

Retirement Plans Comparison Chart

Open to All Employees
(Mandatory for Non-Exempt Staff)

Open to Exempt Staff and Faculty ONLY

	Maryland State Retirement & Pension System (MSRPS)	Optional Retirement Plan (ORP) (Fidelity or TIAA).
Retirement elections are irrevocable and must be made upon commencement of employment		
BENEFIT DETERMINATION	Depending upon the pension system plan, benefits are calculated based on a formula which takes into account the employee's years of creditable service* and average final salary* and a multiplier (based on plan). Please see Pension Calculation Worksheet .	Benefits are based on account balance at the time of separation from service. Account balance consists of employer contributions and investment performance, minus expenses.
VESTING	Members hired before July 1, 2011: 5 years of eligibility service. * Members hired after 7/1/2011: 10 years of eligibility service.* Please contact HR if you are <u>transferring</u> to UMB from another USM institution or State agency.	Employee is vested 100% upon employment.
EMPLOYEE CONTRIBUTION	7% mandatory employee contribution. Employee can open a Supplemental Retirement Account (SRA) to contribute additional funds on a pre-taxed basis.	<u>Employer</u> contributes 7.25% of the employee's annual salary (up to the IRS Maximums) over 20 pay periods through TIAA or Fidelity . ORP contributions are employer only; however, the employee can open a Supplemental Retirement Account (SRA) to contribute additional funds on a pre-taxed basis.
ELIGIBILITY FOR RETIREMENT	Members hired before July 1, 2011: 30 years of service regardless of age, or age 62 with 5 years of eligibility service. Members hired after 7/1/2011: "Rule of 90" (Age + years of service must equal 90), or 65 years of age and 10 years of eligibility service*.	Five years of full time ORP service is required for retirement. There is no set retirement age. However, the employee may be subject to an IRS tax penalty for eligible periodic distributions (i.e. periodic payments or annuities) received before the age of 55.
EARLY RETIREMENT	Members hired before July 1, 2011: 55 with 15 years of eligibility service* – reduced 6% per year under the age of 62. Members hired after 7/1/2011: Age 60 with at least 15 years of eligibility service* – reduced 6% per year under the age of 65.	Upon retirement, the employee may be subject to an IRS tax penalty for eligible periodic distributions (i.e. periodic payments or annuities) received before the age of 55. Some distributions upon retirement could be subject to tax penalty before age 59 ½.
DISABILITY RETIREMENT	All members with a permanent disability are eligible to apply after 5 years of eligibility service*. Disability Retirement is subject to review and approval from State Retirement Agency & Medical review board.	No disability retirement provision. Employee may receive the full value of his/her current ORP account balance.
DEATH BENEFIT	Pre-retirement death benefits are available. Member's beneficiary will receive 1x the member's annual salary plus contributions AND interest to date.	The employee's beneficiary(ies) receives the account balance.
HOW BENEFITS ARE PAID	Member may select one of several payment options offered by the Pension System. Some options have survivor benefits.	Member arranges payment method with the investment vendor, i.e. TIAA or Fidelity .
SICK LEAVE	Unused sick leave may be credited toward retirement allowance. Please see Retirement Handbook for Unused Sick Leave Conversion Chart .	No credit for unused sick leave toward retirement allowance.

	Maryland State Retirement & Pension System <u>(MSRPS)</u>	Optional Retirement Plan (ORP) <u>(Fidelity or TIAA)</u> .
PORTABILITY	Benefits are transferable among certain governmental plans within the State of MD. Upon leaving employment with the State, member may withdraw accumulated employee contributions only (IRS tax penalty may apply). Member may transfer accumulated employee contributions to another pre-retirement plan without penalty (i.e. "Rollover"). Member may leave funds in the Pension to earn interest for up to 4 years.	Employee balance is transferable to a broad array of other employers' pre-retirement plans. Employee may withdraw employer contributions (IRS tax penalty may apply).
RE-EMPLOYMENT AFTER RETIREMENT	A 45-day break in service must occur before re-employment at any USM/State agency. Retiree must notify the Pension Agency in writing of their intent to work for another State agency.	UMB requires a 45-day break in service before re-employment.
EARNINGS LIMITATIONS	If re-employed at any State agency, the retiree's earning limitation is the difference between average final compensation (AFC) minus the annual retirement income. Example: $\begin{aligned} & \$50,000 \text{ (AFC)} - \$30,000 \text{ (annual ret. income)} \\ & \qquad \qquad \qquad = \\ & \qquad \qquad \qquad \$20,000 \text{ earning limitation} \end{aligned}$ If limit is exceeded, the retiree's monthly benefit may be reduced.	No limitation on earnings after retirement.
RETIREE HEALTH BENEFITS	<p>Members hired before July 1, 2011: Retirees <u>and</u> their dependents are eligible for health benefits with full State subsidy after 16 years of <i>creditable</i> service*.</p> <p>Retirees (and their dependents) with more than 5 years but less than 16 years, <u>may</u> be eligible for health benefits with a prorated State subsidy.</p> <p>Members hired after 7/1/2011: Retirees <u>and</u> their dependents are eligible for health benefits with full State subsidy after 25 years of <i>creditable</i> service*.</p> <p>Retirees (and their dependents) with more than 10 years but less than 25 years, <u>may</u> be eligible for health benefits with a prorated State subsidy.</p>	<p>Employees hired before July 1, 2011: retiree is eligible for health benefits with full State subsidy after 16 years of State employment.</p> <p>Retirees with more than 5 years but less than 16 years of ORP service may be eligible for a prorated portion of their health benefits upon <u>direct</u> retirement from USM service. In order to be considered a "direct retiree", employees MUST work with the UMB HR Benefits Office prior to their retirement to set up the appropriate distribution upon retirement.</p> <p>Dependents are eligible for the full State subsidy after the retiree has 25 full-time years of ORP/State employment.</p> <p>Employees hired on/after July 1, 2011: retiree is eligible for health benefits with full State subsidy after 25 years of State employment.</p> <p>Retirees with more than 10 years but less than 25 years of ORP service <u>may</u> be eligible for a prorated portion of their health benefits upon <u>direct</u> retirement from USM service. In order to be considered a "direct retiree", employees MUST work with the UMB HR Benefits Office prior to their retirement to set up the appropriate distribution upon retirement.</p> <p>Dependents are eligible for the full State subsidy after the retiree has 25 full-time years of ORP/State employment.</p>