit prior to receiving your vested benefit from the plan. Retired members who are receiving a monthly benefit from the Legislative Pension Plan are not eligible to claim military service credit in that plan.

You may receive retirement credit for eligible military service as long as you have not (and will not) receive credit for this military service under any other pension system. This restriction includes military pensions. It does not apply to benefits paid under Social Security, the National Railroad Retirement Act, any National Guard or Reserve pension or to benefits received from any disability pension.

Once retirement credit has been granted for military service, it cannot be removed at a later date.

ELIGIBLE TYPES OF MILITARY SERVICE

For System purposes, eligible military service is limited to the following:

- membership in a reserve component of the Armed Forces of the United States on active duty or ordered or assigned to active duty, or on active or inactive duty for training that interrupts a member's service;
- enlistment or induction into the Armed Forces of the United States;
- membership in the Maryland National Guard;

- participation in active duty or inactive duty training while a member of the National Guard or a reserve component of the Armed Forces of the United States;
- service in the Merchant Marines from December 7, 1941 to December 31, 1946; or
- active duty with the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration or the Coast and Geodetic Survey from:
 - December 7, 1941 to December 31, 1946;
 - June 25, 1950 to January 31, 1955, or
 - December 22, 1961 to May 7, 1975.

Active Duty Preceding Membership

You may claim up to a maximum of three years of credit for active military duty preceding your membership. You must have accrued at least eight years of service credit through employment as a legislator to apply for credit for military service that preceded your membership in the Legislative Pension Plan.

Service in the Guard and Active/Inactive Duty Training—Preceding and During Membership

Special rules apply for service in the Maryland National Guard and active/inactive duty training in the National Guard or U.S. Armed Forces Reserves.

Maryland National Guard Service

For service in the Maryland National Guard, four months of military credit may be credited for each year of Guard service up to a maximum of 36 months of military credit. You must still have eight years of service credit through employment as a legislator to claim this type of service.

Exception: If you are in the Maryland National Guard and are activated, you can claim this service immediately upon your return to active employment.

Active Duty Training

For active duty training in the National Guard or U.S. Armed Forces Reserves, one month of military credit may be credited for every 28 days of active duty training certified. No credit is granted for days less than 28. To claim this service, you must have eight years of service credit through employment as a legislator and the active duty training must have occurred prior to enrollment in the Legislative Pension Plan.

Military Duty or Training Interrupting Membership

If you are called to active military duty or assigned active or inactive duty training while serving in the National Guard or a reserve unit during your membership, you should file an Application to be Placed on a Qualifying Leave of Absence (Form 46) before leaving employment. The filing of this form serves only to give the Agency notice of your absence for military service.

You may claim a maximum of three years of military credit upon returning to membership provided:

- you return to work with a participating employer within one year of your discharge from active duty; and
- you do not accept other permanent employment between your date of discharge and your return to work.

How to Apply

To file for military credit, either preceding or interrupting membership, complete a *Claim of Retirement Credit for Military Service* (Form 43). Attach a copy of your military discharge papers (Form DD 214) indicating your active duty entrance and discharge dates. To claim National Guard or Reserve service, include a retirement credit record (Form NGB-23 or similar form).

Purchased Credit

As a member of the Legislative Pension Plan, you may be eligible to purchase creditable service through a direct payment to the Agency to qualify for future benefits. You may purchase previous legislative service.

Your plan currently authorizes a one-time opportunity to purchase all previous uncredited legislative service for a legislator who has service from prior terms.

The cost to you would be all unpaid employee contributions (based on the salaries earned during the uncredited period) plus 4% interest up to the date of payment.

Note: Creditable service in other positions with the State or municipal corporations in Maryland, or membership in other pension systems *cannot* be purchased for credit in the Legislative Pension Plan. You may only purchase legislative service as a delegate or senator with the Maryland General Assembly.

If you wish to purchase previous legislative service you should contact our Director of Legislative Affairs, Anne Gawthrop, at 410-625-5602 or agawthrop@sra.state.md.us.

Dual Membership

Some Senators and Delegates are also employed as State or local employees that require them to be members of an additional retirement or pension system of the State Retirement and Pension System. These legislators may participate in both the Legislative Pension Plan and the additional retirement or pension system, earning service credits in each. However, during the months of the legislative session of the General Assembly, these members may earn service credits only in the Legislative Pension Plan. Normally, this means no service credit is earned nor salary payment recognized (for purposes of average final compensation) in the second system for at least the months of February and March.

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YOUR BENEFITS

In addition to providing income at retirement, the Legislative Pension Plan offers important coverage throughout your career.

- Survivor protection should you die before retirement
- A monthly retirement allowance based on your age and service
- Recalculation of your monthly allowance when legislative salary for active members of the General Assembly increases
- Disability coverage in the event you are unable to continue to serve in the General Assembly due to a disabling illness or injury
- Automatic spouse benefit
- An optional benefit choice at time of retirement

Let's take a more detailed look at the benefits your plan offers.

Survivor Benefits

In the event you die prior to retirement from the Legislative Pension Plan, survivor benefits are available to provide financial protection to your spouse, your children who are under 26 or disabled, or, if you are not married and do not have such children, your designated beneficiaries.

BENEFICIARIES

Spouse

If you are married, your spouse is your sole beneficiary regardless of whether you are actively serving in the legislature or if you are no longer in the legislature at the time of your death.

If you designate someone other than your spouse as beneficiary, and at your death you are married, the Agency will void that designation and pay your spouse any survivor benefits that may be payable.

Minor Children

While serving in the General Assembly and a member of the Legislative Pension Plan, if you are not married at the time of your death, your minor children under age 26 are deemed your designated beneficiaries and are eligible to receive benefits until

each child attains age 26. If any of your children are disabled, the benefit may continue past age 26, as long as the child remains disabled.

Designating Beneficiaries

If at the time of your death you are serving in the General Assembly, you are not married, and do not have any children who are under age 26 or disabled, a designated beneficiary or multiple beneficiaries other than your spouse, minor children, or disabled children may receive your survivor benefits. If at the time of your death you are not serving in the General Assembly, your designated beneficiary or multiple beneficiaries may receive your survivor benefits, even if you are not married but have minor children or disabled children over age 26.

IF YOU HAVE EIGHT OR MORE YEARS OF CREDITABLE SERVICE

At the time of your death, your spouse, children under age 26, disabled children, or designated beneficiaries other than your spouse or children, may elect to receive a death benefit payable as a one-time lump sum payment or a lifetime monthly benefit, provided you had at least eight years of creditable service at the time of death. Who is eligible to receive your survivor benefits will depend, in part, on whether at the time of your death you are serving as an active member of the General Assembly or, instead, you are a former member of the Legislative Pension Plan who has not withdrawn your member contributions and has not retired from the Legislative Pension Plan.

Active Member: One-Time Lump Sum Payment

The one-time lump sum payment at the death of an active member will be:

- the member's annual salary at time of death; plus
- the member's accumulated contributions with interest.

When an <u>Active</u> Member Dies, Who May Receive the <u>One-Time</u> Benefit?		
<i>Surviving Spouse</i>	<i>Minor/Disabled Children</i>	<i>Designated Beneficiaries</i>
If an active member is married at the time of death, the surviving spouse is the decedent's beneficiary and may elect to receive the one-time lump sum benefit.	If a deceased active member is not survived by a spouse, then the decedent's children under age 26, or disabled children at any age, may divide the one-time lump sum payment equally among each child.	If the deceased active member is unmarried and has no children under age 26 or disabled children at the time of death, the one-time lump sum death benefit will be divided equally among the decedent's designated beneficiaries. An active member may designate a nonprofit organization as a beneficiary to receive the one-time lump sum death benefit.

Former Member: One-Time Lump Sum Payment

If at the time of death, the former member is not serving in the General Assembly, has not withdrawn the former member's member contributions, and has not retired from the Legislative Pension Plan, the one-time lump sum payment is limited to the deceased's accumulated contributions with interest.

When a <u>Former Member</u> Dies, Who May Receive the <u>One-Time</u> Benefit?	
<p><i>Surviving Spouse</i></p> <p>If a former member is married at the time of death, the surviving spouse is the decedent's beneficiary and may elect to receive the one-time lump sum benefit.</p>	<p><i>Designated Beneficiaries</i></p> <p>If at the time of death a former member is not married, the decedent's designated beneficiary or multiple beneficiaries may receive the one-time lump sum payment, even if the decedent has children under age 26 or disabled children at any age. A former member may designate a nonprofit organization as a beneficiary to receive the one-time lump sum death benefit.</p>

Optional Monthly Allowance - Payable Only to One Beneficiary

Instead of the one-time lump sum payment, the beneficiary of a deceased active member or former member may accept a lifetime monthly allowance equal to 50% of the allowance that would have been paid if the decedent were living and eligible to receive a retirement benefit from the Legislative Pension Plan based on the decedent's years of service at the time of the death. A beneficiary who elects to receive the monthly allowance may not receive the one-time lump sum benefit payment.

When an <u>Active Member</u> Dies, Who May Receive the <u>Monthly</u> Benefit?		
<p><i>Surviving Spouse</i></p> <p>If an active member is married at the time of death, the surviving spouse is the decedent's beneficiary and may elect to receive a monthly allowance. The allowance will continue for the remainder of the spouse's lifetime.</p>	<p><i>Minor/Disabled Children</i></p> <p>If a deceased active member is not survived by a spouse, the decedent's children under age 26 may elect to receive a monthly allowance. In cases where a deceased active member has more than one child who is under age 26, the monthly allowance will be paid to each child until that child reaches age 26. If the</p>	<p><i>Designated Beneficiary</i></p> <p>If at the time of death, a deceased active member is not survived by a spouse, children under age 26, or disabled children of any age, and has designated only one individual as the decedent's beneficiary, that individual may elect to receive the monthly allowance. The monthly allowance is not payable to multiple beneficiaries.</p>

Continued on following page.

