VISION
We inspire learning by providing the greatest public education to each and every student.

MISSION
Every student will have the academic, creative problem solving, and social emotional skills to be successful in college and career.

CORE PURPOSE
Prepare all students to thrive in their future.

CORE VALUES
Learning
Relationships
Respect
Excellence
Equity

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Chief Operating Officer

850 Hungerford Drive
Rockville, Maryland 20850
www.montgomeryschoolsmd.org
MEMORANDUM

To: Prospective Retirees

From: Susanne G. DeGraba, Chief Financial Officer

Subject: Understanding Your Retirement

Congratulations on nearing the completion of a long and rewarding career with Montgomery County Public Schools! This is an exciting time for you as you approach retirement and reflect on your significant accomplishments.

A sound retirement plan ensures security for you and your family. It is important for you to review Understanding Your Retirement carefully and acquaint yourself with the retirement process. Inside, you will find pension benefit formulas, postretirement benefit plan information, and other essential details to your retirement planning. You also will find information regarding important tasks that should be completed during the 12 months prior to retirement. It is imperative that the Employee and Retiree Service Center (ERSC) receive all of your forms at least 30 days prior to your retirement date. Failure to submit the forms on time will delay your retirement by one month—resulting in the loss of one month’s retirement income and, in some cases, a delay of future cost-of-living adjustments. Montgomery County Education Association unit members should pay particular attention to the special deadlines that impact your earned unused sick leave payout.

Everything you need to plan for your upcoming retirement—this booklet; the Retiree Benefit Summary, which details postretirement health benefit options offered and administered by MCPS; links to necessary retirement forms; a detailed retirement timeline; and more—is available on the ERSC Retirement Planning web page at www.montgomeryschoolsmd.org/departments/ersc/employees/retirement-planning. In addition, we suggest that you attend a Retirement Informational Session and/or a Retirement Forms Workshop to discuss the actual forms you will need to complete. A link to the schedule of these upcoming events is found on the same web page.

Please contact our office at 301-517-8100 or ERSC@mcpsmd.org for further assistance.

SGD: mjw

Attachment

Approved: Andrew M. Zuckerman, Chief Operating Officer
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<th>Page</th>
</tr>
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</tbody>
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Retirement Timeline

9–12 months prior to retirement
- Request an estimate** of benefits from the Maryland State Retirement Agency (MSRA)* and/or use PenPoint, the MCPS online self-service pension estimator, to view and run MCPS core and/or supplemental plan estimates.
- Apply to purchase any eligible service.*
- Apply for active duty military service credit.*
- Prepare your retirement budget.

6 months prior to retirement
- Discuss your benefit payment options with your family and/or financial advisor.
- Review retiree health plan options.

3 months prior to retirement
- Print your retirement application forms from the Employee and Retiree Service Center (ERSC) website.
- Determine your federal and state tax withholding amount. Consult with your tax advisor for assistance.
- If eligible, contact the Social Security Administration to enroll in Medicare Parts A and B if you and/or your spouse are or will soon be 65 or older.
- Review your 403(b) and/or 457(b) plan options, including establishing an account and rollover of sick and/or annual leave payout.
- MCEA unit members retiring July 1 must submit all retirement forms to ERSC by April 1 to be eligible for payment of 35 percent of their earned unused sick leave balance.

1–2 months prior to retirement
- Return all retirement forms to ERSC, including 403(b) or 457(b) salary reduction form(s) for rollover of annual and/or sick leave payment, and a copy of your Medicare card with Parts A and B, if you and/or your spouse are eligible for Medicare.

*Forms are available on ERSC’s Retirement Planning web page, on PenPoint, or from ERSC.
**MSRA provides current wait times for retirement estimates on their web page at
www.sra.state.md.us/Participants/Members/Downloads/PrintForms.aspx
Determining Your Plan Membership

The first step in preparing for your retirement is to determine your pension plan membership. Your future retirement benefit is made up of two portions—a core benefit and a supplemental benefit. Montgomery County Public Schools (MCPS) is the only school system in the state of Maryland to offer a supplemental pension plan in addition to members’ core plans. Temporary employees are not entitled to participate in the pension plan.

ALL PERMANENT MCPS EMPLOYEES who are budgeted to work more than 500 hours in their first fiscal year with MCPS are members of both a core and supplemental retirement plan. Depending on your position, you are either a member of the Maryland State Teachers’ Pension/Reformed System (State core plan) or the MCPS Pension/Reformed System (MCPS core plan). All are a part of the MCPS supplemental plan.

State Core Plan:
If you are a member of the State core plan, you receive an annual statement of retirement benefits from the MSRA detailing your projected retirement benefit for your core plan, typically in September for the fiscal year that ended June 30. You also may access and print your current personal statement of benefits online by visiting https://sra.maryland.gov/SecureReprint/. You access your annual statement of projected retirement benefits for your MCPS supplemental plan online via PenPoint. Please review both sources carefully and save your MSRA statement for your records.

MCPS Core Plan:
If you are a member of the MCPS core plan, you access your annual statement of retirement benefits online via PenPoint. The statement details your MCPS core and supplemental plan benefits, and is updated each year during the last week of August. Please review your online statement carefully. If you plan to leave MCPS, you may wish to print a copy and save it for your records as you will no longer be able to access PenPoint.
Contributions Toward Your Pension Plan

All employees contribute a percentage of their salary toward their pension plans. Because MCPS offers both a core pension plan and a supplemental pension plan, employees make contributions to each plan.

Regardless of your core plan membership, you contribute 7 percent of your salary to your core pension plan and an additional 0.5 percent of your salary to your supplemental pension plan.

YOUR PENSION CONTRIBUTIONS are mandatory and equal a total of 7.5 percent of your salary. Contributions are made pre-tax.

MCPS also makes contributions toward your pension plan; the MCPS contributions are significantly more than the required employee contributions. MCPS makes annual contributions to a pension trust to fund future retirement benefits for all MCPS employees. The MCPS contribution amount is determined annually based on an actuarial valuation of plan assets and liabilities.
Service Toward Retirement

Employees earn two types of service toward retirement based on membership in the retirement, pension, or reformed pension systems.

**Eligibility service** is used to determine when you are eligible to retire.

You earn one year of eligibility service for each fiscal year you have worked a minimum of 500 hours. Even if you work less than 40 hours per week, you will receive one year of eligibility service as long as you work at least 500 hours during the fiscal year. If you do not work 500 hours in a fiscal year, then your eligibility service will be prorated based on the hours you have worked.

**Credited service**—Credited service is used to calculate the amount of retirement benefit you receive when you retire. Employees earn credited service based on membership in the retirement or pension system. One year of credited service is defined as 10 months from September to June.

**Retirement system**—You earn credited service based on your scheduled hours. For employees enrolled on or after July 1, 1976, credited service is prorated for part-time work. Credited Service is capped at 36 years. Once an employee reaches 36 years of credited service, contributions to the MCPS core and/or supplemental plans cease.

**Pension and Reformed Pension systems**—Credited service is prorated based on the number of hours you are scheduled to work in one fiscal year.

<table>
<thead>
<tr>
<th>EXAMPLE</th>
<th>Full-time hours (40/week)</th>
<th>Part-time hours (20/week)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 year of eligibility service</td>
<td>1 year of eligibility service</td>
</tr>
<tr>
<td></td>
<td>1 year of credited service</td>
<td>.5 years of credited service</td>
</tr>
</tbody>
</table>
Obtaining Additional Service

You may be eligible to apply for credit or purchase of additional service. Increased service will increase the amount of your retirement benefit and may permit you to retire at an earlier date.

Granted Service: Active Duty Military Service

You can claim a maximum of five years of military credit if you—
- return to work with MCPS within 90 days of discharge from active duty, and
- do not accept other permanent employment between the date of discharge and your return to MCPS.

After 10 years of credited MCPS service, you may be granted up to a maximum of 5 years of credited service for active duty military service. You may not claim this military service with any other retirement or pension system. This restriction also includes military pensions.

There is no cost to obtain military service credit. Once the military service is granted, future retirement benefit statements will reflect the additional service credit.

It is your responsibility to apply for military credit and complete the required forms before retirement or resignation from MCPS. Once you have retired or resigned, no additional credit may be claimed.

To obtain credited service in your MCPS Pension Plan for active duty military service, you must submit MCPS Form 455-18 Statement of Military Service to ERSC with a copy of your discharge papers that show the dates of entry and discharge and type of military service. In addition, if you are a member of the State core plan, you must submit State Form 43 Claim of Retirement Credit for Military Service to obtain credited service.

Transfer of Service

If you are eligible, there is no cost to transfer service to MCPS from one of the following agencies:
- Another Maryland school system
- State of Maryland government
- Maryland-National Capital Park and Planning Commission (M-NCPPC)

When you transfer service from these agencies, you are transferring not only the service you have earned but also any contributions you have made to that retirement plan.
plan. If there is a difference in the contributions rate, you will pay the difference. To be eligible, you must transfer directly into an MCPS position from another position, with no break in service, and you must apply for the transfer of service within the first year after changing positions. To be eligible to transfer service into the MCPS plan, your service and contributions from your previous employer must have been in a defined benefit plan. Once approved, you will work in collaboration with MCPS and your previous employer to transfer your service and contributions.

Purchased Service

During the 12 months preceding retirement, you may be able to purchase additional service under various categories. Purchasing service at retirement can increase your retirement benefit amount, and you may qualify for retirement earlier than anticipated. Additional service must be purchased at least 90 days prior to retirement.

