



MARYLAND STATE POLICE

PERSONNEL DIRECTIVE



Retirement Benefits - Troopers

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.01 Purpose

To give troopers information regarding the retirement benefits for members upon separation of service.

.02 Policy

All troopers will participate in the State Police Retirement System (SPRS) as a condition of employment.

.03 Definitions

AVERAGE FINAL COMPENSATION: the average of a troopers' base salary for the three years of employment during which the trooper's salary was highest.

BOARD OF TRUSTEES: a 14 member board of appointed and elected members, which establishes policy, oversees investments and represents the interests of all members of the State Retirement Agency of Maryland (SRA).

DEFERRED RETIREMENT OPTION PROGRAM (DROP): a program which allows qualified troopers to "retire" and receive retirement benefits in a DROP account while continuing to work. The trooper makes no contributions to SPRS after entering the DROP, he earns no additional service credit and there is no change in his average final compensation.

ELIGIBILITY SERVICE: service credits used to determine when a member qualifies to receive benefits.

NORMAL SERVICE RETIREMENT: a retirement that has no special circumstances such as disability; the monthly allowance for the retiree may not exceed 71.4% of the member's average final compensation.

QUALIFIED RETIRED LAW ENFORCEMENT OFFICER: as defined by 18 U.S.C. 926C (i.e., Law Enforcement Officer's Safety Act) is an individual who retired in good standing from service with a public agency as a law enforcement officer and has not been officially found by a qualified medical professional employed by the agency to be unqualified for reasons relating to mental health, or has not entered into an agreement with the agency from which the individual is separating in which that individual acknowledges he is not qualified under 18 U.S.C. 926C for reasons relating to mental health.

STATE POLICE RETIREMENT SYSTEM (SPRS): the retirement system to which all troopers and cadets belong; upon appointment, troopers and cadets complete an application for membership.

.04 References

18 U.S.C. 926C.

MD. CODE ANN., STATE PERS. & PENS. §24-101.

MD. CODE ANN., STATE PERS. & PENS. §37-101, *et seq.*

MD. CODE ANN., STATE PERS. & PENS. §38-101, *et seq.*

Maryland State Retirement & Pensions System (<http://sra.maryland.gov/>).

.05 CALEA Standards

LE: 22.2.2

TA: 4.2.3

CM: 3.2.3

.06 Procedures

A. Retirement System Membership

1. All troopers and cadets are members of the SPRS as a condition of employment.
2. The Superintendent is not required to participate in the SPRS and may choose to participate in the SPRS or the State Employees' & Teachers' Retirement System.

B. Eligibility for Retirement

1. A trooper may retire with a normal service retirement allowance at the age of 50, or if the trooper was a member of the SPRS:¹
 - a. on or before June 30, 2011, with at least 22 years of eligibility service, regardless of age; or
 - b. after June 30, 2011, with at least 25 years of eligibility service, regardless of age.
2. One year, but not less than six months, before the trooper's targeted retirement date, he should complete and submit a Form 10, SPRS Application for an Estimate of Service Retirement Allowance, to the Board of Trustees (Board).

C. Mandatory Retirement

1. All troopers, except the Superintendent, must retire no later than the first day of the month after the member turns 60 years old.
2. With the approval of the Board, the Superintendent may order a trooper who is at least 50 years old to retire on the first day of the following month following the Superintendent's order. Before approving the order, the Board will give the trooper:
 - a. at least 30 days' notice; and
 - b. an opportunity to be heard by the Board.

¹ LE: 22.2.2(a) TA: 4.2.3(a) CM: 3.2.3 (a)

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D. Contributions to the State Police Retirement System

1. A trooper will contribute to the SPRS at a rate of 8% of his base salary.
2. Interest will be paid on contributions at a rate of 4% each year, compounded annually, until retirement or withdrawal of the accumulated contributions.

