



2011 RETIREMENT BENEFIT STATEMENT

Questions and Answers

Q. How do I access my retirement benefit statement?

A. To access your retirement benefit statement, use your MCPS username and password to log in to [myMCPS](#). Scroll down to the “Online Retirement Statement” section on the right side of your screen. Click on the year you are interested in to access your statement of retirement benefits for that year. If you are accessing *myMCPS* from a computer outside MCPS, you must enter the domain name (ES, SEC, or MCPSMD) with a backslash in front of your MCPS username.

Example: ES\smithjon or SEC\robinsla, or mcpsmd\kleinric.

Please note: If you work at a school that underwent Tech Mod during summer 2011, your domain name has changed. You should now use MCPSMD as your domain name rather than ES or SEC. Example: mcpsmd\kleinric.

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 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.



Q. 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.

Q. How often will I receive future retirement benefit statements?

A. Retirement benefit statements are produced each fall with information updated through the previous fiscal year. Beginning with the 2009 statement and going forward, all yearly statements will remain available for viewing online and may be printed or saved as a file on your own computer. As future year statements are added, they will appear in the order from the most recent fiscal year to the oldest.

Q. Does my sick leave balance add additional credited service toward my retirement?

A. Yes, earned unused sick leave is automatically converted to additional service credit at the time of retirement. The additional credited service is calculated on your earned unused sick leave balance at the time of retirement. Additional credited service based on your current earned unused sick leave is not included in the credited service on your retirement benefit statement.

Q. How much do I contribute each year to the pension plan?

A. Effective July 1, 2011, your core plan contribution will increase from 5 percent to 7 percent of your salary. Therefore, pension plan members contribute 7.0 percent of scheduled annual pay to the core plan and 0.5 percent of pay to the supplemental plan for a total of 7.5 percent of salary. Contributions are paid on a pre-tax basis and are mandatory.

Q. Does MCPS contribute to my retirement plan?

A. Yes, 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. The MCPS contributions are significantly more than the required employee contributions.

Q. 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.



Q. Does the amount of my contributions affect my retirement benefit?

A. No. Although contributions are mandatory, your contribution balance does not affect the amount of your benefit at retirement. The MCPS Pension Plan is a defined benefit plan rather than a defined contribution plan.

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. Please note 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 retirement plan ceases.

Q. What is a vested benefit?

A. A vested benefit is a benefit paid at age 62, provided you have at least 5 years of eligibility service and resigned from employment with MCPS before you were eligible to retire.

Q. The status is listed as “non-vested” with a benefit amount of zero in the Vested Benefits section of my statement. What does this mean?

A. If your statement has a zero under Vested Benefits, you had not yet earned the required 5 years of eligibility service at the end of the fiscal year when the statements were prepared.

Q. What happens to my contributions if I resign from MCPS before I am vested?

A. If you are not vested and resign from MCPS, you will receive a refund of your employee contributions to the pension plan plus accrued interest. Refunds less than \$200 will be sent directly to you at your home address on file. Refunds greater than \$200 may be rolled over 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.



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 retirement benefit at age 62 or you may elect to receive a refund of your contributions plus interest or you may elect to rollover 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 option, you must request the refund in writing using the forms automatically sent to terminated employees. If you elect the refund or rollover option, you will not receive a monthly retirement benefit beginning at age 62.

Q. Why is my vested benefit amount 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 age 62 to begin collecting the vested benefit. Your early retirement benefit allows you to begin collecting your retirement benefit earlier, as early as age 55, if you have at least 15 years of eligibility service credit. However, an early retirement reduction or penalty reduces the amount of your benefit for your lifetime when you elect to retire early. The reduction is 6 percent of the benefit earned for each year you are early as measured from the normal retirement age of 62. As a result of these factors, your vested benefit amount payable at age 62 may be higher than your early retirement benefit paid at age 55.

Q. I selected beneficiaries for my pension plan, but do not see any beneficiary information. Does this mean there is no record of my beneficiary designations?

A. Beneficiary information is currently stored only on paper forms. In the future, beneficiary elections will be made in electronic format at which time beneficiary information will be added to your annual statement.

Q. How can I verify my current beneficiary designations?

A. Beneficiary information cannot be provided over the telephone or via e-mail due to privacy regulations. 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 will also 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).



Q. How can I update my beneficiary information?

A. Beneficiary designation forms are available online. Members of the MCPS Core and/or Supplemental Plan will need to submit:

MCPS Form 455-5: *Designation of Beneficiary/Beneficiaries.*

Members of the State Core Plan will also need to submit:

State Form 4: *Designation of Beneficiary.*

Once complete, forward MCPS Form 455-5 to ERSC, and State Form 4 to the State Retirement Agency.

Q. I have noticed there is a difference between the service credit on my State Personal Statement of Benefits and my MCPS statement. Is there something wrong?

A. For a variety of reasons, credited and/or eligibility service on your State statement may be different than shown on your MCPS statement since each system keeps its own independent records. You may have participated in the State plan while working for another jurisdiction or you may have received credit for purchase of prior service, periods of leave, or credit for military service in one plan, and not the other. Each plan will determine the correct benefit amount based upon the service record for the respective plan. If you believe either statement shows an incorrect amount of service, contact that plan in writing and provide details about service records that you believe are incorrect. Questions about your MCPS service record should be submitted in writing and sent to **ERSC**. Questions about your State service record must be sent in writing with a copy of your statement to the *Maryland State Retirement Agency, 120 East Baltimore Street, Baltimore, Md. 21202-6700.*

Q. My record does not include credited service for my time spent in military active duty. How can I receive credited service for that time and see it in the service balance shown on my retirement statement?

A. After 10 years of MCPS credited service, you may receive up to 5 years of credited service for periods of active duty military service if you are not receiving credit for the military service period in any other retirement or pension system. If you have qualifying military service, submit **MCPS Form 455-18: *Statement of Military Service Employee's Retirement or Pension System.*** If you are a member of the State Core Plan, you will also need to submit **State Form 43: *Notification of Military Service Entry.*** Military service credit must be established with separate forms for each plan. Return both completed forms to ERSC and include a copy of your military discharge papers that reflect your dates and types of service. Credited service for active duty military time is granted at no cost to you once approved. You will be notified once the service is granted, and your retirement benefit statement will show the additional credit in future years.



Q. How can I obtain additional information about the details of my MCPS Pension Plan?

A. Please refer to the detailed articles in [Understanding Your Retirement Statement](#) for explanations about your retirement benefit statement. Questions may also be directed to ERSC by calling 301-517-8100 or e-mailing us at ersc@mcpsmd.org.

Q. Will I be able to meet with a retirement specialist to discuss my retirement options?

A. Employees may attend a [Retirement Informational Session](#) hosted by the Employee and Retiree Service Center. Employees who participate in the Maryland State Teachers' Pension Plan may also contact the Maryland State Retirement Agency to schedule an appointment. ERSC is not able to offer individual counseling sessions.

Q. What other options do I have to save for my retirement?

A. In addition to your pension plan, you have the option to participate in a 403(b) and/or 457(b) tax-sheltered retirement savings plan. These plans provide an opportunity for employees to save for retirement with pre-tax dollars and defer taxation on income and earnings until withdrawal, providing an important supplement to your savings. MCPS does not provide matching funds or additional contributions to these accounts. [Learn more about 403\(b\) and 457\(b\) accounts.](#)