	<p>decedent has disabled children that elect to receive the monthly allowance, the disabled children will receive that benefit as long as they remain disabled, regardless of their age.</p>	<p>The benefit will be paid to the designated beneficiary, for life, as follows:</p> <ul style="list-style-type: none"> ▪ when the beneficiary attains age 60 or 62, depending on when the deceased active member enrolled in the Legislative Pension Plan; or ▪ at any time after the beneficiary attains age 50 or 55, depending on when the deceased active member enrolled in the Legislative Pension Plan, with a reduction of 0.5% for each month that payment begins before the designated beneficiary's 60th or 62nd birthday.
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IF YOU HAVE FEWER THAN EIGHT YEARS OF CREDITABLE SERVICE

If, at the time of your death, you are serving in the General Assembly and have fewer than eight years of creditable service in the Legislative Pension Plan, your spouse, children who are under age 26 or disabled, or designated beneficiaries other than your spouse or children, will receive a single one-time lump sum payment.

One-Time Lump Sum Payment

The one-time lump sum payment at the death of an active member will be:

- the member's annual salary at the time of death; plus
- the member's accumulated contributions.

<p>When an <u>Active Member Dies</u>, Who May Receive the <u>One-Time Benefit</u>?</p>		
<p><i>Surviving Spouse</i></p> <p>If an active member is married at the time of death, the surviving spouse is the decedent's beneficiary and may elect to receive the one-time lump sum benefit.</p>	<p><i>Minor/Disabled Children</i></p> <p>If a deceased active member is not survived by a spouse, then the decedent's children under age 26, or disabled children at any age, may divide the one-time lump sum payment equally among each child.</p>	<p><i>Designated Beneficiaries</i></p> <p>If the deceased active member is unmarried and has no children under age 26 or disabled children of any age, at the time of death, the one-time lump sum death benefit will be divided equally among the decedent's designated beneficiaries. An active member may designate a nonprofit organization as a beneficiary to receive the one-time lump sum death benefit.</p>

Retirement Benefits

RETURN OF ACCUMULATED CONTRIBUTIONS WITH INTEREST

On the death of an active or former member who is not survived by a spouse, a child under age 26 or a disabled child at any age, or a designated beneficiary, the decedent's estate shall receive a one-time lump sum payment of the deceased member's accumulated contributions with interest. Additionally, if a former member with less than eight years of creditable service dies, the decedent's estate will also receive a one-time lump sum payment of the deceased member's accumulated contributions with interest..

As a member of the Legislative Pension Plan you may be eligible to receive either a normal or early service retirement allowance. A normal service retirement allowance is an unreduced benefit, while an early service retirement allowance is a reduced benefit to reflect a member retiring prior to reaching normal service retirement age.

Eligibility for a retirement benefit will depend upon your age and the creditable service you have accrued in the Legislative Pension Plan.

NORMAL SERVICE RETIREMENT

Eligibility Requirements

To qualify for a normal service retirement allowance you must:

1. be at least age 60 if you have earned creditable service in the Legislative Pension Plan before January 14, 2015 or be at least age 62 if you have not earned creditable service in the Legislative Pension Plan before January 14, 2015; and
2. have at least eight years of creditable service.

Note: Refer to the section on Purchased Credit for information on purchasing service to help you reach the minimum eight years of creditable service needed to qualify for a retirement benefit.

Normal Service Retirement Allowance

Your initial normal service retirement benefit is based on your creditable service and the legislative salary for current members of the General Assembly at the time of your retirement. Under the Legislative Pension Plan, you receive 3% of legislative salary for each year of creditable service up to a maximum 22 years and three months of creditable service. After serving 22 years and three months, the maximum benefit available is 2/3 of the legislative salary at either age 60 or 62, depending upon your enrollment date in the plan.

If you accrue less than 22 years and three months of creditable service in the Legislative Pension Plan, the table below provides various examples of the percentage a sitting legislator's salary that you would receive as a normal service retirement allowance.

Creditable Service	Percentage of Salary (Annual Benefit)
8 Years	24%
12 Years	36%
16 Years	48%
20 Years	60%
22.25 Years**	66.67%
* Maximum service that may be credited to the plan.	

See page 00 for sample benefit calculations for a service retirement.

Note: Members who serve as Speaker of the House or President of the Senate for at least one year, or who serve in these offices at retirement, receive benefits based on the current annual salary paid to the presiding officer.

REDUCED EARLY SERVICE RETIREMENT

Eligibility Requirements

Many legislators leave the General Assembly prior to age 60 or 62. Some decide to take an early, or reduced, service retirement allowance rather than wait to receive the unreduced allowance at age 60 or 62. To qualify for a reduced service retirement allowance, you must have at least eight years of creditable service and meet one of the following combinations of age and service:

- be at least age 50 if you have earned creditable service in the Legislative Pension Plan before January 14, 2015
- or*
- be at least age 55 if you have not earned creditable service in the Legislative Pension Plan before January 14, 2015

See page 22 for sample benefit calculations for an early service retirement.

Reduced Early Service Retirement Allowance

Legislators who retire early (prior to age 60 but after attaining age 50 or prior to age 62 but after attaining age 55) receive a reduced benefit. The reduction is necessary because the funds accumulated to pay the benefit must be spread over a longer payment period. The reduction is 0.5% for each month you retire prior to age 60 or age 62. This equals 6% a year, for a maximum reduction of 60% if you retire at age 50 or 42% if you retire at age 55.

As an example, a legislator who has not earned service credit in the Legislative Pension Plan before January 14, 2015, and who wants to retire at age 57 years and six months is 54 months from age 62. This legislator's benefit is reduced by 27% (54 months × .005). Additional examples of early service retirement benefit calculations can be found on pages 22 and 23.

LEGISLATIVE PENSION PLAN TO JUDGES' RETIREMENT SYSTEM

If you leave office to serve as a judge and are eligible to participate in the Judges' Retirement System, regardless of your years of creditable service in the Legislative Pension Plan at the time you leave, you are entitled to the following:

- a service retirement allowance at age 60 or a reduced retirement allowance at age 50 if you have earned creditable service in the Legislative Pension Plan before January 14, 2015

or

- a service retirement allowance at age 62 or a reduced retirement allowance at age 55 if you have not earned creditable service with the Legislative Pension Plan prior to January 14, 2015.

The eight-year requirement is waived for this special circumstance.

CHOOSING AN ALLOWANCE OPTION

Basic Allowance

At retirement from the Legislative Pension Plan, you may elect the Basic Allowance, which provides you with your maximum benefit based on your creditable service. If you are retired and married at your death, your spouse receives 50% of the benefit payable to you with payment beginning at your death and continuing for the remainder of your spouse's lifetime.

If you are retired from the Legislative Pension Plan and not married at time of your death and have designated a beneficiary, then your designated beneficiary receives the 50% benefit for life. Payment to the beneficiary for the full survivor benefit does not begin until the beneficiary attains age 60. A reduced survivor benefit is available at your beneficiary's option as early as age 50.

Like a reduced service retirement benefit, the early survivor benefit is reduced by 0.5% for each month your designated beneficiary elects to receive the benefit prior to reaching age 60.

If you are not married when you retire from the Plan, you may designate one person as your beneficiary to receive the 50% survivor benefit noted above. If you designate more than one beneficiary, your designated multiple beneficiaries will share equally the balance of the actuarial equivalent present value of your Basic Allowance computed at the time of your retirement. If you marry or remarry after retirement, any previous designation is void. Your spouse automatically is entitled to the 50% survivor benefit due under the Basic Allowance.

Optional Allowance

There is one optional payment plan a retiring legislator may elect. You should carefully review your personal circumstances before selecting this optional allowance. Unlike your Basic Allowance, the 100% Joint and Survivor Option provides a reduced allowance to you. Upon your death, 100% of your allowance is paid to your spouse or designated beneficiary. If you choose this option, your beneficiary cannot be more than 10 years younger than you unless the beneficiary is your spouse or disabled child. If you are naming your disabled child at retirement, you need to have verification from a physician of your child's disability. Form 143, *Verification of Re-*

tiree's Disabled Child for Selection of Option 2/5 Beneficiary, must be completed and attached with your application for retirement.

Your election of this optional allowance is irrevocable.

APPLYING TO RETIRE

It is your responsibility to apply for retirement. Receipt of a retirement benefit is not automatic. To be eligible, you must file the following:

- ***Application for Retirement (Form 15)***. On this form, you must select the date of your retirement and designate one beneficiary (your spouse, if married). If you elect more than one beneficiary, you must complete *Designation of Beneficiary* (Form 55).
- To set up your direct deposit you may register online using **mySRPS**, the Maryland State Retirement Agency's secure website. See Chapter 6 for a more detailed discussion of your **mySRPS** account. Payees who prefer using a paper form to set up their direct deposit may print *Direct Deposit Authorization* (Form 85) found on the Retirement Agency's website.
- To authorize tax withholding from your monthly retirement allowance, complete and submit to the Retirement Agency a *Federal Tax Withholding Request* (IRS Form W-4P) for federal tax withholding and a *Maryland State Tax Withholding Request* (Form 766.11) for state tax withholding.