You may purchase a minimum of one month, up to a maximum of 10 years, if you were previously employed by one of the following:

- Federal government
- Out-of-state municipality
- Nonparticipating Maryland municipality
- Private, parochial, or out-of-state school (teaching only)

You pay the full cost of purchased service. The cost depends on age, final salary, and the amount of service you wish to purchase. Typically, purchasing service is expensive and can be purchased only in your year of retirement.

In addition, previous service may be purchased for periods of the following types of qualified approved leave:

- Personal illness
- Professional leave
- Academic leave
- Adoption leave
- Maternity/paternity leave
- Government-sponsored or subsidized employment
- Service in a professional or employee organization

IT IS EXTREMELY IMPORTANT to file all required paperwork during an approved leave of absence to ensure your eligibility to purchase service credit for the period of leave.

You may receive retirement credit for the types of leave noted above. If you are on a paid qualified leave of absence, contributions are paid during the time of leave and you earn service credit. If you are on an unpaid qualified leave of absence, you can purchase service for the period of leave immediately after returning to work.
You do not have to wait until the time of retirement to purchase credit for periods of approved leave. Purchasing approved leave of absence time is less costly when it is purchased immediately after returning to work.

During an approved leave of absence, you must file the required paperwork to ensure that you are eligible to purchase service credit for the period of leave and the active employee pension death benefit remains in effect during the period of leave. You must pay any contributions missed during the approved leave (plus interest) to be eligible for retirement credit.

**Process to Purchase Service**

**MCPS core and supplemental plans**—You will need to submit ERSC Form 421 Request to Purchase Service, available on the ERSC website. ERSC will provide you with the cost to purchase this service in the MCPS core and supplemental plans.

**State core and MCPS supplemental plan**—You will need to submit State Form 26 Request to Purchase Previous Service to the MSRA. This form also is available on the ERSC website. If you need to purchase this service in the MCPS supplemental pension plan, you will need to forward the notice of cost to purchase service from the state. MCPS will provide you with the cost to purchase this service in the MCPS supplemental pension plan.

**FORMS TO PURCHASE SERVICE and other essential retirement forms** are available on the ERSC Retirement Planning webpage. Simply search "retirement planning" from any MCPS web page.

You may purchases service with a personal check or by rolling over funds from a/an—

- traditional IRA;
- eligible employer plan, including a plan qualified under section 401(a) of the Internal Revenue Code such as a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, or money purchase plan;
- 403(b) tax sheltered account; or
- 457(b) plan maintained by a governmental employer.
Unused Earned Leave at the Time of Retirement

Unused Earned Sick Leave

At the time of your retirement, you receive two separate benefits based on your unused earned sick leave balance: a sick leave payoff and additional credited service.

*Sick Leave Payoff*

You will receive pay, known as a sick leave payoff, for unused earned sick leave equal to your final hourly rate of pay as follows:

<table>
<thead>
<tr>
<th>MCEA Members</th>
<th>MCAAP/MCBOA/SEIU Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>With at least five years of service who submit retirement forms for a July 1 retirement by April 1</td>
<td>35%</td>
</tr>
<tr>
<td>With at least five years of service who retire after July 1 or submit retirement forms for a July 1 retirement after April 1</td>
<td>20%</td>
</tr>
</tbody>
</table>

The sick, annual, and personal leave payoff will be paid approximately eight weeks after you retire. Employees may elect to tax shelter a portion of their leave payoff using their defined contribution plan [Fidelity 403(b) or 457(b)] retirement savings account(s). You may shelter up to 80% of your leave payoff. Remember, total calendar contributions would include the amount you shelter and the amount you have already contributed during the calendar year. This total amount is subject to the IRS maximum annual (calendar year) plan contribution limits. Arrangements for the deposit of the leave payoff into a tax-deferred account must be made prior to retirement and the form(s) must be received by ERSC 30 days prior to retirement. Forms and detailed information are available at www.NetBenefits.com/mcps.

*Additional Retirement Credited Service*

Credited service is used to determine the amount of retirement benefit you will receive, and unused earned sick leave can increase your retirement benefit. Unused earned sick leave automatically is converted to additional credited service at retirement, and the additional service is included when your final retirement benefit amount is calculated. Unused earned sick leave is not included in estimated calculations on PenPoint, since the final balance cannot be known prior to retirement.

Gross leave payoff is subject to MANDATORY Federal Insurance Contributions Act (FICA) taxes at 7.65%. FICA taxes and any remaining balance after rollover are considered taxable wages. As a result, federal, state, and county taxes will be withheld from the leave payoff.
Conversion of unused earned sick leave to credited service is on a graduated scale, as shown in the following chart, with a maximum of 20 months or 2 years of credited service possible. Please review your ePaystub to determine your current hours of earned sick leave. Compare your total earned hours to the hours listed in the “Sick Leave in Hours” column in the following chart to determine the amount of additional credited service you will receive. Please note that 10 months equals one year of credited service.

For members of the State core plan, projected unused earned sick leave is reported to the MSRA on the state retirement application Form 13/23 Application for Service or Disability Retirement. Once retired, 45 days after the retirement date, the final unused earned sick leave balance is recertified and reported to the MSRA. If you have used sick leave in the period between submitting retirement forms and the retirement date, the final unused earned sick leave balance may result in a recalculation and adjustment of your retirement benefit.

<table>
<thead>
<tr>
<th>Sick Leave in Hours</th>
<th>Credited Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–87</td>
<td>0</td>
</tr>
<tr>
<td>88–263</td>
<td>1 month</td>
</tr>
<tr>
<td>264–439</td>
<td>2 months</td>
</tr>
<tr>
<td>440–615</td>
<td>3 months</td>
</tr>
<tr>
<td>616–791</td>
<td>4 months</td>
</tr>
<tr>
<td>792–967</td>
<td>5 months</td>
</tr>
<tr>
<td>968–1143</td>
<td>6 months</td>
</tr>
<tr>
<td>1144–1319</td>
<td>7 months</td>
</tr>
<tr>
<td>1320–1495</td>
<td>8 months</td>
</tr>
<tr>
<td>1496–1671</td>
<td>9 months</td>
</tr>
<tr>
<td>1672–2199</td>
<td>1 year</td>
</tr>
<tr>
<td>2200–2375</td>
<td>11 months</td>
</tr>
<tr>
<td>2376–2551</td>
<td>12 months</td>
</tr>
<tr>
<td>2552–2727</td>
<td>13 months</td>
</tr>
<tr>
<td>2728–2903</td>
<td>14 months</td>
</tr>
<tr>
<td>2904–3079</td>
<td>15 months</td>
</tr>
<tr>
<td>3080–3255</td>
<td>16 months</td>
</tr>
<tr>
<td>3256–3431</td>
<td>17 months</td>
</tr>
<tr>
<td>3432–3607</td>
<td>18 months</td>
</tr>
<tr>
<td>3608–3783</td>
<td>19 months</td>
</tr>
<tr>
<td>3784 and up</td>
<td>2 years</td>
</tr>
</tbody>
</table>

ELIGIBILITY SERVICE determines when you qualify for a retirement benefit. CREDITED SERVICE is used to determine the amount of your benefit. Unused earned sick leave does not count toward eligibility service and cannot be used to accelerate your retirement eligibility. Similarly, additional credited service based on unused earned sick leave cannot be used to accelerate retirement eligibility for retirement system members.
Unused Earned Annual Leave

MCPS 12-month employees receive a payoff for unused earned annual leave at retirement according to the provisions of the bargaining unit contracts. Each union contract specifies the following maximum number of hours for which you may be paid:

<table>
<thead>
<tr>
<th>Union Affiliation</th>
<th>Maximum Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCEA</td>
<td>240</td>
</tr>
<tr>
<td>SEIU Local 500</td>
<td>320</td>
</tr>
<tr>
<td>MCAAP/MCBOA</td>
<td>360</td>
</tr>
</tbody>
</table>

Hours in excess of the maximum are paid following the unused earned sick leave rules.

Unused Earned Personal Leave

Personal leave is advanced to you. On your ePaystub you do not see the actual amount you have accrued to date as you do with other leave types. Instead, the yearly total, plus any hours carried over from previous years, is displayed in both the available and earned field. If you retire in a month other than July, your personal leave (and sick and annual leave) will be reduced from the day of termination or retirement to the end of your work schedule. This is because you will not accrue leave for the time you are no longer employed. As a result, your final ePaystub may display a higher balance of personal leave than you actually have.

Unused Earned Leave Payments

The sick, annual, personal leave payoff will be paid approximately 45 days after you retire. Employees may elect to shelter a portion of the remaining balance of their sick, personal, and annual leave payoff (after Social Security taxes) to their defined contribution plan [Fidelity 403(b) or 457(b)] retirement savings account(s). The amount you can shelter is subject to the IRS maximum annual plan contribution limits. Arrangements for the deposit of the leave payoff into a tax-deferred account must be made prior to retirement and the form(s) must be received in ERSC 30 days prior to retirement.
Eligibility for Retirement

Eligibility for retirement is based on your system membership and your start date with MCPS. If you are eligible for normal retirement, you may retire with a full, unreduced retirement benefit. You may choose to retire sooner than your normal retirement date if you meet early retirement requirements. If you choose to retire early, you will receive a reduced retirement benefit. This section provides rules and examples for both normal and early retirement.

