

m ***Employee's Retirement System*****SCOPE**

The Employees' Retirement System (ERS) is a defined benefit plan that provides retirement, disability and death benefits for its members.

This summary is intended to describe the essential features of the Employees' Retirement System. Every effort has been made to make sure that the information contained in this summary is correct; however, in the case of any discrepancy, the provisions of the legal documents, policies and law (Article 22 of the Baltimore City Code) embodying the plan will govern.

MEMBERSHIP

Any person who is a regular and permanent employee of Baltimore City and who is employed in the general administrative service of the City is eligible for membership in the ERS.

EXCLUDED from the ERS are uniformed Fire Personnel and Police Officers, who become members of the Fire and Police Employees' Retirement System. Also excluded are elected officials who became members of the Elected Officials' Retirement System. Both the Fire and Police and Elected Officials' Systems are Baltimore City Retirement Systems. Baltimore City educational personnel, teachers and administrators become members of the Maryland State Retirement System.

ENROLLMENT

All eligible employees hired after July 1, 1979, become non-contributory Class C members of the Employees' Retirement System upon completion of one year of City employment. The employee will be notified by mail to visit the ERS to sign up for membership. The Retirement Systems office is open Monday through Friday, 8:30 a.m. to 12:30 p.m. and 1:30 p.m. to 4:30 p.m. for enrollment. If these hours are not convenient, the employee may set up an appointment by calling 443-984-3200.

To complete the enrollment process, the employee must furnish specific documents which will be returned to the employee at the conclusion of the interview.

1. The employee's birth certificate or birth registration notice or a certified photocopy of either,

AND WHERE APPLICABLE

2. A marriage license(s) or court order legally changing the employee's name, if the present name is different from the last name shown on the birth certificate,

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3. A certified photocopy of military separation papers (DD214 or equivalent),
4. A list of any prior service in Baltimore City, Maryland State or any of its subdivisions, or other non-federal government employment in Maryland.

As a part of the enrollment process, the employee will complete a Beneficiary Designation Form for any and all pre-retirement death benefits that may be payable by the Retirement System. By completing this confidential form, the employee will make certain that the Retirement System provided pre-retirement death benefits will be distributed to the person or persons named as beneficiaries.

If the employee does not enroll voluntarily in the Retirement System, the employee will be enrolled automatically as required by law. However, if the employee should die in active service, the employee's heirs may be denied or may experience costly delays in receiving certain death benefits because the Retirement System did not have the required beneficiary designation form.

There is also a separate beneficiary designation form for the union death benefits which are paid by the Employee Benefits Division of the Department of Personnel. This form does not establish or change the Retirement System beneficiary designation.

MEMBERSHIP CLASS

As a member of the ERS, the employee is eligible for service retirement, disability retirement and death benefits under specific legislated circumstances.

The eligibility requirements and level of benefits depend upon the employee's membership class.

There are three classes of ERS members:

Class A

Employees who were hired before July 1, 1979, and entered membership on or after January 1, 1954, or who elected, prior to April 1, 1954, to contribute at the higher Class A member rate. Any Class B member may elect to become a Class A member by bringing his/her accumulated contributions and interest up to what they would be if the member had elected Class A membership on January 1, 1954.

Class B

Employees as of January 1, 1954, who did not elect Class A membership.

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Class C

Employees, who were hired on or after July 1, 1979, or any Class A or B members who elected to transfer before June 30, 1991, to Class C.

MEMBER CONTRIBUTIONS

Class A and Class B members contribute at the rate of four (4) percent of earnable compensation to the ERS through payroll deduction. Contributions are not required upon attaining age 60 and completing 35 years of service.

Class C members do not contribute to the ERS.

MEMBERSHIP SERVICE CREDIT

Retirement System membership service credit is a major factor in determining the employee's eligibility for service retirement, disability retirement and death benefits. The employee's current membership service begins with the employee's most recent date of entry into the ERS. **THE EMPLOYEE'S MEMBERSHIP DOES NOT BEGIN WITH HIS/HER DATE OF EMPLOYMENT.**

For Example:

- For contributory Class A or B members hired before June 12, 1967, enrollment was mandatory six (6) months after the employee became a permanent City employee.
- For contributory Class A or B members hired after June 12, 1967, and before July 1, 1979, membership in the ERS was mandatory after two years of permanent employment. However, the employee had the option to join the ERS at any time prior to the two-year mandatory entry date.
- For non-contributory Class C members hired after June 30, 1979, membership in the ERS is automatic after one year of permanent employment. Employees hired after June 30, 1979 do not have the option to join the ERS before their first anniversary of employment.