Disability Benefits

The Legislative Pension Plan provides disability coverage in the event that a serious illness or injury permanently incapacitates you from carrying out your responsibilities as a member of the General Assembly. It is important for you to be aware of the disability provisions of your plan.

Disability Eligibility Requirements

To qualify for a disability allowance, you must:

1. be a member currently serving in the General Assembly;
2. be a member of the Legislative Pension Plan;
3. have a minimum of eight years of creditable service in the Legislative Pension Plan; and
4. be approved by the Agency's Medical Board and Board of Trustees that you are permanently disabled.

Disability Benefit Amount

A member who qualifies for a disability benefit receives a service retirement allowance based on the years and months of creditable service in the member's account at the time of disability. There is no reduction for receiving payments prior to attaining age 60 or are 62 depending on your enrollment in the Legislative Pension Plan.

An example of a disability benefit calculation is shown on page 24.

APPLYING FOR DISABILITY

Disability retirement entails a two step process. The first step is to apply for disability benefits. The second step is to file an application to actually retire if you are approved for disability benefits.

IMPORTANT: If you believe you may be eligible for a disability retirement benefit, contact the State Retirement Agency immediately.

STEP 1: APPLYING FOR DISABILITY BENEFITS

Filing Requirements

Be aware that you cannot wait indefinitely to file for disability. You may apply only while on payroll or by December of the final year of your term.

How to File A Claim

Keep in mind that the medical evaluation is based on the documentation you provide detailing the disabling condition, the diagnosis and the prognosis. It is in your best interest to submit as much supporting information as possible. To expedite your claim, all forms and supporting medical information should be submitted together.

Disability applicants must file the following:

- 1. Statement of Disability (Form 20):** This form provides information on the nature and cause of the disability. It requires your physician's medical report, which should include an opinion as to whether or not you are permanently disabled, and if so, why.
- 2. Job description:** The Medical Board will evaluate your medical condition in relation to your duties as a legislator.
- 3. All pertinent medical records:** Your doctors will help you submit medical information in support of your claim, such as X-rays, test results and hospital reports. Form 20 contains a complete list of pertinent medical data.

Claim Review/Approval/Notification

Disability claims are evaluated by the Agency's Medical Board, which reviews cases on a weekly basis. The physicians currently serving on the Medical Board represent a range of medical specialties. They are appointed by the System's Board of Trustees and are not affiliated with the State.

The Medical Board's recommendation regarding the disability claim is presented to the Board of Trustees for final action. In some cases, the Medical Board will request an examination by a consulting physician at the Agency's expense for the purpose of providing an additional medical opinion.

You will be notified of the claim decision after the Board of Trustees rules on the action recommended by the Medical Board.

STEP 2: IF APPROVED, FILE AN APPLICATION TO ACTUALLY RETIRE

If your disability claim is approved, you may then submit a retirement application. The Agency at this time will work with you to determine your retirement date. Most retirees select the first day of the month as their retirement date, but this is not mandatory. Your health situation could dictate otherwise. For retirement dates other than the first day of the month, benefit payments become effective on the first day of the following month.

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CALCULATING YOUR BENEFITS

This section illustrates how to calculate dollar amounts for the various plan benefits. The samples provided are examples only. The Agency will furnish you with a precise calculation when you file for benefits.

Sample Benefit Calculations – 2022 Resolution

NORMAL SERVICE RETIREMENT

Calculating normal service retirement uses a very elementary formula. Legislators receive 3.0% of current legislative salary for each year and month of creditable service, up to a maximum benefit of 66.67% of current legislative salary.

Let's look at some examples.

Example 1: Service Retirement

You retire in 2026 with 16 years of creditable service at age 62. Using the 2026 salary of \$56,636, your benefit would be calculated as follows:

$$\$56,636 \times .03 = \$1,699.08$$

$$\$1,699.08 \times 16 \text{ years} = \$27,185.28 \text{ **annual Basic Allowance**}$$

$$\$27,185.28 \div 12 = \$2,265.44 \text{ **monthly Basic Allowance**}$$

Example 2: Service Retirement

Now, let's assume that you retire in 2026 at age 62 after 24 years of service in the General Assembly. The benefit would be calculated as follows:

$$\$56,636 \times .6667^* = \$37,259.22 \text{ **annual Basic Allowance**}$$

$$\$37,259.22 \div 12 = \$3,146.60 \text{ **monthly Basic Allowance**}$$

*** Maximum benefit allowed under your plan.**

Note: Legislators who serve as President of the Senate or Speaker of the House at termination of service, or who have served previously for at least one year, receive benefits based on the salary paid to the current Senate President and House Speaker. The presiding officers will receive an annual salary equal to \$67,986, \$70,705, \$72,119 and \$73,562 for calendar years 2023, 2024, 2025 and 2026, respectively.

REDUCED EARLY SERVICE RETIREMENT

Reduced retirement uses the same formula as normal retirement, except that the benefit is reduced by 0.5% for each month payments begin prior to age 60 if you have earned creditable service in the Legislative Pension Plan prior to January 14, 2015. The maximum reduction is 60% at age 50. You must be at least age 50 to apply for and receive a reduced retirement allowance.

Reduced retirement uses the same formula as normal retirement, except that the benefit is reduced by 0.5% for each month payments begin prior to age 62 if you have not earned creditable service in the Legislative Pension Plan prior to January 14, 2015. The maximum reduction is 42% at age 55. You must be at least age 55 to apply for and receive a reduced retirement allowance.

Again, let's look at some examples.

Example 3: Reduced Early Service Retirement with No Creditable Service Earned in the Legislative Pension Plan before January 14, 2015

You retire in 2026 at age 58 years five months with 16 years of creditable service and you did not earn creditable service in the Legislative Pension Plan before January 14, 2015. Using the 2026 legislative salary of \$56,636, your benefit would be calculated as follows:

STEP 1: Calculate the Basic Allowance

$$\$56,636 \times .03 = \$1,699.08$$

$$\$1,699.08 \times 16 \text{ years} = \$27,185.28 \text{ annual Basic Allowance}$$

STEP 2: Apply the reduction factor

$$43 \text{ (months to age 62)} \times .005 = 21.5\%$$

$$\$27,185.28 \text{ (Basic Allowance)} \times .215 = \$5,844.84$$

$$\$27,185.28 - \$5,844.84 = \$21,340.44 \text{ reduced annual Basic Allowance}$$

$$\$21,340.44 \div 12 = \$1,778.37 \text{ reduced monthly Basic Allowance}$$

Example 4: Reduced Early Service Retirement with Creditable Service Earned in the Legislative Pension Plan before January 14, 2015

You retire in 2026 at age 53 years and five months with 16 years of creditable service, some of which is earned before January 14, 2015. Using the 2026 legislative salary of \$56,636, your benefit would be calculated as follows:

STEP 1: Calculate the Basic Allowance

$$\$56,636 \times .03 = \$1,699.08$$

$$\$1,699.08 \times 16 \text{ years} = \$27,185.28 \text{ annual Basic Allowance}$$

STEP 2: Apply the reduction factor

$$79 \text{ (months to age 60)} \times .005 = 39.5\%$$

$$\$27,185.28 \text{ (Basic Allowance)} \times .395 = \$10,738.19$$

$$\$27,185.28 - \$10,738.19 = \$16,447.09 \text{ reduced annual Basic Allowance}$$

$$\$16,447.09 \div 12 = \$1,370.59 \text{ reduced monthly Basic Allowance}$$

Example 5: Reduced Early Service Retirement with No Creditable Service Earned in the Legislative Pension Plan before January 14, 2015

The maximum reduction at age 55 is 42%. If we use the same salary and service noted above, but assume you retire at age 55, then the benefit would be calculated as follows:

STEP 1: Calculate the Basic Allowance

$$\$56,636 \times .03 = \$1,699.08$$

$$\$1,699.08 \times 16 \text{ years} = \$27,185.28 \text{ annual Basic Allowance}$$

STEP 2: Apply the reduction factor

$$84 \text{ (months to age 62)} \times .005 = 42\%$$

$$\$27,185.28 \text{ (Basic Allowance)} \times .42 = \$11,417.82$$

$$\$27,185.28 - \$11,417.82 = \$15,767.46 \text{ reduced annual Basic Allowance}$$

$$\$15,767.46 \div 12 = \$1,313.96 \text{ reduced monthly Basic Allowance}$$

DISABILITY RETIREMENT

Disability retirement uses the same formula as normal service retirement. The disability allowance is paid when you are found disabled, regardless of your age.

Example 5: Disability Retirement With No Creditable Service earned in the Legislative Pension Plan Before January 14, 2015

If we assume you are disabled in 2020 at age 42 with 16 years of service and your legislative salary is \$56,636 (the legislative salary for 2026), the disability benefit would be calculated as follows:

$$\$56,636 \times .03 = \$1,699.08$$

$$\$1,699.08 \times 16 \text{ years} = \$27,185.28 \text{ **annual Basic Allowance**}$$

$$\$27,185.28 \div 12 = \$2,265.44 \text{ **monthly Basic Allowance**}$$

No reduction applies for a disability retirement. Regardless of your age at the time disability payments begin, you receive a full service retirement allowance as your disability allowance.

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WHEN YOU RETIRE

Method of Payment

To ensure the timely delivery of benefit payments, the Agency has instituted a mandatory direct-deposit policy for the payment of monthly benefits.

Payments are issued on the last business day of each month. Because the payments are sent electronically, funds post immediately to the retiree's bank account. With your first direct deposit, you will receive by mail an advice slip listing your payment amount and withholdings (taxes, health insurance, etc.) Thereafter, advice slips are issued in January, July and whenever your net amount changes.