Retirement System

Employees hired prior to January 1, 1980, who are members of the Retirement System, qualify to retire as follows:

<table>
<thead>
<tr>
<th>Retirement System Members (closed to new employees as of December 31, 1979)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Retirement</strong></td>
</tr>
<tr>
<td>Normal Retirement</td>
</tr>
<tr>
<td>• 30 years of credited service—at any age OR</td>
</tr>
<tr>
<td>• Age 60 with at least 5 years of credited service</td>
</tr>
<tr>
<td>Early Retirement</td>
</tr>
<tr>
<td>• 25 years of credited service—any age</td>
</tr>
<tr>
<td>Penalty for Early Retirement</td>
</tr>
<tr>
<td>1 year</td>
</tr>
<tr>
<td>2 years</td>
</tr>
<tr>
<td>3 years</td>
</tr>
<tr>
<td>4 years</td>
</tr>
<tr>
<td>5 years</td>
</tr>
</tbody>
</table>
Pension System

Pension system members qualify to retire as follows:

<table>
<thead>
<tr>
<th>Pension System Members Hired On or Before June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of retirement</strong></td>
</tr>
</tbody>
</table>
| Normal Retirement | • 30 years of eligibility service—at any age OR  
| | • Age 62 with at least 5 years of eligibility service OR  
| | • Age 63 with at least 4 years of eligibility service OR  
| | • Age 64 with at least 3 years of eligibility service OR  
| | • Age 65 with at least 2 years of eligibility service  
| Early Retirement | • 15 years of eligibility service AND age 55  
| Lifetime Penalty for Early Retirement | • 6% per year (.5% for each month prior to age 62; maximum penalty=42%) * |

*The penalty for early retirement is permanent and continues each year, even after you reach your normal retirement age.

NORMAL RETIREMENT EXAMPLE

This example shows a full retirement benefit for an employee at age 52 with 30 years of eligibility and credited service and an average final salary of $70,000.

<table>
<thead>
<tr>
<th></th>
<th>Monthly benefit</th>
<th>Yearly benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental benefit</td>
<td>$245.56</td>
<td>$2,946.72</td>
</tr>
<tr>
<td>Core benefit</td>
<td>$2,590.00</td>
<td>$31,080.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,835.56</td>
<td>$34,026.72</td>
</tr>
</tbody>
</table>

EARLY RETIREMENT EXAMPLE

This example shows a reduced retirement benefit for an employee who retires early at age 61 with 20 years of eligibility and credited service and an average final salary of $70,000. This employee would take a 6 percent penalty for retiring one year early.

<table>
<thead>
<tr>
<th></th>
<th>Monthly benefit before reduction</th>
<th>Monthly benefit with reduction</th>
<th>Yearly benefit before reduction</th>
<th>Yearly benefit with reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental benefit</td>
<td>$194.17</td>
<td>$182.52</td>
<td>$2,330.02</td>
<td>$2,190.22</td>
</tr>
<tr>
<td>Core benefit</td>
<td>$1,800.00</td>
<td>$1,692.00</td>
<td>$21,600.00</td>
<td>$20,304.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,994.17</td>
<td>$1,874.52</td>
<td>$23,900.02</td>
<td>$22,494.22</td>
</tr>
</tbody>
</table>
Understanding Your Retirement

The penalty for early retirement is permanent and continues each year, even after you reach your normal retirement age.

Disability Retirement

In the unfortunate event that an injury or illness permanently incapacitates you, preventing you from performing your job duties, disability retirement may be available to you.

Disability Retirement is a two-step process. The first step is to apply for disability benefits. The second step is to complete a retirement application in order to actually retire, provided you are approved for disability retirement. Important: Do not delay in applying for disability retirement; the application and approval processes can be lengthy.

Two types of disability retirement are available: ordinary disability and accidental disability.

Ordinary Disability
This benefit is available to employees who become permanently incapacitated due to illness. You are eligible for ordinary disability benefits if you—

- have a minimum of five years of eligibility service,
- are permanently incapacitated and unable to perform your job duties due to medical reasons,
- are not eligible for accidental disability, and
- have no other available assignment for which you are qualified or capable of performing.

<table>
<thead>
<tr>
<th>Type of retirement</th>
<th>Retirement qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Retirement</td>
<td>• Age 65 with at least 10 years eligibility service OR</td>
</tr>
<tr>
<td></td>
<td>• Age + Years of Eligibility Service = 90</td>
</tr>
<tr>
<td>Early Retirement</td>
<td>15 years eligibility service AND age 60</td>
</tr>
<tr>
<td>Lifetime Penalty for Early Retirement</td>
<td>6% per year (.5% for each month prior to age 65; maximum penalty=30%)*</td>
</tr>
</tbody>
</table>

*The penalty for early retirement is permanent and continues each year, even after you reach your normal retirement age.
If you are at normal retirement age or older, the ordinary disability retirement benefit will equal your pension at your normal retirement date and your actual creditable service will be used in the retirement benefit calculation.

If you are not yet at your normal retirement age, your pension will be calculated using your Average Final Salary (AFS) and the creditable service you would have received if you had continued in service until normal retirement age.

If you are retiring on ordinary disability, you will need to be on active employee status (working or on approved leave) to continue health insurance into retirement. Please review the Postretirement Benefit Plan section in this booklet to learn about eligibility requirements to continue health benefits into retirement.

Accidental Disability
This benefit is available to employees who become permanently incapacitated due to a job-related accident. You are eligible for accidental disability if—

- your disability was the result of a job-related accident,
- you are permanently incapacitated and unable to perform your job duties due to medical reasons, and
- there is no other available assignment for which you are qualified or capable of performing.

If you are at normal retirement age or older, the accidental disability retirement benefit will equal your pension at your normal retirement date and your actual creditable service will be used in the retirement benefit calculation.

If you are not yet at your normal retirement age, your pension will be the actuarial equivalent of your accumulated contributions at the time of retirement plus 66\(\frac{2}{3}\) percent of your average final salary less any disability allowance payable under the Maryland State Teachers’ Pension System.

If you are retiring on an accidental disability retirement, you will need to be on active employee status (working or on approved leave) to continue health insurance into retirement. You will be eligible to continue retiree health benefits at the lowest retiree cost share of 36 percent.

CONTACT ERSC to speak with a retirement specialist about disability retirement options or visit the ERSC website for more information at www.montgomeryschoolsmd.org/departments/ersc/employees/retirement-planning/disability-retirement.aspx.
Vested Benefits

If you resign employment before you qualify for retirement but after earning the required years of eligibility service for vesting, the retirement benefit earned as of your termination date will be paid beginning at your normal retirement age. This is called a vested benefit. **However, you are not eligible to receive health insurance when you are eligible to receive a vested benefit.** Vesting requirements are dependent on your retirement or pension or reformed pension plan, which is based on the date you were hired with MCPS.

**Employees who were hired on or before June 30, 2011,** are considered vested after five years of eligibility service. If you have five or more years of eligibility service and you terminate employment with MCPS, you are vested and eligible to receive a future retirement benefit based on your service and earnings at the time of termination. Your benefit will be paid to you at your early or normal retirement age for the plan, depending on your plan membership. You may choose to receive this future benefit or you may choose to receive your contributions and interest in one lump sum after your resignation. You may elect to receive a lump sum refund of your contributions and interest or to roll over funds into an Individual Retirement Account (IRA), Roth IRA, or a qualified plan such as a 403(b) or 457(b). If you choose to receive a refund of your contributions and interest, you will **not be eligible** for a future vested benefit.

**Employees who were hired on or after July 1, 2011,** are considered vested after ten years of eligibility service. If you have ten or more years of eligibility service and you terminate employment with MCPS, you are vested and eligible to receive a future retirement benefit based on your service and earnings at time of termination. Your benefit will be paid to you at your early or normal retirement age for the plan. You may choose to receive this future benefit or you may choose to receive your contributions and interest in one lump sum upon your resignation. You may elect to receive a lump sum refund of your contributions and interest or to roll over funds into an Individual Retirement Account (IRA), Roth IRA, or a qualified plan such as a 403(b) or 457(b). If you choose to receive a refund of your contributions and interest, you will **not be eligible** for a future vested benefit.

**IF YOU RESIGN BEFORE** you are vested, you will receive a refund, or you may roll over any accumulated employee contributions and interest to date. You will not be entitled to any future vested benefit.
Calculating Your Retirement Benefit Amount

Benefit Formula Components

Both the Retirement and Pension Systems are defined benefit plans—your retirement benefit is based on a formula. These retirement benefit formulas use two key components: Credited Service and Average Final Salary (AFS).

Credited Service
Employees earn credited service based on membership in the retirement or pension system. One year of credited service is defined as 10 months from September to June. See “Service toward Retirement” in this booklet for more details.

Average Final Salary (AFS)
AFS is an average of your earnings over a specified period of time. The period of time used is determined by your membership in the retirement or pension system and the year you were hired with MCPS.

- **Members of the Retirement System**—The highest three years of salary during your career
- **Members of the Pension System**—The highest three consecutive years of annual salary during your career

**EXAMPLE**

Joe Smith joined MCPS in 2000 and is retiring July 1, 2011. His highest three years of annual salary were $57,000, $58,710, and $60,471. His average final salary is $58,727 ([$57,000 + $58,710 + $60,471] ÷ 3)
Members of the Reformed Pension System—The highest five consecutive years of annual salary during your career

EXAMPLE
Jane Smith joined MCPS on July 1, 2011, and will retire July 1, 2021. Her five highest years of annual salary were $68,300, $70,000, $71,700, $73,400, and $75,160. Her average final salary is $71,712 ([($68,300 + $70,000 + $71,700 + $73,400 + $75,160] ÷5)

Formulas Used to Calculate Your Benefit Amount

Using these components, each system uses its own formula to calculate retirement benefits. In addition, your benefit formula is calculated differently based on the date you were hired with MCPS. The following charts define each system’s benefit formula and specify which formula applies.

Retirement System
Employees who were hired with MCPS prior to July 1, 1976, and who are still members of the Retirement System receive a retirement benefit based on the following formula:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Benefit</td>
<td>1.8181% x Average Final Salary (AFS) x Credited Service</td>
</tr>
<tr>
<td>Supplemental Benefit</td>
<td>.18181% x AFS x Credited Service</td>
</tr>
</tbody>
</table>
Pension System
Benefit formulas differ for employees who are members of the Pension System, based on date of hire.

