



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



How do I retire with an effective date of Jan. 1?

ELIGIBLE MEMBERS who wish to retire with an effective date of retirement of January 1, 2020 should follow these instructions by the dates provided.

To retire on January 1, 2020

1. You must separate from all employment with any participating employer **on or before** December 31, 2019 and
2. The Maryland State Retirement Agency must receive your properly completed retirement application package **on or before** January 31, 2020.

Two recommended actions

Before you retire, the Retirement Agency suggests you take the following two steps:

1. Submit to the Retirement Agency an *Application for an Estimate of Service Retirement Allowance* as soon as possible. You will receive your Notice of Retirement Allowance Estimate by mail within three to four weeks. Do not delay! The *Application for an Estimate of Service Retirement Allowance* is available from the Retirement Coordinator at your

See *Retire*, page 3

IMPORTANT

The following information is provided by the Maryland Department of Budget and Management for individuals who are or will be eligible to participate in the Maryland State Employee and Retiree Health and Welfare Benefits Program in retirement. It does not apply to individuals who are not eligible to participate in the Maryland State Employee and Retiree Health and Welfare Benefits Program in retirement, such as certain teachers and county or municipal employees. *Please note that the availability of the prescription drug plans described below is subject to the outcome of a legal proceeding currently pending in federal court.* If you have questions about health benefits in retirement, please contact the Maryland Department of Budget and Management at 410-767-4775 or toll-free at 1-800-307-8283.

Retiring after January 1 may affect your drug coverage eligibility when you become eligible for Medicare



THE MARYLAND GENERAL ASSEMBLY passed Senate Bill 946 in the 2019 Session. This bill provides for the following new programs for State retirees eligible for a prescription drug benefit plan under Medicare in the event the outcome of *Fitch v. State of Maryland* is found in favor of

the State. Plaintiffs in that case are asking the court to maintain the State's current prescription drug benefits available to this group of retirees.

Please note that the earliest these new programs could be im-

See *Drug*, page 2

plemented is January 1, 2021. You will continue to be able to participate in the current prescription drug coverage plan while the *Fitch v. State of Maryland* lawsuit is being adjudicated.

The Department of Budget and Management is providing the following clarifications regarding eligibility requirements for the various prescription drug programs created by Senate Bill 946. Employees may continue to work through December 31, 2019, before retiring in order to be eligible for the Maryland State Retiree Prescription Drug Coverage Program.

Eligibility for three State prescription drug programs

Maryland State Retiree Prescription Drug Coverage Program

- Ended State service **on or before** December 31, 2019 and retired **on or before** January 1, 2020.
- Must enroll in a prescription drug benefit plan under Medicare at the time of enrollment in the Maryland State Retiree Prescription Drug Coverage Program
- Must qualify to enroll and participate in the health insurance benefit options established under the State Employee and Retiree Health and Welfare Benefits Program in accordance with §2-508 or §2-509 of the State Personnel and Pensions Article
- Reimbursement for out of pocket expenses over \$1,500 for retiree only/\$2,000 for retiree and family

Maryland State Retiree Catastrophic Prescription Drug Assistance Plan

- Hired **on or before** June 30, 2011, ended State service **on or after** January 1, 2020, and retired **after** January 1, 2020
- Must enroll in a prescription drug benefit plan under Medicare at the time of enrollment in the Maryland State Retiree Catastrophic Prescription Drug Assistance Program
- Must qualify to enroll and participate in the health insurance benefit options established under the State Employee and Retiree Health and Welfare Benefits Program in accordance with §2-508 or §2-509 of the State Personnel and Pensions Article
- Reimbursement for out of pocket expenses once the individual reaches the catastrophic phase of a prescription drug benefit plan under Medicare

Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program

- Applies automatically when the retiree is enrolled in either the Maryland State Retiree Prescription Drug Coverage Program or the Maryland State Retiree Catastrophic Prescription Drug Assistance Plan
- Certain prescriptions covered by State's employee prescription drug plan and not covered by Medicare

Ending State service on or before December 31, 2019 and retiring on or before January 1, 2020 will impact only what new program you qualify for; if the State prevails in *Fitch v. State of Maryland* you still will have to enroll in a prescription drug benefit plan under Medicare in order to have prescription drug coverage. Ending State service on or before December 31, 2019 and retiring on or before January 1, 2020 does NOT mean that you get to keep the current retiree prescription drug plan.

“ **E**nding State service on or before December 31, 2019 and retiring on or before January 1, 2020 will impact only what new program you qualify for; if the State prevails in *Fitch v. State of Maryland* you still will have to enroll in a prescription drug benefit plan under Medicare in order to have prescription drug coverage. Ending State service on or before December 31, 2019 and retiring on or before January 1, 2020 does NOT mean that you get to keep the current retiree prescription drug plan. ”

Retire, from page 1

workplace or online at sra.maryland.gov.

2. Carefully review all of the retirement allowance options on your Notice of Retirement Allowance Estimate and determine which best meets your financial needs, including health insurance coverages for you and your eligible beneficiary.

Your retirement application

Your properly completed retirement application package includes:

1. An *Application for Service Retirement*. Please note that the Retirement Coordinator at your

workplace must complete several items on this form. Therefore, it is important that you not wait until the last minute to meet with your Retirement Coordinator. Your properly completed retirement application package must be received **by the Retirement Agency** on or before January 31, 2020.

2. *Direct Deposit – Electronic Funds Transfer Sign-up Form*;

3. *Federal and Maryland State Tax Withholding Request* form; and

4. Proof of birth date document for your beneficiary if you elected retirement allowance option 2, 3, 5 or 6.

Need more information?

If you have retirement questions, call 410-625-5555 or 1-800-492-5909 to speak to a Retirement Benefits Specialist. You also may visit the Retirement Agency’s website at sra.maryland.gov to make an appointment to meet with a Specialist at Retirement Agency offices in Baltimore.

Retirement Agency staff cannot answer questions about health benefits.

The Mentor is published by the Maryland State Retirement Agency
120 East Baltimore Street
Baltimore, MD 21202-6700
410-625-5555
1-800-492-5909
TTY users: call via Maryland Relay
sra.maryland.gov

EDITOR: Benjamin Robb

BOARD OF TRUSTEES

Nancy K. Kopp
CHAIRMAN

Peter Franchot
VICE CHAIRMAN

R. Dean Kenderdine
SECRETARY

David R. Brinkley

Eric D. Brotman

Jamaal R. A. Craddock

Kenneth B. Haines

David B. Hamilton

Linda A. Herman

Sheila Hill

F. Patrick Hughes

Charles W. Johnson

Richard E. Norman

Douglas Prouty

Michael J. Stafford, Jr.