Address Changes

It is important for you to maintain a current mailing address with the Agency. Although your monthly payments are transferred electronically to your bank, all other information — advice notices, tax information, newsletters — are mailed to your home address.

To ensure prompt delivery of this information, you need to notify the Agency whenever you change your mailing address. For your protection, the address change must be submitted to the Agency in writing (include your Social Security number and place your signature on your address change).

Tax Reporting

Each January, the Agency sends to your home or other mailing address on your file an IRS form, 1099-R tax Statement, providing information you need to file annual federal and State tax returns.

When you file for retirement, you are asked to complete federal and Maryland State tax withholding forms. These are the *Federal Tax Withholding Request* (IRS Form W-4P) and *Maryland State Tax Withholding Request* (Form 766.11), respectively. If you elect not to have taxes withheld as a deduction from your monthly allowance, you may be required to make quarterly estimated payments to the appropriate taxing authority.

The Agency does not provide tax advice. Payment of tax is your responsibility. You should contact a tax consultant or the appropriate taxing authority for specific information regarding your tax liabilities.

Benefits After You Retire

While retired, you may request voluntary deductions be withheld from your monthly retirement payments for health insurance, State Employees Credit Union, etc. Check with your personnel office for information on what benefits you may continue after retirement and the costs.

STATE OF MARYLAND RETIREES

For retirees of Maryland State government, up-to-date information on health benefits for eligible retirees is available online at www.dbm.maryland.gov/benefits or by calling 410-767-4775 or toll-free-1-800-307-8283.

COST-OF-LIVING ADJUSTMENTS

Retirees in the Legislative Pension Plan have their retirement benefit recalculated each time the salary for an active member of the General Assembly increases. This recalculation will be based on the salary of a current active member.

The following chart illustrates the cost-of-living adjustment from 2019 through 2026 based on a member retiring at age 62 with 16 years of service credit. You will notice that because active members of the General Assembly did not receive any salary increases for the 2019-2022 term, retirees did not receive any cost-of-living adjustments during this same period of time.

Year	Legislative Salary	Recalculated Monthly Benefit
2019	\$50,330	\$2,013.20
2020	\$50,330	\$2,013.20
2021	\$50,330	\$2,013.20
2022	\$50,330	\$2,013.20
2023	\$52,343	\$2,093.72
2024	\$54,437	\$2,177.48
2025	\$55,526	\$2,221.04
2026	\$56,636	\$2,265.44

A retired legislator who served as President of the Senate or Speaker of the House at termination of service, or who has served previously for at least one year will have their retirement benefits recalculated each time the salary for a current presiding officer of the General Assembly increases. This recalculation will be based on the higher salary of the current presiding officers.

EMPLOYMENT AFTER RETIREMENT

If you work for the State or an employer who participates in the System after you retire from the plan, you will continue to receive your legislative retirement benefit. There is no reduction or suspension of your benefits during this employment.

However, if you return to the General Assembly, your legislative retirement benefit is stopped and all previous service credit is restored. You may elect to join the Legislative Pension Plan again and earn additional service credit. If you elect to join again, your future retirement benefit will be based on all current and prior creditable service earned (up to the maximum 22 years three months) as well as the legislative salary at the time of your second retirement.

GARNISHMENT OF PENSION BENEFITS

Generally, a retiree's pension benefits are not subject to assignment, garnishment, execution, or attachment. However, there are exceptions to this general rule. A portion of the retired legislator's benefit may be assigned or transferred to an ex-spouse in a decree or order of divorce or an agreement incident to a divorce. Liens can also be placed against a pension for child support or delinquent payment of federal or State taxes.

FORFEITURE OF PENSION BENEFITS

An individual who is a member or retiree of the Legislative Pension Plan will forfeit all legislative retirement benefits in the plan if the individual is convicted of a crime committed during the term of office of the individual was member, and that crime is a felony or serious misdemeanor relating to the individual's public duties as a member of the General Assembly. The convicted member or retiree will be entitled to a return of employee contributions, plus interest, but less any benefits already paid in the case of a retiree. The benefits will be restored if the conviction is overturned.

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MEMBER RESOURCES

There are several ways to obtain additional information about the Legislative Pension Plan and your benefits. This handbook provides you with an overall picture of the plan and gives general guidance in calculating your benefits.

2022 General Assembly Compensation Commission Report

During the 2022 legislative session, the General Assembly adopted the 2022 Resolution of the General Assembly Compensation Commission that establishes salary, fringe benefits, and pension for the 2023-2026 term. The Appendix contains a copy of the 2022 resolution. The information in this handbook is based on the language shown in the Appendix.

mySRPS

The Agency offers participants a secure website, **mySRPS**. You can use **mySRPS** to view your account information, to make changes to your account, and to securely contact the Agency via email. If you are not already registered for **mySRPS**, please visit our website, sra.maryland.gov, click on the “mySRPS Login” button in the upper right hand corner of the homepage, select the “Register” button, and then follow the on screen directions. Once registered, you may access your account online by using the **mySRPS** secure access participant portal.

Personal Statement of Benefits

While you are an active member, each fall the Agency will create an individualized statement of your retirement benefits. Your Personal Statement of Benefits highlights everything you need to know about your account – from the amount of service credit and beneficiaries on your record to estimates of future pension income. We encourage you to use this information to verify your account data for accuracy and to contact the Agency with any changes necessary to correct your account. You may view your current and previous Personal Statement of Benefits by logging into your **mySRPS** account.

Newsletters

Our active member newsletter, *The Mentor*, provides easy-to-read facts and information on your pension plan — from filing tips to changes in the law that could affect you and your family. After you retire, we continue to stay in touch with you through our informative retiree newsletter, *Retiree News & Notes*.

Website

The Agency maintains an Internet website which features basic information about the System, an archive of recent Agency newsletters and annual financial reports, and links to other sites of interest.

You may visit the Agency's website at: sra.maryland.gov

Counseling Services

You may contact our Director of Legislative Affairs, Anne E. Gawthrop, Esq., at 410-625-5602 or agawthrop@sra.state.md.us if you have any questions or need information regarding your account.

OBTAINING PENSION FORMS

You may obtain Legislative Pension Plan forms from the Retirement Agency's website at sra.maryland.gov or your Retirement Coordinator. Your coordinator will assist you in completing forms and answer basic questions on various State employee benefits, such as health insurance. Your specific questions on retirement should be directed to the Agency.

To obtain the applicable Agency pension forms, contact your Retirement Coordinator:

Michelle Mahan
Room 311, Legislative Services Building
Annapolis, Maryland 21401
Telephone: 410-946-5127

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FOR YOUR CONVENIENCE

Legislative Pension Plan Forms

Title	Form Number	Purpose
Application for Membership	2	To enroll in the Legislative Pension Plan
Retirement Application	15	To apply for normal, early or disability retirement
Statement of Disability	20	To file a claim for ordinary or accidental disability retirement
Request to Purchase Previous Service	26	To request to purchase service, including verification of previous legislative service, when necessary
Designation of Beneficiary	55	To designate or change a beneficiary. Also, used to update beneficiary designation during membership
Direct Deposit Authorization	85	To authorize Agency to transfer your monthly retirement allowance directly into your bank account. For your convenience, you also may sign up for direct deposit online using mySRPS .
Federal Tax Withholding Request	W-4P	To authorize federal income tax deductions from your monthly payment
Maryland State Tax Withholding Request	766.11	To authorize Maryland State income tax deductions from your monthly payment



APPENDIX

2022 Resolution of the General Assembly Compensation Commission Determining the Compensation and Allowances of the Members of the General Assembly

The General Assembly Compensation Commission, pursuant to Article III, § 15 of the Maryland Constitution, adopts the following resolution determining the compensation and allowances of members of the General Assembly.

RESOLVED, That, from and after January 11, 2023, the members of the General Assembly shall be entitled to receive compensation and allowances in accordance with the items contained in this Resolution and no other compensation or allowances of any kind whatsoever.

Item 1A

Each member of the General Assembly, except the President of the Senate and the Speaker of the House of Delegates, shall receive an annual salary as follows, payable in twelve monthly installments each year:

- (1) Fifty-two thousand three hundred forty-three dollars (\$52,343) during calendar year 2023;
- (2) Fifty-four thousand four hundred thirty-seven dollars (\$54,437) during calendar year 2024;
- (3) Fifty-five thousand five hundred twenty-six dollars (\$55,526) during calendar year 2025; and
- (4) Fifty-six thousand six hundred thirty-six dollars (\$56,636) for the period that includes calendar year 2026 and that portion of January 2027 preceding the commencement of the next term of office.

Item 1B

The President of the Senate and the Speaker of the House of Delegates shall each receive an annual salary as follows, payable in twelve monthly installments each year:

- (1) Sixty-seven thousand nine hundred eighty-six dollars (\$67,986) during calendar year 2023;
- (2) Seventy thousand seven hundred five dollars (\$70,705) during calendar year 2024;
- (3) Seventy-two thousand one hundred nineteen dollars (\$72,119) during calendar year 2025; and
- (4) Seventy-three thousand five hundred sixty-two dollars (\$73,562) for the period that includes calendar year 2026 and that portion of January 2027 preceding the commencement of the next term of office.