### Pension System Members
(hired on or before June 30, 2011)

#### Core Benefit *

Calculate the **greater of:**
- .008 x Average Final Salary (AFS) up to the SSIL plus .015 x AFS in excess of the SSIL multiplied by years of credited service prior to 7/1/98 OR
- .012 x AFS x years of credited service prior to 7/1/98.

Plus .018 x AFS x years of credited service after 7/1/98

#### Supplemental Benefit *

.0008 x AFS up to the SSIL plus .0015 x AFS in excess of the SSIL multiplied by years of credited service to 7/1/98 plus .002 x AFS x years of credited service after 7/1/98.

The formula was enhanced on July 1, 2006. As a result, the enhanced formula provided above applies to employees who were active on July 1, 2006, or were hired after July 1, 2006.

SSIL is the Social Security Integration Level. The SSIL for 2015 is $72,600. The projected SSIL for 2016 is $75,100.

### Reformed Pension System Members
(hired on or after July 1, 2011)

#### Core Benefit

1.5% x Average Final Salary (AFS) x credited service

#### Supplemental Benefit

.2% x AFS x credited service
Retirement Benefit Statements and Estimates

Employees in the retirement, pension, and reformed systems have access to a yearly electronic retirement benefit statement that offers a projection of core and/or supplemental normal and early retirement benefits. These projections are based on the above formulas and on the assumption that the employee will take the maximum benefit option, with no benefits payable to a beneficiary after the employee's death.

PenPoint provides access to employees' retirement benefit statements, which are prepared each year as of June 30. A brief summary of your retirement benefits is available on the PenPoint home screen; a link to the full benefit statement is on the right side of the screen under “Take Action.” You also will find links under Take Action to a printable tutorial that briefly addresses benefit statement content and to an FAQ and glossary guide with answers to common questions about employee pension benefits and definitions of pension terms.

MCPS RETIREMENT BENEFIT STATEMENTS are updated each year during the last week of August and are available on PenPoint.

Employees who are members of the MCPS core plan will see both their projected core and supplemental retirement benefits on their yearly retirement benefit statement. Members of the State core plan will be able to access their MCPS retirement benefit statement using PenPoint, but will only see their MCPS supplemental benefit. State core plan members receive a separate personal statement of retirement benefits (PBS) each year from the MSRA, typically in September. For these employees, the MSRA statement and the PenPoint statement are both needed to determine their total projected retirement benefit. The PBS also is available online at https://sra.maryland.gov/SecureReprint/.

In addition, PenPoint provides you with several predetermined retirement estimates. These include estimates based on your early and normal retirement dates as well as an estimate “as of today,” which is calculated as if your employment were ending today. In addition, you may run estimates of your future MCPS retirement benefits based on other scenarios by using the PenPoint estimator tool. Video tutorials on using PenPoint are available on the MCPS Retirement Planning web page or you can review the PenPoint tutorial for basic steps on using the system.

PenPoint estimates provide greater detail than your yearly retirement benefit statement. When you retire, you will be able to choose one of several different payment options that affect both how much you will receive and, if you choose, how much your beneficiary will receive in the event of your death. A retirement estimate can help you determine which benefit option to choose by providing personalized figures based on your age and that of your beneficiary for each option.
Retirement Benefit Payment Options

When you retire, you will be able to choose one of several different payment options that affect both how much you will receive and how much your beneficiary will receive in the event of your death. For each option, the amount your beneficiary may receive reduces your monthly benefit payment. How much the benefit is reduced is based on your age at retirement and the age of your beneficiary. For that reason, some options do not allow you to change your beneficiary after retirement, even if your beneficiary predeceases you. **Your choice of payment option does not impact the health benefits available to you or your eligible dependents at retirement or your covered dependents after your death.**

YOUR PAYMENT OPTION ELECTION may not be changed once you receive your first retirement check. It is very important to discuss your retirement income requirements with your family and financial planner prior to completing your final forms.

It is important to consider each option in light of your individual plans and situation. When selecting a payment option, you should consider the following questions:

- How much income will I require at retirement?
- What other sources of income will I have?
- What is my life expectancy and that of my beneficiary?
- Do I need to provide continuing benefits to a spouse or other beneficiary after my death?

Employees who receive their core benefit from the state have additional payment option choices. Information is available on the MSRA website at [www.sra.state.md.us](http://www.sra.state.md.us) or by calling 1-800-492-5909.

Employees whose core and/or supplemental benefit(s) is/are provided by the MCPS Employees’ Retirement/Pension/Reformed Pension systems have five choices, listed on the next page.
1. Maximum (State Basic Allowance)
This option provides the highest lifetime benefit with all payments ceasing upon your death. You need to name a beneficiary for this option in the event something should happen to you before you receive your first retirement check. Once you receive your first retirement check, there will be no further payment to a beneficiary.

2. Option A (State Option 4)
This option provides a smaller monthly benefit than the maximum option. At the time of your death, any remaining balance of your contributions—plus interest at retirement—is paid in a lump sum to your named beneficiary(ies). This option ensures, at a minimum, the return of your employee contributions plus interest. If you elect this option, you may name more than one primary or contingent beneficiary when submitting your final retirement application. Your beneficiary(ies) may be changed at any time.

3. Option B (State Option 1)
This option provides a smaller monthly benefit than Option A. At the time of your death, any remaining balance of the present value of your benefit is paid in a lump sum to your named beneficiary(ies). The present value of your benefit is the annual benefit amount at retirement multiplied by an actuarial factor based on your age. This amount is reduced by the payments received prior to your death to determine the remaining balance. This option ensures, at minimum, the return of both the employee and employer contributions plus interest. If you elect this option, you may name one or more primary or contingent beneficiaries. Your beneficiary(ies) may be changed at any time.

4. Option C (State Option 3)
This option provides a smaller monthly benefit than Option B. The initial benefit is based on your age, and the age of your beneficiary at retirement. Your designated beneficiary cannot be changed after retirement. At the time of your death, 50 percent of your monthly retirement benefit will continue to be paid to your named beneficiary each month for his or her lifetime. If the beneficiary predeceases you, all benefits cease at your death.

FOR OPTIONS C AND D under the MCPS plans, you cannot change your beneficiary after retirement, even if your beneficiary predeceases you.
5. Option D (State Option 2)
This option provides a smaller monthly benefit than Option C. The initial benefit is based upon your age and the age of your beneficiary at retirement. Your designated beneficiary cannot be changed after retirement. At the time of your death, 100 percent of your monthly retirement benefit will continue to be paid to your named beneficiary each month for their lifetime. If the beneficiary predeceases you, all benefits cease at your death.

AN EMPLOYEE WITH AN MCPS CORE AND/OR SUPPLEMENTAL BENEFIT may not elect a beneficiary who is more than 10 years younger than herself or himself for Option D, unless the beneficiary is a spouse or disabled child.

AN EMPLOYEE WITH A STATE CORE BENEFIT may not elect a beneficiary who is more than 10 years younger than herself or himself for state Options 2 and 5, unless the beneficiary is a spouse or disabled child.

Mandatory Lump Sum Retirement Benefit Payment (de minimis payment)
If your monthly retirement benefit from MCPS is less than $100, you will receive the present value of your retirement benefit in one lump sum payment with no benefit to your named beneficiary. This lump sum payment is mandatory and is also known as a de minimis payment. The present value of the retirement benefit is actuarially determined by using interest and mortality tables. This calculation includes both credit for future cost-of-living increases and the present value of the funds. You may elect to receive your de minimis payment in a lump sum or to roll over the funds into an Individual Retirement Account (IRA), Roth IRA, or a qualified plan such as a 403(b) or 457(b).

The following page offers a comparison chart to assist you in determining which retirement benefit payment option is best for you.
## Retirement Benefit Payment Options Comparison

<table>
<thead>
<tr>
<th>Payment Option</th>
<th>Your Retirement Benefit for Your Lifetime</th>
<th>Beneficiary Benefit After Your Death</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum</td>
<td>Highest Benefit</td>
<td>None</td>
</tr>
<tr>
<td>Option A (State 4)</td>
<td>Second Highest</td>
<td>One Time Cash Payment = Lump sum of account minus retirement benefits received</td>
</tr>
<tr>
<td>Option B (State 1)</td>
<td>Third Highest</td>
<td>One Time Cash Payment = Lump sum of present value minus retirement benefits received</td>
</tr>
<tr>
<td>Option C (State 3)</td>
<td>Fourth Highest</td>
<td>50% of retirement benefit continues for lifetime of designated surviving beneficiary</td>
</tr>
<tr>
<td>Option D (State 2)</td>
<td>Lowest</td>
<td>100% of retirement benefit continues for lifetime of designated surviving beneficiary</td>
</tr>
</tbody>
</table>
Cost-of-Living Adjustments

Your benefit is adjusted during your retirement years based on an annual cost-of-living adjustment (COLA). Typically, a COLA is applied to your retirement benefit each year.

When You Receive a COLA

The date when you will receive your first COLA depends on the date you choose to retire. The COLA is added to MCPS core and supplemental plan benefits as of January 1 each year and to the State Teachers’ Pension/Retirement Plan (State core plan) benefits as of July 1 each year.

Members of the MCPS core and/or supplemental plan must be retired for at least one month as of January 1 to receive a COLA. Members of the State core plan must be retired for one full year as of July 1 before receiving a COLA. This means that in some instances, retiring one month later will result in a one-year delay in receipt of your first cost-of-living adjustment. If a negative COLA is calculated, it is allowed to accumulate from year to year and offset any future positive COLA adjustments.