Membership Service Credit can be made up of different types of service. The following is a summary of the types of service which can make up your total membership service credit. **Only the staff of the Employees' Retirement System can determine an employee's membership service credit.**

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Current service is accumulated starting with your entry date in the Retirement System. Entry date depends upon when your employment began and your membership class. For example, if you were hired before July 12, 1967, your membership in the ERS was mandatory after six (6) months of employment. If you were hired on or after July 12, 1967, and before July 1, 1979, your membership in the ERS was mandatory after two (2) years of employment. If you were hired after June 30, 1979, your membership was mandatory after one (1) year of employment.

Transferred Service

If you were a member of a Maryland State Retirement System and/or one of the Maryland County Systems and you transferred your employment to Baltimore City with no break in service, you can apply to transfer your prior service within one year of becoming a member of the ERS.

Purchased Service

Previous membership service: If you were a City employee and a member of the ERS prior to your current employment, you may be eligible to purchase your previous membership service.

Pre-Membership Employment: If you were not a member of the ERS when you first began working for the City, you can purchase regular and permanent City employment prior to entry in the ERS. For noncontributory Class C members, this would include the first year of employment.

Military Service

There are two types of military service for which you can receive membership service credit provided you are not receiving or will not receive benefits from any other retirement system because of your military service.

Military Service Prior to Employment

You may receive up to three (3) years of service credit if you were in the armed forces prior to employment with the City and provided certain eligibility requirements are met.

Classes A and B: Attain age 60 and acquire 10 or more years of service; or acquire 20 or more years of service,

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regardless of age.

Class C: Attain age 62 and acquire 10 or more years of

service; or acquire 20 or more years of service,

regardless of age.

Military Service Within Employment

You may receive up to five (5) years of service credit with proper documentation if you have a break in employment because of military duty (Example: Desert Storm). All within employment military service credit is subject to the provisions of the Veteran's Reemployment Rights Act of 1974 and the Uniformed Services Employment and Reemployment Rights Act of 1994.

SERVICE RETIREMENT BENEFIT

Upon termination from employment, a member is entitled to receive a service retirement benefit if the requirements for age and/or years of Retirement System membership service credit are met. The eligibility requirements depend on Membership Class:

Contributory Member - Classes A & B

Normal Retirement: Must have attained the age of 60 with a minimum of five (5) years of Retirement System membership service credit; or 30 years of Retirement System membership service credit, regardless of age.

Non-Contributory Member - Class C

Normal Retirement: Must have attained the age of 65 with a minimum of five (5) years of Retirement System membership service credit; or have 30 years of Retirement System membership service credit, regardless of age.

OR

Early Service Retirement: Must have attained age 55 with five (5) years or more years of Retirement System membership service credit, but less than 30 years of Retirement System membership service credit.

Reduced benefits if received prior to age 65.

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Benefits reduced 6.7% for each year, if you retire between the ages of 60 and 65.

Benefits reduced 3.3% for each year, if you retire between the ages of 55 and 60.

LAYOFF / JOB ABOLISHMENT

If the employee loses his/her job through no fault of the employee's own (if the employee is laid off or the employee's job is abolished), the employee may be eligible for a retirement benefit. It depends upon the number of years of Retirement System service credit the employee has.

Regardless of the employee's membership class, if the employee loses his/her job through no fault of the employee's own and has 20 years of Retirement System membership service credit, the employee is vested and will collect an immediate retirement benefit.

Regardless of the employee's membership class, if the employee loses his/her job through no fault of the employee's own and has five (5) years of Retirement System membership service credit, the employee is vested and may collect a deferred vested retirement benefits as follows:

Contributory Member - Classes A and B

The employee can begin collecting a retirement benefit at age 60.

Non-Contributory Member - Class C

The employee can begin collecting a reduced benefit as early as age 55 with five (5) or more years of membership service or the employee can begin collecting unreduced retirement benefits at age 65.

DEFERRED VESTED RETIREMENT BENEFIT

If the employee leaves City employment before retirement age, the employee may be eligible for a Deferred Vested Retirement Benefit. A deferred vested benefit is a benefit that the employee will be eligible to receive at a later date. In other words, while the employee is not eligible for an immediate benefit when the employee leaves City employment, the employee will be eligible to receive a benefit in the future.

BEFORE LEAVING CITY EMPLOYMENT, THE EMPLOYEE SHOULD VISIT THE RETIREMENT SYSTEM OFFICE TO BE SURE THE EMPLOYEE HAS CREDIT FOR ALL HIS/HER EMPLOYMENT WITH THE CITY OR STATE.

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The number of years of City service the employee needs to be eligible for a vested retirement benefit depends upon whether the employee is a contributory or non-contributory member.