Item 2A

Each member of the General Assembly, upon presentation of an expense voucher, shall be entitled to a per diem allowance for meals and reimbursed for expenses actually incurred for lodging due to (i) attendance at regular, extended, or extraordinary sessions of the General Assembly of Maryland or scheduled committee or subcommittee meetings thereof; (ii) attendance at meetings of the Legislative Policy Committee or scheduled committee or subcommittee meetings thereof, including legislative committees created by statute; (iii) attendance at scheduled meetings of a commission, committee, joint executive/legislative committee, or task force or subcommittee thereof to which the legislator has been appointed by the Governor, the President of the Senate, or the Speaker of the House of Delegates; (iv) attendance at bill signings; or (v) attendance at official functions in Annapolis or outside Annapolis directly related to duties as a member of the General Assembly as may be approved by the President of the Senate or the Speaker of the House of Delegates. The President of the Senate and the Speaker of the House of Delegates shall establish guidelines and procedures for the determination and payment of expenses for meals and lodging, in accordance with the following policies:

- (1) Requests for payment of the per diem meal allowance need not be supported by receipts;
- (2) Requests for reimbursement for expenses incurred for lodging must be supported by receipts or by a billing from the facility providing the lodging and payment may be made directly to the facility;
- (3) In no event shall a member be paid for meal expenses that exceed the total amount for meal expenses per day as provided in the Standard Travel Regulations of the State of Maryland, as amended from time to time by the Board of Public Works; and
- (4) In no event shall a member be reimbursed for lodging expenses that exceed the most current published federal General Services Administration daily per diem rates for lodging;

(i) In Annapolis, Maryland, if the lodging occurred in Annapolis, Maryland; or

(ii) At the appropriate local rate, if the lodging occurred outside Annapolis, Maryland.

Item 2B

Each member shall be reimbursed for expenses actually incurred in traveling between the member's home and the place of a session or meeting or function described in Item 2A at the rate provided in the Standard Travel Regulations of the State of Maryland, as amended from time to time by the Board of Public Works, if the travel is by automobile. If a member travels by other means, the member will be reimbursed for actual costs, but not exceeding the mileage rate provided by the Standard Travel Regulations of the State of Maryland.

Item 2C

Each legislator shall be paid a seven hundred fifty dollar (\$750) lump sum non-vouchered within district transportation allowance at the beginning of each calendar year of the term 2023, 2024, 2025, and 2026.

Item 2D

(1) Each member who wishes to be reimbursed for expenses actually incurred for registration fees, meals, lodging and travel in attending a meeting, conference or other function outside the State that the member believes is directly related to, or will substantially enhance the performance of, the member's duties as a legislator shall request and obtain in writing the prior approval of the President of the Senate and the Speaker of the House of Delegates. The request for approval shall indicate the basis for the request for reimbursement, the estimated amount of reimbursable expenses and such other information as may be reasonably necessary to determine the appropriateness of reimbursement. The President of the Senate and the Speaker of the House of Delegates shall develop guidelines for reimbursement of out-of-state travel and other expenses. In developing these guidelines, the President of the Senate and the Speaker of the House of Delegates may utilize the provisions of the Standard Travel Regulations of the State of Maryland to the degree applicable, except that the policies in paragraph (2) of this Item 2D shall be observed.

(2) (i) The amount of any reimbursement for registration fees, as well as attendance at the particular function, must be approved in advance by the President of the Senate and the Speaker of the House of Delegates.

(ii) 1. The maximum amount of reimbursement available for actual expenses incurred for meals and lodging on any trip shall be determined by the joint action of the President of the Senate and the Speaker of the House of Delegates in connection with approval of each request, and, except as provided in subparagraph 2. of this subparagraph, in no other event shall a member be reimbursed for meals and lodging expenses combined that exceed the most current published federal General Services Administration daily per diem rates for meals and lodging.

2. In the event that the published conference rate for lodging exceeds the General Services Administration daily per diem rate for lodging, the President of the Senate and the Speaker of the House of Delegates may approve the published conference rate.

(iii) Copies of all requests for approval, all written approvals and disapprovals, and all requests for actual reimbursement shall be maintained in a central file in the Finance and Administrative Services Office of the Department of Legislative Services and kept available for public inspection upon request for a period of at least five (5) years.

Item 2E

(1) Legislators may participate in benefit programs generally available to State employees, including health programs, insurance programs, tax sheltered accounts, deferred compensation programs, credit union services, deductions for charitable purposes, workers' compensation coverage, and payroll deductions relating to these programs. Participation in these programs shall be in the same manner as the participation of State employees. Additional benefits programs authorized for State employees during a legislative term of office may not be made available to legislators until the beginning of the next term, at which time they shall be fully available unless prohibited elsewhere in this Resolution. Legislators may not receive State employee death benefits, paid leave, or payroll deductions other than those associated with the items authorized by this Resolution. Legislators may not participate in the State's unemployment insurance program, including those former legislators who have been unseated by the elective process.

(2) (i) A legislator who leaves the General Assembly before January 14, 2015, may continue to participate in the State health program until the former legislator declines to participate in the program, becomes eligible for health insurance coverage through another employer, or retires.

(ii) A legislator who leaves the General Assembly on or after January 14, 2015, may continue to participate in the State health program in the same manner as State employees, in accordance with the most current State of Maryland Health Benefits Guide.

(iii) Former legislators electing to participate in the State health insurance program must pay the full cost of the insurance, which includes the individual's contribution and the State subsidy and an administrative charge not exceeding 2%.

Item 3A

1. Definitions.

(a) In general. In this Item 3A of this Resolution, the following words have the meanings indicated.

(b) Accumulated contributions.

(1) “Accumulated contributions” means the amounts credited to a member’s individual account in the annuity savings fund of the Employees’ Retirement System for the Legislative Pension Plan.

(2) “Accumulated contributions” includes member contributions plus regular interest.

(c) Allowance. “Allowance” means a benefit that is payable in equal monthly installments for the life of the recipient, except as otherwise provided for an optional form of a benefit under § 12 of this Item 3A.

(d) Beneficiary. “Beneficiary” means a person other than a retiree in receipt of a benefit under this Item 3A.

(e) Board of Trustees. “Board of Trustees” means the Board of Trustees for the State Retirement and Pension System established under § 21-103 of the State Personnel and Pensions Article.

(f) Creditable service. “Creditable service” means the service credit described in § 6(a) of this Item 3A.

(g) Designated beneficiary. “Designated beneficiary” means a person named as the beneficiary by a participant by filing:

(1) An acknowledged written designation form with the State Retirement Agency; or

(2) A properly completed form submitted through the State Retirement Agency’s secure access participant portal with an electronic signature affixed in the required manner and format.

(h) Eligible presiding officer. “Eligible presiding officer” means a legislator who served as a presiding officer:

(1) At the time of termination of the legislator’s term of service; or

(2) For at least 1 year during the legislator’s term of service.

(i) Medical board. “Medical board” means a board of physicians established under § 21-126 of the State Personnel and Pensions Article.

(j) Member. “Member” means:

(1) A legislator who is a member of the Legislative Pension Plan during the legislator’s term of office; and

(2) A former legislator who:

(i) Was a member of the Legislative Pension Plan during the legislator's term of office;

(ii) Has not withdrawn the member's accumulated contributions; and

(iii) Is not currently receiving a retirement allowance.

(k) Member contribution. "Member contribution" means:

(1) A contribution that is deducted from a member's salary as required by § 5 of this Item 3A; and

(2) An employer pickup contribution.

(l) Participant. "Participant" means a member or a retiree.

(m) Presiding officer. "Presiding officer" means the President of the Senate or the Speaker of the House of Delegates.

(n) Regular interest. "Regular interest" means interest at the rate being paid by the Board of Trustees to members of the Employees' Retirement System compounded annually.

(o) Resolution. "Resolution" means the Resolution of the General Assembly Compensation Commission effective January 11, 2023.

(p) Retiree. "Retiree" means an individual who is eligible for retirement and has applied to receive a retirement allowance.

(q) Retirement allowance. "Retirement allowance" means the allowance payable to a retiree.

(r) State system. "State system" means a retirement or pension system other than the Legislative Pension Plan that is included in the State Retirement and Pension System under § 21 102 of the State Personnel and Pensions Article.

(s) Statutory pension plan. "Statutory pension plan" means the pension plan established as of July 1, 1966, for an individual appointed or elected to the General Assembly before January 1, 1971, who elected to participate in the plan in accordance with the provisions of former Article 73B, § 11(13), which were transferred to the Session Laws by Chapter 131, § 5(3) of the Acts of 1992.

(t) Survivor allowance. "Survivor allowance" means the allowance payable by the Board of Trustees on the death of a participant.

(u) Year of service. "Year of service" means a year or fraction thereof during which a member serves as a legislator in the General Assembly and for which contributions are made at the prescribed rate.

2. Legislative Pension Plan – Established.

The Legislative Pension Plan is established as of January 13, 1971.

3. Administration; Funding.

(a) Administration. The Board of Trustees shall:

(1) Administer the Legislative Pension Plan in accordance with the provisions of this Item 3A;

(2) Credit the assets of the Legislative Pension Plan to the annuity savings fund, the accumulation fund, and the expense fund of the Employees' Retirement System according to the purpose for which they are held pursuant to the provisions of Title 21, Subtitle 3 of the State Personnel and Pensions Article; and

(3) Manage and invest the funds of the Legislative Pension Plan in accordance with the provisions of Title 21 of the State Personnel and Pensions Article.

(b) Funding.

(1) Each fiscal year, on behalf of the members of the Legislative Pension Plan, the State shall ascertain and pay to the accumulation fund of the Employees' Retirement System for the Legislative Pension Plan the amount determined by the actuary pursuant to the provisions of §§ 21-304 and 21-308 of the State Personnel and Pensions Article that is an amount sufficient to fund the benefits payable on a sound actuarial basis.