IN SOME INSTANCES, retiring one month later will result in a one-year delay in receipt of your first cost-of-living adjustment.

How COLAs Are Calculated

Both the State core plan and the MCPS core plan use the Consumer Price Index (CPI) to calculate your cost-of-living adjustment. The U.S. Department of Labor publishes the annual CPI, and it is the most widely used measure of inflation. The CPI provides information about price changes in the nation’s economy to government, business, labor, and private citizens and is used as a guide to make economic decisions.
For benefits based on credited service earned prior to July 1, 2011, the annual COLA you receive as a retiree will be applied according to the annual CPI with a 3 percent cap, with no additional conditions. The COLA for all service earned prior to July 1, 2011, is applied in the same way regardless of your core plan membership.

For benefits based on the credited service earned after July 1, 2011, the annual COLA you receive as a retiree will be calculated differently from benefits based on credited service earned prior to this time. The State core plan and MCPS core and supplemental plans will handle COLAs for this period of time differently.

**State core plan members**
You will receive a conditional COLA for benefits based on credited service earned after July 1, 2011. A conditional COLA is applied only if certain conditions are met for that year. If the State Teacher Pension Trust’s investment returns meet their expectations for the year, then a COLA will be applied that is equal to the CPI with a 2.5 percent cap. If the plan does not do as well as expected during the year, then the adjustment will be equal to the CPI but will cap at 1 percent. For additional information about the conditional COLA, please visit the MSRA website at [www.sra.state.md.us](http://www.sra.state.md.us).

**MCPS core plan members**
You will receive a COLA for benefits based on credited service earned after July 1, 2011, which will be based on the CPI and cap at 2 percent. No additional conditions will be applied to obtain the annual COLA.

**County supplemental plan members (all employees, regardless of core plan membership)**
You will receive a COLA for benefits based on credited service earned after July 1, 2011, which will be based on the CPI and capped at 2 percent. No additional conditions will be applied to obtain the annual COLA.
Pension Death Benefit

The retirement plan offers benefits for your designated beneficiary(ies) in the event of your death prior to retirement. This benefit is separate from the MCPS life insurance benefit. Coverage for an active employee is effective after you have completed one year of credited service.

The pension death benefit your beneficiary(ies) is eligible to receive is based on your status at the date of death.

Working—Not Eligible to Retire
If you do not have enough years of service to retire (early or normal), your beneficiary(ies) receives a one-time payment equal to your annual salary at the date of death, plus a refund of any accumulated member contributions with interest. If you are on leave at the date of death, the leave must be an “approved leave of absence” to qualify for the death benefit.

YOU MUST file all required paperwork during an approved leave of absence to maintain your eligibility for the pension death benefit.

Working—Eligible to Retire
If you are working but eligible to retire (early or normal) at the date of death, and if your surviving spouse was named as your sole primary beneficiary, your spouse has the option of receiving the monthly lifetime benefit that you were eligible for at the date of death instead of a one-time payment of salary and contributions with interest. The eligibility for retirement also makes a surviving spouse eligible for health insurance, if the employee was eligible for health insurance at the time of death.

If you are working but eligible to retire at the date of death, and you do not have a surviving spouse named as your sole primary beneficiary, then your beneficiary(ies) will receive a single payment equal to your annual salary and a return of all accumulated member contributions with interest.

IT IS IMPORTANT to keep your pension plan beneficiary(ies) current, even if you are not nearing retirement. Use MCPS Form 455-5 for MCPS core/supplemental plan beneficiaries and State Form 004 for State core plan beneficiaries.
MCPS offers and administers health benefits into retirement. Medical, dental, prescription, vision, and life insurance benefits work differently when you are a retiree than when you are an active employee. The following section offers an overview of MCPS retiree health benefits. Complete information about medical, dental, prescription, vision, and life insurance options can be found in the Retiree Benefit Summary, available on the ERSC website.

You may elect to continue, add, or cancel coverage at retirement. You must make an election for each component of the benefit plan. If you choose to cover your eligible dependent(s) at retirement, they must enroll in the same coverage in which you enroll. Spouses and/or dependents who were eligible for coverage at the time of your retirement may be added or reenrolled during a future Open Enrollment. Submit MCPS Form 455-22 Retiree Benefit Plan Enrollment, with your retirement forms to ERSC at least 30 days prior to the effective date of your retirement. If, after retirement, you move out of the service area for your health plan, you and your covered dependents may need to transfer to a different plan (see “Moving out of the Service Area” in this booklet). Additional information is available in the Retiree Benefit Summary.

Eligibility for Postretirement Benefits

Retirees with **at least five cumulative years** of MCPS-eligible service are eligible for postretirement benefits if they:
- have a current hire date that is prior to July 1, 2006, with no break in employment; or
- retired on or before July 1, 2011; or
- were hired prior to July 1, 2011, with at least 30 years of eligible service in the State core plan; or
- were hired prior to July 1, 2011, and were at least 55 years of age as of July 1, 2011.

Also eligible for postretirement benefits are retirees with **at least 10 cumulative years** of MCPS-eligible service who retire after July 1, 2011, and who:
- were hired on or after July 1, 2006; and
- were under 55 years of age as of July 1, 2011.

If you retire on ordinary disability, the above eligibility rules apply to continue your health insurance into retirement.

IF YOU WERE NOT ELIGIBLE for benefits coverage as an active employee, you and/or your dependent(s) will not be eligible for benefits coverage after you retire.
Postretirement Benefit Plan Cost

As a result of changes to cost-sharing structures implemented on July 1, 2011, retiree benefit plan costs will differ depending on the year you were hired with MCPS, your length of service (eligibility service), and the year you retire(d). Employees who retired on or before July 1, 2011, continue to pay 36 percent of the cost of retiree benefits and MCPS continues to pay 64 percent.

Retirees who meet one of the conditions below are grandfathered as long as they have at least five cumulative years of eligible service with MCPS upon retirement:

- Anyone whose hire date (or most recent hire date*) was prior to July 1, 2011, who was at least 55 years old as of July 1, 2011; or
- Anyone whose hire date (or most recent hire date*) was prior to July 1, 2006; or
- Anyone whose hire date (or most recent hire date*) was prior to July 1, 2011, who retire(d) with at least 30 years of service in the State core plan.

If you are in one of these groups, you can find the cost of your 2016 benefits in the Retiree Monthly Rate Schedule labeled “Retirees with 20 or more years eligible service, Grandfathered, or Retired Prior to July 1, 2011,” which is included in the 2016 Retiree Benefit Summary, available on the ERSC website.

If you are a recent retiree, were hired on or after July 1, 2006, and do not meet the grandfathering requirements, the cost of your retiree benefits will depend on your years of MCPS-eligible service at retirement, as follows:

<table>
<thead>
<tr>
<th>MCPS-eligible Service Upon Retirement</th>
<th>Retiree Cost</th>
<th>MCPS Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 up to 15 years</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>15 up to 20 years</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>20 or more years</td>
<td>36%</td>
<td>64%</td>
</tr>
</tbody>
</table>

*resulting from a break in service
If you are subject to the revised cost-sharing structures, you also must have at least 10 cumulative years of eligible service with MCPS to be eligible for retiree benefits. Those who are affected by these changes can find the rate chart labeled with their years of service in the 2016 Retiree Benefit Summary to determine their 2016 benefit cost.

Changes to Coverage

Moving Out of the Service Area
Retirees who move out of their health plan’s service area may need to transfer to another health plan that is authorized to serve retirees in their new location. If you are currently enrolled in the DMO dental program, you should contact Aetna to see if they have participating DMO providers in your new location. If there are no participating DMO providers in your new location, you will be moved automatically to the PPO dental plan if you wish to continue dental coverage. Please notify ERSC in advance of your change of address to prevent any disruption in your health or dental coverage.

Mandatory Medicare Parts A and B Enrollment
In order to continue your MCPS-sponsored retiree medical and prescription benefits, you and/or your spouse must enroll in Parts A and B of Medicare when first eligible (usually at age 65 or if you receive disability benefits from Social Security). You should contact Social Security at 1-800-772-1213 three months prior to eligibility to begin the process of enrolling in Medicare Parts A and B. If you and/or your spouse are eligible for Medicare when you retire, Medicare will provide your primary medical coverage as of your retirement date, and the MCPS plan will provide your secondary medical coverage. You must submit a copy of your Medicare card with Parts A and B to ERSC 60 days prior to the effective date of Medicare coverage or with your retirement forms if eligible at retirement.

FAILURE TO ENROLL in Medicare Parts A and B AND to submit a copy your Medicare card with Parts A and B to ERSC will result in cancellation of your MCPS-sponsored retiree medical and prescription benefits.

Please note that if you (or your dependent) receive disability benefits from the Social Security Administration after retirement and become eligible for Medicare, you MUST enroll in Medicare Parts A and B in order to remain on the MCPS Retiree Benefit Plan.
Medicare Part D
MCPS has made available a Medicare Part D prescription drug benefit program to Medicare-eligible retirees and/or their Medicare-eligible dependents. Private, Medicare-approved Part D prescription plans also are available, but if you opt to enroll in a private plan, neither you nor your dependents will be able to enroll or continue in the MCPS Part D plan. Most MCPS retirees elect to continue their MCPS prescription coverage and do not enroll in a private Medicare Part D plan.

Continuation of Coverage for Dependent Children
Benefits coverage for a dependent child automatically ends at the end of the month in which he or she turns 26 for medical and prescription plans. Benefits coverage for a dependent child’s dental and vision plans automatically ends on September 30 following the dependent child’s 23rd birthday.