Contributory Member-Classes A and B

As a contributory member, the employee needs 15 years of Retirement System membership service credit, and the employee must leave his/her contributions in the Retirement System. The employee can begin collecting his/her retirement benefit at age 60.

Non-contributory Member - Class C

As a non-contributory member, the employee needs 10 years of Retirement System membership service credit. The employee can begin collecting reduced retirement benefits as early as age 55. The employee can begin collecting unreduced retirement benefits at age 65.

PLEASE NOTE: Should the employee elect to defer receiving retirement benefits until age 65 and the former employee dies prior to receiving any benefit payments, no retirement benefits will be payable to the employee's beneficiary. The employee must begin receiving retirement benefits in order for the employee's beneficiary to be eligible for survivorship retirement benefits.

DISABILITY RETIREMENT BENEFITS

In the event that the employee becomes ill or disabled to the point that the employee cannot continue to work, the employee may be eligible for disability benefits.

If the employee has at least five (5) years of ERS membership service, the employee is eligible to apply for an ordinary, non-line of duty, disability benefit. If the employee is hurt on the job and is a member of the System, the employee is eligible to apply for an accidental, line of duty, disability benefit. The employee must file an application with the Retirement System, Room 640, City Hall. The employee's department cannot file this application for the employee.

The disability process can take approximately three (3) to six (6) months.

Because the disability process is long, it is very important that the employee file a disability application before the employee has used up all of the employee's paid leave. If the employee's leave time runs out before a disability application has been processed, the employee may temporarily lose his/her health and prescription coverage paid for by the City. The employee will, however, be eligible to personally pay for the continuance of the employee's health plan coverage until the employee begins receiving a disability benefit, if eligible.

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When the employee files a Retirement System disability application, the employee should also contact the Employee Benefits Division of the Department of Personnel to make arrangements for continuing his/her health plan coverage until the employee begins receiving a disability benefit, if eligible.

If the employee files an application for a disability benefit and later is able to return to work, the employee can withdraw his/her disability application with no penalty.

Below are listed the steps in the disability application process:

1. Visit the Retirement System's office and file an application for disability. An employee must personally file this application.
2. File the employee's doctor's report (Retirement Systems' Form 25) of disability.
3. Retirement System gathers all medical and other pertinent records regarding the employee's disability.
4. Retirement System schedules the employee for a medical examination and evaluation of the employee's disability by a physician representing the City.
5. Retirement System schedules a hearing of the employee's claim before a hearing examiner. The hearings are adversarial proceedings. The employee may have an attorney represent him/her at this hearing.
6. Hearing Examiner renders a decision.

For example: If an employee has been hurt on the job, the hearing examiner must determine that the employee is incapacitated for the performance of duty as the result of an injury in the line of duty and that the disability is likely to be permanent. Or, if an employee has a non-line of duty illness or disability, the employee must have at least five years of Retirement System membership service and a hearing examiner must determine that the employee is non-line of duty illness or disability, the employee must have at least five years of Retirement System membership service and a hearing examiner must determine that the employee is incapacitated for the performance of duty and that disability is likely to be permanent.

7. Retirement System notifies the employee and his/her department of the decision of the hearing examiner.

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8. If the hearing examiner denies the employee's claim, the employee is entitled to appeal the decision through the Circuit Court of Baltimore City. Likewise, if the City disagrees with the decision of the hearing examiner, the City may also appeal the decision through the Court. The appeal must be filed within 30 days after the employee receives the hearing examiner's decision.

9. If the hearing examiner finds the employee is eligible for disability benefits, the employee will be advised of the benefits payable under the various options that provide survivorship benefits. The employee must then select a benefit option so that the employee may be placed on the retirement payroll. (Disability payments may be reduced by any Workers' Compensation awards received).

Determinations of disability by the Workers' Compensation Commission or terminations of employment are completely separate from the Retirement System's disability process. The employee's eligibility for disability benefits from the Retirement System will be based solely on the evidence presented to the hearing examiner for the Retirement System.

DEATH BENEFITS

If the employee dies while an active employee of the City, the employee's beneficiary may be eligible for a death benefit.

The employee must have been a member of the Employees' Retirement System as of the date of the employee's death for at least one year for the employee's beneficiary to be eligible to receive a lump-sum payment equal to one-half (1/2) of the employee's annual salary.

If the employee is a Class A or Class B contributory member, the employee's beneficiary will also receive a refund of the employee's accumulated contributions and credited interest.

Or, if at the time of the employee's death, the employee was eligible (or would have been eligible within 90 days after death) for a normal service retirement, the employee's surviving spouse or parent, if eligible, may elect to receive a retirement allowance in-lieu of the lump-sum benefits mentioned above.