(2) For the purpose of making the calculations required under this subsection, the Legislative Pension Plan shall be combined with the Employees' Retirement System and the Employees' Pension System.

(3) Each fiscal year, at a minimum, the State shall pay at least an amount that is sufficient to provide the benefits payable under this Item 3A during the fiscal year.

4. Membership.

Membership in the Legislative Pension Plan is mandatory for each member of the General Assembly during the 2023-2026 term of office.

5. Member contributions.

(a) In general. Except as provided in subsection (b) of this section, each member of the Legislative Pension Plan shall contribute an amount equal to 7% of the member's annual salary.

(b) Exceptions.

(1) Subject to paragraph (2) of this subsection, a member does not make any further contributions after 22 years and 3 months of creditable service.

(2) If the member elects to receive a retirement allowance under § 8(e)(2) of this Item 3A, a member shall contribute an amount equal to 7% of the member's annual salary until the member accrues the maximum retirement allowance payable under § 8(e)(2) of this Item 3A.

(c) Payment of member contributions. The member contribution shall be deducted proportionately from the member's salary each pay period and credited to the member's individual account in the annuity savings fund of the Employees' Retirement System for the Legislative Pension Plan.

6. Service credit.

(a) Creditable service. Creditable service at retirement on which the allowance of a retiree is based shall consist of the sum of:

- (1) Membership service credit;
- (2) Service credit purchased under this section; and
- (3) Military service credit received in accordance with § 22 of this Item 3A.

(b) Membership service credit.

(1) A legislator shall earn membership service credit for each year of service the legislator makes contributions at the prescribed rate and is a member of the Legislative Pension Plan or the statutory pension plan.

(2) Years of service need not be consecutive.

(3) On or after January 8, 1975, a member shall receive 1 year of membership service credit if:

(i) The member is employed on a full-time basis by the State or a political subdivision of the State in nonlegislative employment;

(ii) The member is compensated by the State or a political subdivision of the State for the nonlegislative employment;

(iii) The member has taken a leave of absence from the nonlegislative employment while serving as a legislator; and

(iv) The member is not receiving credit in another retirement system supported wholly or in part by the State for the period of the member's absence from the nonlegislative employment.

(c) One-time purchase of service credit.

A member who is serving in the General Assembly shall have one opportunity to purchase service credit for all previous legislative service, including legislative serv-

ice from previous terms of office, by paying to the Board of Trustees an amount equal to 5% of the salary payable to the legislator during the years of service to be purchased plus regular interest thereon.

(d) Purchase of credit if less than 8 years of creditable service.

(1) A member who has creditable service in the Legislative Pension Plan before January 9, 2019, may purchase service credit in the Legislative Pension Plan so that the amount of the creditable service of the member aggregates not more than 8 years if the member:

(i) Is no longer an active member of the Legislative Pension Plan;

(ii) Has less than 8 years of creditable service in the Legislative Pension Plan; and

(iii) Pays to the Board of Trustees an amount equal to the sum of:

1. 7% of the annual salary payable to a legislator during the years of service to be purchased; and

2. The contributions payable by the State with respect to the salary of a legislator during the years of service to be purchased.

(2) A member purchasing service credit under paragraph (1) of this subsection may not begin receiving a retirement allowance from the Legislative Pension Plan until the number of years the member purchased have elapsed.

7. Service retirement allowance – No service prior to January 1, 1971.

(a) Application of section. This section applies only to a member who has no creditable service before January 1, 1971.

(b) Eligibility for retirement. Except as provided in subsection (c) of this section, a member may retire if on or before the date of retirement, the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service;

(3) (i) Has creditable service before January 14, 2015, and has attained age 60; or

(ii) Has no creditable service before January 14, 2015, and has attained age 62; and

(4) Completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Exception for member who joins the Judges' Retirement System. A member who resigns from the General Assembly prior to the expiration of the member's term of office to accept a position requiring membership in the Judges' Retirement System is entitled to a retirement allowance under this Item 3A regardless of years of service.

(d) Service retirement allowance – In general. Except as provided in subsection (e) of this section, on retirement, a member shall receive a service retirement allowance equal to 3% of the salary payable to a current legislator in the General Assembly multiplied times the number of years of creditable service of the member, but in no event shall the retirement allowance exceed two-thirds of the salary payable to a current legislator in the General Assembly.

(e) Same – Eligible presiding officer. If the member served as an eligible presiding officer, the Board of Trustees shall use the salary payable to the current presiding officer to calculate the member's retirement allowance, but in no event shall the retirement allowance exceed two-thirds of the salary payable to a current presiding officer in the General Assembly.

8. Service retirement allowance – Service before January 1, 1971.

(a) Application of section. This section applies only to a member who has creditable service before January 1, 1971.

(b) Eligibility for retirement. Except as provided in subsection (c) of this section, a member may retire if on or before the date of retirement, the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service;

(3) (i) Elects to receive a service retirement allowance under subsection (d) of this section and has attained age 60; or

(ii) Elects to receive a retirement allowance under subsection (e) of this section and has attained age 55; and

(4) Completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Exception for member who joins the Judges' Retirement System. A member who resigns from the General Assembly prior to the expiration of the member's term of office to accept a position requiring membership in the Judges' Retirement System is entitled to a retirement allowance under this Item 3A regardless of years of service.

(d) Service retirement allowance – In general. Except as provided in subsection (e) of this section, on retirement, a member shall receive a retirement allowance computed as set forth in § 7(d) of this Item 3A for all years of creditable service.

(e) Same – Alternate elections.

(1) Instead of the service retirement allowance provided in subsection (d) of this section, at retirement, a member may elect to receive a service retirement allowance to be paid as provided in either paragraph (2) or (3) of this subsection, but subject to the limitations set forth in paragraph (4) of this subsection.

(2) A member may elect to receive a service retirement allowance equal to the sum of:

(i) The benefit payable with respect to the member's creditable service prior to January 1, 1971, computed at the rates and otherwise in accordance with the statutory pension plan, commencing at the time provided in the statutory pension plan and based on the member's highest annual earnable compensation as a member of the General Assembly prior to January 1, 1971; and

(ii) The benefit payable with respect to the member's creditable service after January 1, 1971, computed as set forth in § 7(d) of this Item 3A and commencing at age 60.

(3) A member may elect to receive a service retirement allowance computed with respect to all of the member's creditable service, computed at the rates and otherwise in accordance with the statutory pension plan, commencing at the time provided in the statutory pension plan and based upon the member's highest annual earnable compensation as a member of the General Assembly prior to January 1, 1971.

(4) (i) Unless the member served as an eligible presiding officer, the service retirement allowance payable under paragraph (2) of this subsection may not exceed two thirds of the salary payable to a current legislator in the General Assembly. If the member served as an eligible presiding officer, the service retirement allowance may not exceed two thirds of the salary currently payable to a presiding officer.

(ii) A member may receive the service retirement allowance payable under paragraph (3) of this subsection if the member files a written notice of the election with the Board of Trustees.

9. Reduced service retirement allowance.

(a) Eligibility for retirement. A member may retire with a reduced service retirement allowance if the member:

(1) Is not currently serving in the General Assembly;

(2) Has at least 8 years of creditable service;

(3) (i) Has creditable service before January 14, 2015, and is at least 50 years of age but has not attained 60 years of age; or

(ii) Has no creditable service before January 14, 2015, and is at least 55 years of age but has not attained 62 years of age; and

(4) Completes and submits an application for retirement to the Board of Trustees:

(i) Stating the date on which the member desires to retire; and

(ii) Electing to receive a reduced service retirement allowance instead of the service retirement allowance payable under § 7 or § 8 of this Item 3A.

(b) Reduced service retirement allowance. On retirement under this section, a member shall receive a reduced service retirement allowance equal to the service retirement allowance or portion thereof computed under § 7 or § 8(d) or (e)(2)(ii) of this Item 3A on the basis of the member's creditable service and current annual salary, reduced by 0.5% for each month by which the member's early retirement date precedes the date the member:

(1) Attains age 60, if the member has creditable service before January 14, 2015; or

(2) Attains age 62, if the member has no creditable service before January 14, 2015.

10. Disability retirement allowance.

(a) Definition. In this section, "disabled" means the member is mentally or physically incapacitated for the further performance of duty as a legislator and the incapacity is likely to be permanent.

(b) Eligibility for disability retirement. A member who is currently serving in the General Assembly is eligible to receive a disability retirement allowance if:

(1) The member has at least 8 years of creditable service regardless of age;

(2) The medical board has certified that the member is disabled; and

(3) The member completes and submits an application for retirement to the Board of Trustees stating the date on which the member desires to retire.

(c) Disability retirement allowance. A member shall receive a disability retirement allowance computed as set forth in § 7(d) of this Item 3A for all years of creditable service.

11. Survivor allowance payable on death of retiree.

(a) Designated beneficiary.

(1) Subject to paragraphs (2) and (3) of this subsection, at the time of retirement a member may name a designated beneficiary or beneficiaries to receive the benefits payable on the death of the retiree under this section.

(2) (i) For a survivor benefit providing for payment under subsections (b) and (c) of this section to a designated beneficiary for life, the designated beneficiary must be an individual.

(ii) If the designated beneficiary is an individual with a disability, the allowance payable under this section may be paid into a trust for the benefit of the individual.

(3) If a retiree dies and is survived by a spouse, the retiree's designation of a beneficiary or beneficiaries shall be void and of no effect for a survivor benefit under this section.

(b) Survivor allowance.

(1) On the death of a retiree, the Board of Trustees shall pay a survivor allowance equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and continuing to receive a retirement allowance.

