



STATE RETIREMENT
and PENSION SYSTEM
of MARYLAND

Annual benefit statements to be issued in fall

A VALUABLE TOOL for retirement planning will be delivered to your home in September.



Your Personal Statement of Benefits (PSB) provides a detailed summary of your retirement account, listing your years and months worked, contributions made to the system and estimated retirement benefits as of June 30, 2007.

Active members of the State Retirement and Pension System (SRPS) receive a new PSB each fall.

Alternate Contributory Pension Selection Plan member contributions will increase in July 2007

BEGINNING WITH THE FIRST PAY PERIOD ending in July 2007, contributions for eligible members of the Employees' and Teachers' Pension System and bifurcated members of the Employees' and Teachers' Retirement System will increase to 4% of eligible salary. The contributions will be automatically deducted from your pay.

Only Pension System members who are currently contributing 3% of eligible salary will be subject to the 4% contribution effective this July.

WHY ARE MY CONTRIBUTIONS INCREASING?

Legislation enacted in 2006 created the Alternate Contributory Pension Selection Plan. This plan provides a **better** monthly retirement benefit.

In exchange for the enhanced pension benefit, eligible members are required to make increased employee contributions to the system.

The first such increase occurred on July 1, 2006, when employee contributions rose to 3% of annual salary. Contributions will increase to 4% effective July 1, 2007, and then increase to 5% starting July 1, 2008.

Most employers participate in the Employer Pick-up Program, which means that employee contributions reduce the taxable portion of members' salary for federal tax purposes.

WHAT IS THE ALTERNATE CONTRIBUTORY PENSION SELECTION PLAN FORMULA?

For members eligible for the Alternate Contributory Pension benefit, the retirement allowance will be calculated as follows. In this formula, AFC stands for Average Final Compensation.

AFC × .012 × Years of Service to June 30, 1998

Plus

AFC × .018 × Years of Service after June 30, 1998

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The State Retirement Agency
120 East Baltimore Street
Baltimore, MD 21202-6700
410-625-5555
1-800-492-5909
www.sra.state.md.us

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