


UMBC DEPARTMENT of HUMAN RESOURCES

Date: June 7, 2017
To: Payroll Preparers and Payroll Approvers
Cc: Department Heads
From: Zahira Meyers, Benefits Manager 
Subject: Retirement Selection Policy Changes

Effective July 1, 2017 Senate Bill 401 (section 271) will become effective and will significantly impact the way employees make retirement selections, specifically into the Optional Retirement Plan (ORP). It is very important that we work with your department(s) to communicate this information to new hires, potential candidates, and current employees. We are working diligently with the State of Maryland and USM to update our new hire communications with the updated legislation language.

Below is an outline of the changes referenced in Senate Bill 401 (section 271):

Employees Eligible for the ORP: Employees who have never been a member of the Maryland State Retirement and Pension System (MSRPS) may join the Optional Retirement Plan (ORP) if they are in an eligible position (Regular Exempt or Faculty). Any employee who has had prior MSRPS service will no longer be allowed to go into the ORP, regardless of position type.

New Hires: Retirement elections are irrevocable and must be made upon commencement of employment. New hires will **no longer** have one year after their hire date to elect the ORP. The following Retirement Comparison Chart can be distributed to new hires explaining their retirement options in detail: <https://umbc.box.com/retirementcomparisonchart>

Transfers: Employees who transfer to UMBC from another State Agency may only elect the retirement plan they were in prior to coming to UMBC. For example, an employee who worked for the State and was enrolled in the Pension, may only go into the Pension upon hire at UMBC.

In addition, employees who leave UMBC to go to another State Agency or State of Maryland Higher Education Institution (including the USM), may only elect the retirement plan they had at UMBC.

Reclassification/Promotion: Non-exempt employees who are reclassified to Exempt positions will no longer be given the option to switch to the ORP. Non-exempt employees enrolled in the Pension must stay in the Pension upon reclassification to an exempt and/or faculty position (if position changes to from Staff to Faculty, 'Employees' Pension' will change to the 'Teachers Pension').

Re-employment: Employees who leave State service and return to State service (regardless of the length in break) must re-enroll in the retirement plan they were in prior to leaving employment with the State.

Current Employees: This will have no impact on current employees who are enrolled in the Pension or ORP.

Employees who are currently enrolled in the Pension **and** are within their first year of employment (or reclassification to an ORP eligible position) must notify the HR Benefits Office by **Monday, June 26th** if they would like to switch to the ORP.

More information about these changes will be posted on the HR website. If you have any questions or need any additional information please contact Zahira Meyers at zmeyers@umbc.edu or Sara Shannon at shannon5@umbc.edu