In the event of an accidental, job-related death, the employee's surviving spouse is eligible to receive a pension of 100% of the employee's current salary for life or until re-marriage, in which event the benefit continues to be paid until the employee's youngest child attains age 18 years (or 22 years if a full-time student). In the event there is no eligible spouse or eligible children, a dependent parent may be eligible to receive this accidental, job-related death benefit. The employee is covered by this accidental death benefit upon becoming a member of the Employees' Retirement System.

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If due to the employee's death, or to a disability resulting in the employee's death, an award of compensation from the Workers' Compensation Commission is paid, the amount of such award will be deducted from any death benefit amounts paid by the Employees' Retirement System.

In order to collect any retirement benefits that may be payable, the employee's beneficiary must call the Retirement System at 443-984-3200 to set up an appointment with a benefits analyst.

The employee's beneficiary will be advised by a benefits analyst as to what specific documents are needed to process the employee's death claim. All of the required papers must be received by the Retirement System before the employee's death benefit can be processed.

The following outlines the circumstances under which particular documents are required by the Retirement System for processing death claims.

FOR EVERY DEATH CLAIM, a certified death certificate and the deceased's birth certificate or birth registration certificate or a certified photocopy of either are required.

IF THE SPOUSE IS THE BENEFICIARY, a marriage license and the spouse's birth certificate or birth registration certificate or a certified photocopy of either are also required.

IF A MINOR CHILD (UNDER 18 YEARS OF AGE) IS THE BENEFICIARY, the child's birth certificate or a certified photocopy and Guardianship of Property Papers are also required.

IF THERE IS NO NAMED BENEFICIARY OR IF THE BENEFICIARY IS DECEASED, either letters of administration or small estate papers are also required.

RETIREMENT PROCESS

Before an employee makes any retirement decisions, the employee should make an appointment with a retirements benefits analyst (1) to verify membership service credit; (2) to confirm retirement eligibility; and (3) to get an estimate of retirement benefits.

When an employee is ready to retire, the employee should notify his appointing officer of his intention in writing.

The employee must file an application for retirement with the Employees' Retirement System, not more than 90 days and not less than 30 days prior to the employee's intended date of retirement. During the application process, the member must choose either the maximum benefit or one of the optional forms of benefits. Also, the member must designate a beneficiary to receive continuing benefits, if applicable, upon the death of the retired member. For health care

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benefits to continue to a retired employee's spouse, a biweekly benefit payment must be received by the spouse. Therefore, an employee may want to elect a retirement option that provides survivorship benefits to insure the availability of health care coverage. The following documents must be on file with the Retirement System for the retirement process to be completed.

1. Birth certificates or birth registration notice for the member and the member's spouse.
2. Marriage license(s) or certificates which documents name changes since birth for the member and spouse.
3. If not previously filed, military separation papers (form DD 214 or equivalent).
4. The employee's spouse's social security number and,
5. Birth certificates for all unmarried children, age 22 and younger.

For additional information, contact the Employees' Retirement System on 443-984-3200.

When retiring, the employee should also contact:

Employee Benefits Division of the Department of Personnel (410-396-5830) 30 to 40 days before retirement for information on continuance of the employee's health benefits. These benefits do not automatically transfer when the employee retires. The employee must sign up again for City health benefits.

Social Security at least 90 days before the employee's 62nd or 65th (or whatever other appropriate) birthday for information on benefit.

Central Payroll (410-396-3760) 30 to 45 days before retirement for assistance in determining final payroll check and payout for accumulated leave. Contact your agency personnel officer.

Municipal Employees Credit Union (410-752-8313) 30 days before retirement for information on continuing membership.

Deferred Compensation Program (877-223-2748 - Great West) at the Department of Personnel, at least four (4) years before retirement, whether or not the employee has been participating in the Deferred Compensation Program. Advice will be given which may help in future financial planning.

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RETIREMENT PLANNING

Even if the employee's plans are still indefinite, and retirement is a few years away, it would be worth the employee's while to take time to attend a Pre-Retirement Planning Seminar.

The sessions last two days and are given the third Tuesday and Wednesday of each month, except July and August, by the Commission on Aging and Retirement Education at 34 Market Place, Suite 300. Among the topics discussed are planning for a healthy retirement, using leisure time effectively, City retirement benefits, City health benefits, Social Security information, deferred compensation and legal considerations. The information presented will help to organize the employee's thinking about retirement. To register, call the Commission on Aging and Retirement Education at (410)-396-5780.

RELATED POLICIES

[AM-206-2](#) PRE-RETIREMENT SEMINAR