When your dependent(s) is no longer eligible for coverage under the MCPS plan, he or she may elect to continue coverage under the provisions of the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA). COBRA permits them to continue insurance coverage for a limited period by paying the full cost of coverage. ERSC will provide rate information upon request. In many cases, young adults can purchase an individual policy directly with any health provider at a lower cost.

Adding Dependents to Your Benefit Plan
New spouses and dependent children who are not eligible for coverage at your retirement are not eligible for benefits after you retire. Eligible dependent children may be added to your retiree benefit plan up to age 26. If they are between the ages of 24 and 26, however, they may only be added for medical and prescription benefits. To enroll a child in your retiree benefits, you must complete MCPS Form 455-22 Retiree Benefit Plan Enrollment.

Canceling Coverage
You may remove a dependent from your plan as of the last day of any month by notifying ERSC in writing of the change and the desired effective date of the change. You may elect to cancel all coverage as of the last day of any month. Once canceled, you and/or your eligible dependents may reenroll for coverage only during a retiree Open Enrollment period or as a result of a qualifying event. To reenroll, you must provide written verification that you and your dependents were enrolled continuously for the categories of canceled coverage under another plan for the preceding 12 months. Changes must be sent to ERSC by the 5th of the month to be effective the following month.
Retiree Open Enrollment
MCPS provides an annual Open Enrollment period allowing retirees to make changes to their benefit plan. Open Enrollment for retirees will typically take place during four weeks beginning in mid-October, with all changes effective January 1. You will receive notification of any changes in programs and rates in advance. You also will be invited to benefit fairs to meet with representatives from each provider to better understand any changes to your plan and to answer any questions you may have. ERSC benefits specialists are available to answer questions by phone at 301-517-8100 or via e-mail at ERSC@mcpsmd.org. For additional information, please review the Retiree Benefit Summary, available on the ERSC website.

Life Insurance Coverage

Life Insurance Continuation
At retirement, you may elect either to continue life insurance coverage or to cancel your coverage. If you elect to cancel your coverage, you are not permitted to reenroll.

At retirement, the amount of life insurance in force is 42.5 percent of your basic active life amount. For each of the next four years, on the anniversary of your retirement, the life insurance amount will be reduced by 7.5 percent of the active life amount. On the 4th anniversary of your retirement, the life insurance amount becomes 12.5 percent of the active life amount and will remain at that level for your lifetime, as long as the premiums are paid.

Monthly premiums for life insurance can be found in the Retiree Benefit Summary, available on the ERSC website. Premiums will be deducted directly from your retirement payment. Rates for retiree life are subject to change. The following chart gives an example of the life insurance reduction.

<table>
<thead>
<tr>
<th>Examples of Life Insurance Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Life Value = $154,000</td>
</tr>
<tr>
<td>1st Year</td>
</tr>
<tr>
<td>2nd Year</td>
</tr>
<tr>
<td>3rd Year</td>
</tr>
<tr>
<td>4th Year</td>
</tr>
<tr>
<td>5th Year</td>
</tr>
</tbody>
</table>
The optional life, basic dependent life, and optional dependent life insurance plans cease at retirement. You may convert these plans, as well as the difference between the basic life insurance and the initial retiree life insurance amount, to an individual policy through Voya Financial within 30 days of the effective date of your retirement. If you are interested in a conversion policy, contact Voya Financial for conversion information at 1-888-253-9582 x4012985. Coverage cannot be denied and no evidence of insurability is required. The conversion form should be returned to ERSC for verification of your active employee coverage.

IT IS IMPORTANT to keep your life insurance beneficiary(ies) current. MCPS Form 455-22 Retiree Benefit Enrollment, available on the ERSC website, is one of the forms you must submit prior to retirement. The Life Insurance Beneficiary Designation section of this form is used to update beneficiary information for your life insurance.
Retirement Forms Checklist

MCPS Required Forms

☐ **455-2** Application for Retirement
You will use this form to elect your retirement date, payment option, and beneficiary. If you elect Option C or D, you must include a copy of your beneficiary’s birth certificate or a valid driver's license.

☐ **455-5** Designation of Beneficiary/Beneficiaries
You will use this form to name beneficiary(ies)

☐ **GP-82519** Aetna Electronic Funds Transfer (EFT) Authorization Form
This is a required direct deposit form. Attach a voided check or deposit slip with the form.

☐ **281-50** MCPS Employees’ Retirement/Pension System Federal and Maryland State Withholding Request
You may elect to have both federal and state taxes withheld directly from your retirement check. If you do not have taxes withheld, then you may need to file estimated quarterly taxes. If you are moving to another state, you need to determine if your retirement income is taxable in that state. Consult your tax advisor for information.

☐ **455-22** Retiree Benefit Plan Enrollment
You may elect to continue or cancel your health plan coverage. You must select either Option A or Option B for prescription drug coverage if you elect coverage through Caremark. You also may use this form to cancel your coverage, to cancel your life insurance, or to transfer your coverage to your spouse if that spouse is an active MCPS employee. (The active spouse must complete MCPS Form 455-20 to add you to the active plan). This form also can be used to update your life insurance beneficiary(ies). If you or your spouse are or will be 65 or older as of the retirement date, you will need to include a copy of the Medicare Card with Parts A and B.

☐ **480-4** Notice of Termination of Employment
Use this form to notify your supervisor of your intention to retire. Give one copy to your supervisor and include a copy with your completed retirement forms to ERSC.

☐ **455-26** Application for Lump Sum (De minimis) Retirement Distribution
If your monthly retirement benefit is less than $100, you will use this form to elect your retirement payment distribution. You must provide the name, address, and account number of the financial institution if you are rolling over your lump sum retirement distribution into an IRA, Roth IRA, or a Qualified Plan (403(b), 457(b)).
MCPS Optional Forms

- **455-1** Change in Personal Information
- **403(b)** MCPS Leave Payout Contribution
- **457(b)** MCPS Leave Payout Contribution

State Forms

- **13/23** Application for Service or Disability Retirement
  Use this form to elect your retirement date, payment option, and beneficiary. If you elect Option 2, 3, 5, or 6, you must include a copy of either your beneficiary’s birth certificate or valid driver’s license as proof of your beneficiary’s date of birth.

- **4** Designation of Beneficiary
  Use this form to name more than one beneficiary for Payment Maximum, Option 1 or 4.

- **766** Federal and Maryland State Tax Withholding Request Form
  You may elect to have both federal and Maryland State taxes withheld directly from your retirement check. If you do not have taxes withheld, then you may need to file estimated quarterly taxes. If you are moving to another state, you may need to file estimated taxes in that state. Consult your tax advisor for information.

- **85** Electronic Funds Transfer Sign-up Form
  This is a required direct deposit form. Your financial institution must complete its portion of the form.

- **127** Reemployment After Retirement
  You need to read the rules for reemployment with any agency covered under the state plans and sign. It is your responsibility to notify the MSRA if you return to work. State law requires that there must be a 45-day break between retirement and return to work. In addition, you will be subject to an earnings limitation. Contact MSRA for more information.

Retirement forms are available on the Forms page of the ERSC website at www.montgomeryschoolsmd.org/departments/ersc/employees/forms.

If you wish to roll over your earned unused sick, personal, and/or annual leave payments into your Fidelity 403(b) or 457(b) plan, visit www.NetBenefits.com/mcps.

All completed forms must be received by ERSC at least 30 days prior to your retirement date. MCEA unit members must submit forms by April 1 for a July 1 retirement date to receive the 35 percent payout for earned unused sick leave.
Frequently Asked Questions about Retirement

About Your Plan Membership

Q: Does it matter whether I receive my core plan benefits from the Maryland State Teachers’ Pension Plan or the MCPS Pension Plan?

A. The core benefit provided by the Maryland State Teachers’ Pension Plan and the MCPS pension plans are equivalent. The State plan permits membership based upon jobs and functions. Employees who are not eligible for State plan membership are eligible for enrollment in the MCPS Plan and receive similar benefits funded by MCPS.

Q: Does my plan membership change if I take a different job with MCPS?

A. No. Once you are enrolled in a core plan, you will remain in that pension plan regardless of changes in your job or assignment.

Q: How can I confirm my plan membership?

A. Your core and supplemental plan membership is shown on your MCPS Retirement Benefit Statement. To learn more about plan membership, see “Determining Your Plan Membership” in this booklet.

About Your Retirement Benefit Statement

Q: How do I access my retirement benefit statement?

A. To access your retirement benefit statement, from the ERSC Retirement Planning web page, click on the log-in button. Use your Outlook user ID and Outlook password to log in to PenPoint. Click on the “Benefit Statement” link found under “Take Action” on the PenPoint home page.
What do I need to do with my retirement benefit statement?

A. The information in your retirement benefit statement about your projected benefits may be used in conjunction with your financial planning for retirement. In addition, you should review all of the information carefully, and promptly e-mail the Employee and Retiree Service Center (ERSC) at ersc@mcpsmd.org about any questions or discrepancies. If you leave MCPS, you should save or print your statement, as access to PenPoint ends when your employment ends.

How often will I receive future retirement benefit statements?

A. Each year during the last week of August, your retirement benefit statement will be available with information updated through the previous fiscal year. All yearly statements remain available on PenPoint for viewing online and may be printed or saved as a file on your own computer.

About Your Retirement Benefit Amount

How much do I and MCPS contribute to my pension plan?

A. You contribute a total of 7.5 percent of your annual salary to your pension plan. MCPS contributes significantly more. All employee contributions to the pension plan are made pre-tax and are mandatory. To learn more about pension plan contributions, see “Contributions Toward Your Pension Plan” in this document. Contributions are made over 20 pay periods each year, from September to June.

How is my retirement benefit amount determined?

A. The MCPS Pension Plan is a defined benefit plan where your benefit amount is determined by the plan formula using your years and months of credited service and your average final salary.
Does the amount of my contribution affect my retirement benefit?