(2) If the retiree has a surviving spouse, the survivor allowance shall be paid to the retiree's surviving spouse for life, commencing on the date of the retiree's death.

(3) If the retiree does not have a surviving spouse and the retiree has creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

(i) On the retiree's death, if the designated beneficiary is then at least age 60;

(ii) When the designated beneficiary attains age 60, if the designated beneficiary has not attained 60 years of age on the retiree's death; or

(iii) At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (c)(2) of this section.

(4) If the retiree does not have a surviving spouse and the retiree has no creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

(i) On the retiree's death, if the designated beneficiary is then at least age 62;

(ii) When the designated beneficiary attains age 62, if the designated beneficiary has not attained 62 years of age on the retiree's death; or

(iii) At any time after the designated beneficiary attains age 55 but before the designated beneficiary attains age 62, if the designated beneficiary makes the election set forth in subsection (c)(3) of this section.

(c) Election to receive reduced survivor allowance.

(1) This subsection does not apply to a surviving spouse of a retiree.

(2) (i) This paragraph applies only to the designated beneficiary of a retiree who has creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

(3) (i) This paragraph applies only to the designated beneficiary of a retiree who has no creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 62, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 55 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half of the retirement allowance that would be payable to the retiree if the retiree were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 62.

(d) Lump-sum death benefit.

(1) This subsection does not apply if:

(i) The retiree has a surviving spouse at the time of death;

or

(ii) The retiree has designated only one individual as beneficiary.

(2) (i) This paragraph applies only to a designated beneficiary that is not an individual.

(ii) If a retiree dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment to the retiree's designated beneficiary.

(3) If a retiree has designated more than one beneficiary and dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment to the retiree's designated beneficiaries in equal shares.

(e) Change of designated beneficiary.

(1) Except as provided in paragraph (2) of this subsection, a retiree may change the designated beneficiary by filing:

(i) An acknowledged written designation form with the State Retirement Agency; or

(ii) A properly completed form submitted through the State Retirement Agency's secure access participant portal with an electronic signature affixed in the required manner and format.

(2) A retiree may not change the designated beneficiary if:

(i) The designated beneficiary is the retiree's spouse; and

(ii) The retiree's spouse is living at the time the retiree requests a change in beneficiary.

12. Optional Allowances.

(a) In general. Instead of the retirement allowance and survivor allowance provided under § 11 of this Item 3A, at retirement, a member may elect an optional allowance set forth in subsection (d) of this section.

(b) Designated beneficiary.

(1) (i) Subject to subparagraph (ii) of this paragraph, at the time of retirement a member may name a designated beneficiary to receive the benefits payable on the death of the retiree under this section.

(ii) If, at the time of retirement, a member is married and elects to receive the optional allowance provided for under this section, the member shall designate the member's spouse as the designated beneficiary.

(2) (i) For the optional allowance payable under this section to a designated beneficiary for life, the designated beneficiary must be an individual.

(ii) If the designated beneficiary is an individual with a disability, the allowance payable under this section may be paid into a trust for the benefit of the individual.

(c) Optional requirement.

(1) The optional allowance shall be certified by the actuary for the Board of Trustees to be of equivalent actuarial value to the allowance payable to the retiree and the retiree's beneficiary.

(2) If a member elects the optional allowance under subsection (d) of this section and designates a beneficiary other than the member's spouse or disabled child as defined under § 72(m)(7) of the Internal Revenue Code, a member may not designate a beneficiary who is more than 10 years younger than the member.

(d) Description of the optional allowance.

(1) The optional allowance payable under this section is a level payment plan.

(2) Under the optional allowance payable under this section, when the retiree dies, the Board of Trustees shall pay the retiree's reduced allowance to the retiree's designated beneficiary.

(e) Change of designated beneficiary.

(1) Except as provided in paragraph (2) of this subsection, a retiree may change the designated beneficiary by filing:

(i) An acknowledged written designation form with the State Retirement Agency; or

(ii) A properly completed form submitted through the State Retirement Agency's secure access participant portal with an electronic signature affixed in the required manner and format.

(2) A retiree may not change the designated beneficiary if:

(i) The designated beneficiary is the retiree's spouse; and

(ii) The retiree's spouse is living at the time the retiree requests a change in beneficiary.

(f) Recomputation of allowance.

(1) If a retiree changes a designated beneficiary under subsection (e) of this section, the Board of Trustees shall recompute the allowance based on the value of the balance in the retiree's reserves when the change is made.

(2) A retiree may rescind a request to change the designated beneficiary and restore the retiree's prior designation of beneficiary by sending written notice to the State Retirement Agency that is received by the State Retirement Agency before the second allowance payment normally becomes due after the change of beneficiary.

(3) A retiree who rescinds a change of designated beneficiary in a timely manner under paragraph (2) of this subsection shall receive, after the rescission, the allowance payable prior to the change of designated beneficiary, without retroactive adjustment of any allowance payment made while the rescinded designation of beneficiary was in effect.

13. Designated beneficiary.

(a) Right to designate beneficiary. A member may name a designated beneficiary or beneficiaries to receive the benefits payable on the death of a member under §§ 16 and 17 of this Item 3A if the participant's spouse is not living at the time of the participant's death.

(b) Benefits for life. For a survivor benefit providing for payment under §§ 16 and 17 of this Item 3A to a designated beneficiary for life, the designated beneficiary must be an individual.

(c) Designation of beneficiary void. If a member dies and is survived by a spouse, the member's designation of a beneficiary or beneficiaries under §§ 16 and 17 of this Item 3A shall be void and of no effect.

(d) Change of designated beneficiary.

(1) Except as provided in paragraph (2) of this subsection, a member may change the designated beneficiary by filing:

(i) An acknowledged written designation form with the State Retirement Agency; or

(ii) A properly completed form submitted through the State Retirement Agency's secure access participant portal with an electronic signature affixed in the required manner and format.

(2) A member may not change the designated beneficiary if:

(i) The designated beneficiary is the member's spouse; and

(ii) The member's spouse is living at the time the member requests a change in beneficiary.

14. Adjustment of allowances.

(a) Application of section. This section does not apply to all or any portion of a retirement allowance or a survivor allowance that is computed in accordance with the statutory pension plan.

(b) Adjustment of allowances – In general. Except as provided in § 8 of this Item 3A, as of the date the salary of a current legislator in the General Assembly is increased, the Board of Trustees shall recompute a retirement allowance or a survivor allowance under this Item 3A on the basis of the service retirement allowance as provided under this Item 3A and the annual salary payable to a current legislator in the General Assembly.

(c) Same – Eligible presiding officer.

(1) This subsection applies to a retiree who served as an eligible presiding officer or a beneficiary of an eligible presiding officer.

(2) As of the date the salary of a current presiding officer is increased, the Board of Trustees shall recompute a retirement allowance or a survivor allowance under this Item 3A on the basis of the annual salary payable to a current presiding officer.

15. Effect of employment of retiree.

(a) Subject to subsection (b) of this section, beginning January 9, 1991, a retiree who is receiving a retirement allowance may accept employment with the State as an employee or an elected or appointed official without any reduction in the retiree's retirement allowance.

(b) If a retiree who is receiving a retirement allowance becomes a member of the General Assembly:

(1) The retiree's retirement shall be canceled;

(2) The retirement allowance payments shall terminate after the last day of the month preceding the date of return to service as a legislator;

(3) All previous creditable service shall be restored to the account of the member; and

(4) The member shall be credited with membership service credit during the period the retiree is a member of the General Assembly.

16. Benefit – Death of member with at least 8 years of service.

(a) Application of section. This section applies only on the death of a member who has at least 8 years of creditable service.

(b) Lump-sum death benefit.

(1) Except as provided in subsection (c) of this section, on the death of a member, the Board of Trustees shall pay to the member's surviving spouse, or if there is no surviving spouse, to the member's designated beneficiary or beneficiaries a lump-sum death benefit consisting of the sum of:

(i) The member's accumulated contributions; and

(ii) An amount equal to the member's annual salary, if any, at the time of death.

(2) If a member has designated more than one beneficiary, the lump-sum death benefit provided in paragraph (1) of this subsection shall be divided equally among the beneficiaries.

(c) Election to receive survivor allowance.

(1) Instead of the lump-sum death benefit payable under subsection (b) of this section, the member's surviving spouse or, if the member is not survived by a spouse, the designated beneficiary may elect to receive a survivor allowance equal to one-half the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance. The Board of Trustees shall pay the survivor allowance in accordance with paragraph (2) of this subsection.

(2) (i) If the member has a surviving spouse, the survivor allowance shall be paid to the member's surviving spouse for life, commencing on the date of the member's death.

(ii) If the member does not have a surviving spouse and the member has creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

1. On the member's death, if the designated beneficiary is then at least age 60;

2. When the designated beneficiary attains age 60, if the designated beneficiary has not attained 60 years of age on the member's death; or

3. At any time after the designated beneficiary attains age 50 but before the designated beneficiary attains age 60, if the designated beneficiary makes the election set forth in subsection (d)(1) of this section.

(iii) If the member does not have a surviving spouse and the member has no creditable service before January 14, 2015, the survivor allowance shall be paid to the designated beneficiary for life, commencing:

1. On the member's death, if the designated beneficiary is then at least age 62;

2. When the designated beneficiary attains age 62, if the designated beneficiary has not attained 62 years of age on the member's death; or

3. At any time after the designated beneficiary attains age 55 but before the designated beneficiary attains age 62, if the designated beneficiary makes the election set forth in subsection (d)(2) of this section.