A. No. Although contributions are mandatory, your contribution balance does not affect the amount of your benefit at retirement as long as you have made all required contributions while employed. The MCPS Pension Plan is a defined benefit plan rather than a defined contribution plan.

How can I obtain an estimate of my retirement benefits for each of the options described in this booklet?

A. The MCPS retirement benefit statement you receive each year does not offer details about the benefits you would receive under each of the payment options available to you, as described in “Retirement Benefit Payment Options” section of this booklet. To obtain estimated retirement benefits under each payment option, you can either review one of the predetermined estimates (Benefit as of Today, Early Retirement, and Normal Retirement) on the PenPoint “My Retirement” page, or you can run your own estimate based on different scenarios. A link to video instructions for using PenPoint can be found on the ERSC Retirement Planning web page. Or, you will find a link to a printable tutorial on the PenPoint home screen under “Take Action.”

If you are a member of the State core plan, you may request an estimate of your retirement benefit by submitting State Form 9 Application for an Estimate of Service Retirement Allowance available from the MSRA website at www.sra.state.md.us. Estimates from the state may take between 2 to 3 months to receive. You may check the current wait time to receive an estimate of your State core benefit by visiting: www.sra.state.md.us/Participants/Members/Downloads/PrintForms.aspx.

What is a vested benefit?

A. A vested benefit is a benefit that is paid to you at early or normal retirement age, even if you have resigned from MCPS prior to being eligible to retire, provided that you meet vesting requirements and have elected to receive a future retirement benefit. To learn more about vested benefits, see “Eligibility for Retirement” in this booklet. Employees who collect a vested benefit are not eligible for postretirement health benefits.
About Vesting

Q: What happens to the contributions I made to my pension plan if I resign from MCPS before I am vested?

A. If you are not vested and resign from MCPS, you may elect to either rollover your contributions and accrued interest into another tax-deferred plan such as an Individual Retirement Account (IRA), Roth IRA, or the balance may be sent directly to you after the mandatory tax withholdings have been deducted. See “Eligibility for Retirement” in this booklet to learn more.

Q: What are my options if I am vested and terminate employment?

A. If you are vested and resign from MCPS prior to retirement, you may elect to receive a future monthly vested benefit at your normal or early retirement age, or you may elect to receive a refund of your contributions plus interest, or you may elect to roll over your accumulated contributions and interest into an Individual Retirement Account (IRA), Roth IRA, or a Qualified Plan such as a 403(b) or 457(b). If you elect the future retirement benefit, you must leave your contributions and interest in the plan. If you elect the refund or rollover option, you must make your request online. MCPS will mail you a postcard 45 days after your resignation with instructions for requesting a refund or rollover. If you elect the refund or rollover option, you will not receive a monthly vested benefit beginning at your normal retirement age. In addition, you will forfeit the annual contributions MCPS has made to the pension trust to fund your future retirement benefit. Note: The MSRA does not automatically offer you the withdrawal of your contributions and interest; you must request the refund by using State Form 5 Application for Withdrawal of Accumulated Contributions. Review current wait times for processing a refund/rollover of pension contributions at www.sra.state.md.us/Participants/Members/Downloads/PrintForms.aspx
In the Vested Benefits section of my retirement benefit statement, the status is listed as “non-vested” with a benefit amount of zero. What does this mean?

A. If your statement has a zero under Vested Benefits, you had not yet earned the required years of eligibility service at the end of the fiscal year when the statements were prepared.

Why does my retirement benefit statement display a vested amount that is higher than my early retirement benefit?

A. Your vested benefit is the amount you will receive if you terminate employment as of the date shown on the retirement benefit statement and wait until the first of the month following normal retirement age to begin collecting the vested benefit. Your early retirement benefit allows you to begin collecting your retirement benefit earlier, depending on your number of years of eligibility service and the date you were hired. However, an early retirement reduction or penalty reduces the amount of your benefit for your lifetime when you elect to retire early. As a result, the vested benefit amount payable at your normal retirement age may be higher than your early retirement benefit. Early retirement penalties differ depending on your plan membership. To learn more about early retirement penalties, see “Eligibility for Retirement” in this booklet. If you retire early, you will be eligible for health benefits as long as you meet the health benefit eligibility rules as described in the “Postretirement Benefit Plan” section of this booklet. This may impact the decision of a vested employee who is eligible for early retirement.

About Your Beneficiaries

I selected beneficiaries for my pension plan, but do not see any listed on my retirement benefit statement. Does this mean that there is no record of my beneficiary designations?

A. No. Beneficiary information is currently stored only on paper forms. In the future, beneficiary elections may be made in electronic format, at which time beneficiary information will be added to your annual statement.
How can I verify my current beneficiary designations?

A. Beneficiary information cannot be provided over the telephone or via e-mail due to privacy concerns. If you are unsure about your beneficiary election then you should complete a new beneficiary form and submit the form to ERSC. If you are a member of the State core plan, you also will need to update your beneficiary with the state. Changing your beneficiary designations does not affect your life insurance or 403(b) or 457(b) accounts. You may update your life insurance beneficiary by submitting MCPS Form 455-20 *Employee Benefit Plan Enrollment*. You must contact your vendor directly to change your retirement savings account beneficiary(ies).

How can I update my beneficiary information?

A. Beneficiary designation forms are available online. Members of the MCPS core and/or supplemental plans will need to submit MCPS Form 455-5 *Designation of Beneficiary/Beneficiaries*. Members of the State core plan also will need to submit State Form 4 *Designation of Beneficiary*. Once completed, forward MCPS Form 455-5 to ERSC and State Form 4 to the MSRA.

About Planning an Upcoming Retirement

Can I make an appointment to speak to a retirement counselor?

A. No. The Employee and Retiree Service Center (ERSC) is not able to provide individual retirement counseling. However, you may attend a Retirement Informational Session for employees who are considering retirement within the next two years. Topics for each informational session include a timeline for retirement, eligibility, benefit formulas, leave, postretirement health and life insurance, and forms. ERSC staff will be available to answer questions. After attending one of ERSC’s informational sessions and downloading your retirement forms, you may want to attend a Retirement Forms Workshop. During these workshops, ERSC staff members present all required retirement forms, explain how to complete them, and answer questions. For details about upcoming Informational Sessions and Forms Workshops, please visit the Retirement Planning web page on the ERSC website.
Q Is there an advantage to working beyond my normal retirement date?

A. Yes. If you continue to work beyond your normal retirement date you will continue to earn additional retirement credit. Additionally, if your earnings increase, your average final salary will be higher. A higher average final salary and/or additional service will result in a greater retirement benefit amount when you eventually retire. There is no cap on the amount of service credit you may earn if you are member of the State core plan or the MCPS Pension or Reformed Pension plans. Please note, however, that for members of the MCPS Retirement Plan, there is a cap of 36 years of credited service, in accordance with the plan rules. Once an employee reaches 36 years of credited service, contributions to the MCPS core and/or supplemental plans cease.

Q What happens to my earned leave when I retire or resign?

A. When you retire, you will receive retirement service credit for your earned unused sick leave, as well as payment for a percentage of your earned unused sick leave based on your union membership and other criteria. In addition, 12-month employees will be paid for earned unused annual leave, up to a maximum number of hours allowed under employee association contracts. For complete details, see the section “Unused Leave at the Time of Retirement” in this booklet. If you resign from your employment, you will be paid for earned unused annual, up to a maximum number of hours allowed under employee association contracts. Your earned unused sick and personal leave is based on union membership and other criteria. For complete details, see the section “Unused Leave at the Time of Retirement” in this booklet.

Q When should I submit my retirement forms?

A. All retirement forms must be submitted to ERSC at least 30 days prior to the effective date of your retirement. DO NOT send any forms directly to the MSRA. Failure to submit forms at least 30 days prior to your expected retirement date will result in a delayed retirement and loss of retirement income.
**Q:** Is there any benefit to submitting my retirement forms early?

A. Yes. Employees represented by MCEA will receive a higher sick leave payoff if they elect to retire July 1 and submit final retirement forms to ERSC by April 1. MCEA unit members who submit their paperwork by April 1 will receive payment for 35 percent of their earned unused sick leave. They are not required to have 30 years of service to be eligible for the higher benefit. MCEA unit members electing to retire at any other time or who do not submit the paperwork for a July 1 retirement by April 1 will be paid 20 percent of their earned unused sick leave.

**Q:** How will I notify my supervisor or principal?

A. Use MCPS Form 480-4 *Notice of Termination of Employment from MCPS*. Provide a copy of the form to your supervisor or principal and send another copy with your retirement forms to ERSC. Once ERSC has approved your retirement forms, the Office of Human Resources and Development (OHRD) is informed of your intention to retire. An OHRD staff member will contact your supervisor or principal to either confirm or inform him or her (if you have not) of your retirement date.

**Q:** May I retire on any day of the month?

A. No. All retirements must be effective on the first day of a month.

**About Pay and Benefits during Retirement**

**Q:** When do I receive my retirement benefit payment?

A. The MCPS core and supplemental plan payments are made on or about the first day of the month for that month. If the first is on a weekend or a holiday, the payment is posted on the first banking day of the month. MSRA payments are made on or about the last day of the month for the current month.
How will I receive my retirement benefit payment?

A. Aetna will deposit your first MCPS core and/or supplemental payment via direct deposit into your selected bank account. For employees who receive their core benefit from the state, MSRA will deposit it via direct deposit or mail the first check to your home address. Subsequent payments will be directly deposited to your selected bank account.

May I receive my retirement checks at my home address?

A. No. Both MCPS and the MSRA require direct deposit.

If I move after retirement, who must be notified?

A. You will need to notify all of the following agencies in writing:

Employee and Retiree Service Center
Montgomery County Public Schools
45 West Gude Drive, Suite 1200
Rockville, Maryland 20850
Phone: 301-517-8100
E-mail: ERSC@mcpsmd.org

Maryland State Retirement Agency (only for members of the State core plan)
120 East Baltimore Street
Baltimore, Maryland 21202
1-800-492-5909
www.sra.state.md.us

Aetna, Inc.
Large Case Pension, RT11
151 Farmington Avenue
Hartford, Connecticut 06156-8740
1-800-952-2700
**How will my benefits be affected if I work during retirement?**

A. For employees who receive both their core and supplemental benefits from MCPS, there will be no reduction in their retirement benefits if they return to work for MCPS in a temporary or substitute position or in any position with another employer. For employees covered under the State Teachers’ Retirement/Pension systems, a return to work with MCPS in a contractual, substitute, or temporary position may result in an earnings limitation, unless your average final salary as calculated at retirement is $25,000 or less. Your earnings limit is printed on the *Notice of Retirement Allowance* that you receive from the MSRA upon retirement. If your compensation from employment after retirement exceeds your earnings limit, you will need to repay the difference or your benefit may be reduced. Prior to accepting work with MCPS, you must notify MSRA in writing of your anticipated earnings. Earnings limits do not apply if you have been retired for more than five years. With the exception of a January 1st retirement date, the five-year period begins on January 1st of the year following the year of retirement. If you retired early, the earnings limit applies to all participating employers for the first 12 months of retiring. After the first 12 months, the earnings limit applies only if you return to work for MCPS.

Maryland law requires that there must be a bonafide separation (at least a 45-day break) between the effective date of your retirement and the date you return to work with any employer that is a participating employer in the State Retirement and Pension System (SRPS). This rule applies even if you retired from an employer that withdrew from the SRPS. All units of the Maryland State government, including the University of Maryland System, are considered to be one employer under reemployment rules.

There are additional rules for employees who retire on disability. Please contact MSRA at 1-800-492-5909 or [www.sra.state.md.us](http://www.sra.state.md.us) for additional information.

**Will I receive a cost-of-living adjustment to my retirement benefit?**

A. Yes. The retirement benefit includes a provision for annual cost-of-living adjustments (COLA) that are equal to the change to the Consumer Price Index (CPI). If the CPI is positive, you will see a cost-of-living increase. If the CPI is negative, you will see zero cost-of-living adjustment. There will not be a negative cost-of-living adjustment. For more information about when you receive a COLA and how the COLA is calculated, please see “Cost-of-Living Adjustments” in this booklet.
How will I pay for my health insurance after I retire?

A. Your insurance premium will be deducted from your core retirement check. If your monthly insurance premium exceeds your retirement benefit, then you will be billed monthly for your premium and you will receive an invoice from the MCPS Division of the Controller. If the invoice is not paid within 30 days, your benefits will be subject to cancellation.

If I predecease my spouse after I retire, will he or she be covered for health insurance?

A. Your spouse may continue coverage after your death, provided that he or she is eligible under your plan at time of your retirement. Premiums will be deducted either from a continuing retirement benefit or the spouse will be billed monthly for premiums.

How and when can I apply for my benefits from Social Security?

A. Contact the Social Security Administration several months prior to your benefit commencement date at 1-800-772-1213. You may apply for benefits as early as age 62, and can request an estimate of your benefits from Social Security. Visit the Social Security website at www.ssa.gov to learn more about your Social Security benefits.

Is my retirement payment taxable?

A. Yes. To have taxes withheld, you will need to submit MCPS Form 281-50 Employee’s Retirement/Pension System Federal and Maryland State Withholding Request, and State Form 76 Federal and Maryland Tax Withholding Request Form. Please see the Retirement Forms Checklist in this booklet for further details. You will want to consult your tax advisor regarding the change of your status at retirement.
Can I be reimbursed by my flexible spending account for expenses incurred after I retire?

A. No. The flexible spending accounts cover expenses incurred while you are an active employee. You cannot be reimbursed for eligible expenses that occur on or after your retirement date. You may submit claims until the applicable deadline for any services rendered prior to your retirement date.

How and when can I apply for distribution of funds from defined contribution plans [403(b) and/or 457(b) accounts]?

A. Participants enrolled in a 403(b) plan may begin withdrawals at age 59 ½, even if still employed. IRS penalties will apply if you retire and make withdrawals before age 59 ½. There are exceptions. Consult www.irs.gov for further information. Participants in a 457(b) plan may begin withdrawals upon separation of service provided that they do not return to work for MCPS. If the 457(b) plan participants, postretirement, are re-employed by MCPS in any capacity, withdrawals are not permitted if they are under age 70 ½. 403(b) and/or 457(b) benefits are taxable in the year of withdrawal. To request your withdrawal if your vendor is Fidelity Investments, contact Fidelity at 1-800-343-0860. If you have questions about the withdrawal process with a vendor that previously participated in the MCPS plan, please contact that vendor directly. Contact information for previous vendors is available on www.NetBenefits.com/mcps.

Will I have access to my Outlook Account, ePaystub, or PenPoint (retirement benefit statements) after I retire?

A. No. You will not be able to access your Outlook account, ePaystub, or PenPoint (retirement benefit statements) after the effective date of your retirement. Therefore, your final payment for leave balances and wages will be a paper pay advice. You should save the electronic files for ePaystub and retirement benefit statements to your home computer or to a disk prior to your retirement. It is recommended that you save/print your final ePaystub of the previous calendar year, as this is an important document for your tax records.
Fidelity Investments is the sole administrative service provider for the 403(b)/457(b) plans for MCPS. You can log in at www.netbenefits.com/mcps to create an account and to make transactions. For assistance, telephone 1-800-343-0860.

Reminders

1. You may be eligible to roll over earned leave payments directly to your 403(b) or 457(b) account with Fidelity Investments. You can obtain Leave Payout Request forms by visiting the website at www.netbenefits.com/mcps under the Tools & Resources tab. Leave Payout forms may not be submitted unless your 403(b) and/or 457(b) account is open. You can set up your account on the website if you do not already have one.

2. It is important for retirees who have a 457(b) plan to understand the distribution rules and restrictions if considering a return to work for MCPS in any capacity. The IRS permits distributions by retired or terminated employees, regardless of age, or those over the age of 70 ½. However, once retirees accept a temporary position or makes themselves eligible to be a substitute teacher, their employment status changes from retired to employee and they are ineligible to take a distribution from a 457(b) plan, unless they are age 70 ½.

The 403(b) plan permits distributions at age 59 ½, regardless of employment status. IRS penalties will apply if you take distributions before age 59 ½. There are exceptions. Consult www.irs.gov for further information.

If you have MCPS 403(b)/457(b) accounts with a vendor that previously participated in the MCPS plan, visit www.netbenefits.com/mcps and click on the Tools & Resources tab for contact information.

As a plan participant, you are responsible for the review and selection of any and all investment options. You must review them carefully before making any investment decisions. Neither MCPS nor any of its employees has any liability or responsibility for investment options that you select.
Important Contact Information

Employee and Retiree Service Center
Montgomery County Public Schools
45 West Gude Drive, Suite 1200
Rockville, MD 20850

www.montgomeryschoolsmd.org/departments/ersc
E-mail: ERSC@mcpsmd.org
Phone: 301-517-8100

Aetna, Inc.
Large Case Pension, RS2A
151 Farmington Ave
Hartford, CT 06156
1-800-952-2700

Aetna DMO Dental Plan
1-800-843-3661
www.aetna.com

CareFirst BlueChoice HMO
1-800-545-6199
www.carefirst.com

CareFirst Preferred Dental (PPO)
In-network: 1-888-755-2657
www.carefirst.com/mcps

Caremark Prescription
1-800-378-7558
www.caremark.com

Cigna Open Access Plus In Network
Plans (HMO)
Cigna Open Access Plus Plans (POS)
1-855-213-3848
www.cigna.com

Davis Vision (provided through CareFirst)
1-800-783-5602
www.carefirst.com/mcps

Kaiser Permanente HMO and
Prescription Plans
1-800-777-7902
www.kp.org

Maryland State Retirement Agency
120 East Baltimore Street
Baltimore, MD 21202
1-800-492-5909
www.sra.state.md.us

Medicare
1-800-633-4227
www.medicare.gov

Voya Financial (Life Insurance)
1-888-253-9582 x4012985

MCPS Retirees Association
www.montgomeryschoolsmd.org/
departments/mcpsretirees

Social Security Administration
1-800-772-1213
www.ssa.gov
This document is available in an alternate format, upon request, under the
Americans with Disabilities Act of 1990, by contacting the Department of
Public Information and Web Services, at 850 Hungerford Drive, Room 112,
Rockville, MD 20850, or by telephone at 301-279-3391 or via the Maryland
Relay at 1-800-735-2258.

Individuals who request (need) sign language interpretation or cued speech
transliteration in communicating with Montgomery County Public Schools
(MCPS) may contact the Office of Interpreting Services in the Deaf and Hard
of Hearing Program at 301-517-5539 or 301-637-2958VP, or send an e-mail
message to interpreting_services@mcpsmd.org.

MCPS prohibits discrimination based on race, color, national origin, religion,
ancestry, gender, age, marital status, socioeconomic status, sexual orientation,
gender identity, physical characteristics, or disability. Students pursuing a
complaint of discrimination may contact Ms. Lori-Christina Webb, Executive
Director to the Chief Academic Officer, Carver Educational Services Center,
850 Hungerford Drive, Room 129, Rockville, Maryland 20850, 301-279-3128,
or the Student Leadership Office, 301-444-8620, for advice and assistance.