(3) If a member has designated a beneficiary that is not an individual or more than one beneficiary, the multiple beneficiaries may not elect to receive the survivor allowance provided in paragraph (1) of this subsection.

(d) Election to receive reduced survivor allowance.

(1) (i) This paragraph applies only to the designated beneficiary of a retiree who has creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 60, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 50 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 60.

(2) (i) This paragraph applies only to the designated beneficiary of a retiree who has no creditable service before January 14, 2015.

(ii) Instead of the survivor allowance payable to the designated beneficiary on attaining age 62, the designated beneficiary may elect to receive a reduced survivor allowance for life commencing at any time after the designated beneficiary attains age 55 if the designated beneficiary completes and submits an application for a reduced survivor allowance stating the date on which the designated beneficiary desires to receive the reduced survivor allowance.

(iii) The reduced survivor allowance is an amount equal to one-half the retirement allowance that would be payable to the member if the member were living and eligible to receive a retirement allowance, reduced by 0.5% for each month by which the designated beneficiary's age precedes the date the designated beneficiary attains age 62.

(e) Death benefit for children.

(1) This section applies only to a member who dies while serving as a legislator in the General Assembly.

(2) Except as provided in paragraph (3) of this subsection, the Board of Trustees shall pay the lump-sum death benefit payable under subsection (b) of this section in equal shares to each child who has not attained the age of 26 or who is disabled as defined under § 72(m)(7) of the Internal Revenue Code, if on the member's death, the member:

(i) Is not survived by a spouse; and

(ii) Is survived by a child or children under the age of 26 years or disabled as defined under § 72(m)(7) of the Internal Revenue Code.

(3) (i) Instead of the lump-sum death benefit payable under paragraph (2) of this subsection, the member's children who have not attained age 26 or who are disabled as defined under § 72(m)(7) of the Internal Revenue Code may elect to receive the survivor allowance that would have been paid to the surviving spouse under subsection (c)(1) of this section had the member's spouse survived the member. The survivor allowance is payable to the member's children as of the date of the member's death.

(ii) If the Board of Trustees pays the survivor allowance to more than one child, the Board of Trustees shall divide the allowance equally among the children who are under the age of 26 years or who are disabled as defined under § 72(m)(7) of the Internal Revenue Code.

(iii) The survivor allowance shall be payable to each child until that child attains age 26 or is no longer disabled.

17. Benefit – Death of member with less than 8 years of service.

(a) Application of section. This section applies only on the death of a member who:

(1) Is currently serving in the General Assembly; and

(2) Has less than 8 years of creditable service.

(b) Lump-sum death benefit.

(1) (i) On the death of a member, the Board of Trustees shall pay a lump sum death benefit consisting of the sum of the member's accumulated contributions and an amount equal to the member's annual salary at the time of death.

(ii) The Board of Trustees shall pay the lump-sum death benefit in accordance with paragraphs (2) through (4) of this subsection.

(2) If the member has a surviving spouse, the lump sum death benefit provided in paragraph (1) of this subsection shall be paid to the surviving spouse.

(3) If the member has no surviving spouse but has a surviving child or children under the age of 26 years or disabled as defined under § 72(m)(7) of the In-

ternal Revenue Code, the lump-sum death benefit provided in paragraph (1) of this subsection shall be paid in equal shares to each child who has not attained the age of 26 or who is disabled.

(4) (i) If the member has no surviving spouse and no surviving children under the age of 26 years or disabled as defined under § 72(m)(7) of the Internal Revenue Code, the lump sum death benefit provided in paragraph (1) of this subsection shall be paid to the member's designated beneficiary or beneficiaries.

(ii) If a member has designated more than one beneficiary, the lump sum death benefit shall be divided equally among the beneficiaries.

18. Death of member – No beneficiary.

On the death of a member who is not survived by a spouse, a designated beneficiary, or a child who is eligible to receive a benefit under § 16 or § 17 of this Item 3A, the Board of Trustees shall pay the member's accumulated contributions to the estate of the member.

19. Termination of rights in Plan.

At any time after termination of service as a legislator but prior to receiving a retirement allowance, a member may elect to withdraw the member's accumulated contributions by completing an application for refund of contributions and submitting the application to the Board of Trustees. A member who withdraws accumulated contributions does not have any further rights under the Legislative Pension Plan.

20. Transfer of credit.

(a) In general. Except as provided in subsection (b) of this section, creditable service earned as a member of the Legislative Pension Plan qualifies for benefits under the Legislative Pension Plan and no other system or plan administered by the Board of Trustees.

(b) Exception. Prior to retirement, a member may elect to transfer creditable service in the Legislative Pension Plan and the member's accumulated contributions to the State system in which the member participates, if the member has less than 8 years of creditable service in the Legislative Pension Plan.

(c) Effect of transfer of creditable service. A member who is eligible to transfer creditable service to another State system and who makes the election to transfer shall withdraw the member's accumulated contributions.

21. Miscellaneous Provisions.

(a) Receipt of retirement allowance from another State system. A retiree who is receiving a retirement allowance from another State system may receive a retirement allowance from the Legislative Pension Plan if the years of service in the Legislative Pension Plan do not overlap with the years of service in the State system.

(b) Average final compensation. As of January 8, 1975, the annual salary payable to a member while serving as a legislator may not be added to the earnable compensation payable by the State or a political subdivision of the State to determine the member's average final compensation in a State system in which the member participates.

(c) Applicability. Except as otherwise provided herein, this Item 3A (including the calculation for the retirement allowance and the survivor's allowance) applies to:

(1) A legislator who is a member of the Legislative Pension Plan during the legislator's term of office;

(2) A former legislator who:

(a) Was a member of the Legislative Pension Plan during the legislator's term of office;

(b) Has not withdrawn the member's accumulated contributions; and

(c) Is not currently receiving a retirement allowance; and

(3) A retiree.

22. Military Credit.

(a) A member is entitled to receive creditable service for military service only on the attainment of 8 years of membership service credit earned through service as a legislator in the Legislative Pension Plan.

(b) Military service credit under this section may not exceed 3 years.

(c) Service credit purchased under § 6 of this Item 3A may not be counted towards eligibility to receive military service credit.

(d) Notwithstanding any provisions in Title 38 of the State Personnel and Pensions Article to the contrary, and except as otherwise specified in this section, Title 38 of the State Personnel and Pensions Article and Code of Maryland Regulations shall apply to the Legislative Pension Plan for the purpose of authorizing a member to receive military service credit in the Legislative Pension Plan.

(e) A member who has previously received military service credit in a State system may not rescind any portion of the military service credit in order to become eligible to receive military service credit under this section.

Item 3B

(a) Former legislators regularly receiving a retirement allowance may participate in benefit programs available to retired State employees, including health programs, deferred compensation programs, and credit union services. Should additional benefit programs be authorized for retired State employees, such benefits may be made available to retired legislators with the approval of the presiding officers. Except as provided in subsections (b) and (c) of this section, participation in these programs shall be in the same manner as the participation of retired State employees.

(b) Former legislators receiving a retirement allowance who have creditable service before January 14, 2015, and have at least eight (8) years' service shall qualify for a State health program subsidy equal to one-sixteenth (1/16) of the full State subsidy for each year of service.

(c) Former legislators receiving a retirement allowance who have no creditable service before January 14, 2015, and have at least eight (8) years' service shall qualify for a State health program subsidy equal to one-twentieth (1/20) of the full State subsidy for each year of service.

Item 4

(a) Benefits provided under Item 3A of this Resolution may not be paid and are not payable to any member of the Legislative Pension Plan or the member's beneficiary if:

(1) The member is convicted of or enters a plea of nolo contendere to any crime that is committed during the member's term of office; and

(2) The crime is:

(i) A felony; or

(ii) A misdemeanor related to the member's public duties and responsibilities and involves moral turpitude for which the penalty may be incarceration in any penal institution.

(b) A retiree of the Legislative Pension Plan and the retiree's beneficiary are subject to a forfeiture of benefits under subsection (a) of this item if the retiree is receiving benefits under Item 3A of this Resolution at the time the retiree is convicted of a crime described in subsection (a) of this item.

(c) If a member or retiree is subject to a forfeiture of benefits under subsections (a) or (b) of this section, the member, retiree, or beneficiary of a member or retiree is only entitled to a return of the member's or retiree's accumulated contributions, plus interest, less any benefit payments already made under Item 3A of this Resolution.

(d) If the conviction of the member is reversed or overturned, the member's benefits that are payable under Item 3A of this Resolution shall be restored.

FURTHER RESOLVED, That all desk orders, journal entries, regulations, rules, or resolutions, including the Resolutions of this Commission dated January 25, 1971; January 24, 1974; January 19, 1978; January 7, 1982; December 17, 1985; January 10, 1990; January 20, 1994; January 7, 1998; January 11, 2002; January 11, 2006; January 12, 2010; January 7, 2014; January 16, 2018; and any other provisions of law in any way inconsistent with the express or implied language of this Resolution relating to compensation and allowances in any form for members of the General Assembly of Maryland are hereby repealed.

IN WITNESS WHEREOF, We have hereunto subscribed our names on this seventh day of January 2022.

Marco T. A. Priolo

Marco T. A. Priolo, Chair

Laurence C. Daniels

Laurence C. Daniels

Matthew D. Gallagher

Matthew D. Gallagher

Lester Davis

Lester Davis

Kimberly N. Prescott

Kimberly N. Prescott

Lyn A. Dippel

Lyn A. Dippel

Wendell G. Rakosky

Wendell G. Rakosky

Latosha Frink

Latosha Frink-Harrison

MICHAEL WHITSON

Michael Whitson