E. Service Credit

1. Service credit is used to calculate a trooper's retirement allowance.
2. Troopers earn service credit for every month or every part of a month they work, provided they make a contribution to the SPRS.
3. Service credit is earned through eligibility service and unused sick leave.
4. Eligibility service can be earned through:
 - a. employment as a member of the SPRS;
 - b. the re-depositing of accumulated contributions that were previously withdrawn;
 - c. the transfer of service credit from another State retirement or pension system;
 - d. by receiving credit for up to five years of prior military service after being a member of SPRS for 10 years; and
 - e. purchase of up to 10 years of other eligible service time that was earned as a federal employee or an employee of an out-of-state political subdivision.

F. Normal Service Retirement Allowance

1. Qualifying troopers are entitled to receive a normal service retirement allowance that equals 2.55% of their average final compensation multiplied by each year of the trooper's years of service credit up to 28 years.
2. A trooper's normal service retirement allowance will not exceed 71.4% of his average final compensation.

G. Deferred Retirement Option Program (DROP)

1. The DROP allows a trooper to retire and begin receiving retirement benefits while continuing to work as a trooper.
2. Once in the DROP, the trooper no longer contributes to the SPRS.
3. When a trooper enters the DROP:
 - a. he does not earn additional service credit; and
 - b. there is no change in his average final compensation.
4. Retirement benefits will accumulate in a separate and restricted account earning tax-deferred interest until the trooper's resignation, when it will be paid to the trooper in a lump sum.

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5. A trooper who enters the DROP:
 - a. on or before June 30, 2011, will accrue interest on the DROP account at the rate of 6% per year, compounded monthly; or
 - b. after June 30, 2011, will accrue interest on the DROP account at the rate of 4% per year, compounded annually.
6. The trooper will begin receiving his monthly normal service retirement allowance once he terminates his participation in the DROP.
7. Except for the Superintendent, a trooper may participate in the DROP if he is under the age of 60, and if the trooper was a member of the SPRS:
 - a. on or before June 30, 2011, with at least 22 years and less than 28 years of eligibility service; or
 - b. after June 30, 2011, with at least 25 years and less than 29 years of eligibility service.
8. The Superintendent may participate in the DROP, regardless of age, if he was a member of the SPRS:
 - a. on or before June 30, 2011, with at least 22 years of eligibility service; or
 - b. after June 30, 2011, with at least 25 years of eligibility service.
9. An eligible trooper may choose to participate in the program for a period not to exceed the lesser of:
 - a. four years;
 - b. the difference between the trooper's maximum allowable years of eligibility service and the trooper's eligibility service as of the date of his election to participate in the program and retire from the SPRS;
 - c. the difference between age 60 and the member's age as of the date of his election to participate in the program and retire from the SPRS; or
 - d. a term selected by the trooper.
10. Application for the DROP
 - a. An eligible trooper will complete a Form 14-24, Application for Service or Disability Retirement – State Police, and a Form 756, Application for the Deferred Retirement Option Program – SPRS, and submit them to the Board.
 - b. A trooper's decision to participate in the DROP is irrevocable.
11. A DROP member's participation in the DROP will begin on the first day of the month following the approval of his Form 14-24, Form 756 and any other information required by the Board.
12. Participation in the DROP ends if the participating trooper:
 - a. resigns from the MSP in accordance with the binding letter of resignation included with his election form;
 - b. turns 60 years old, except for the Superintendent;
 - c. is terminated involuntarily from the MSP before the date specified on his election form;

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- d. shortens the time period for participation in the DROP by giving the MSP and the Board written notice of his intent to terminate employment; or
- e. accepts a special disability retirement allowance.

H. Survivor Benefits

- 1. When a retiree dies, the Board will pay 80% of the retiree's retirement allowance:
 - a. to the surviving spouse;
 - b. if there is no surviving spouse, to any children of the deceased retiree who are under 18 years of age; or
 - c. to the participants designated beneficiary.
- 2. If the Board pays an allowance to more than one child, the Board will divide the allowance among the children under the age of 18 years in a manner that provides for payments to continue until each child becomes 18 years old.

I. Retirement Credentials

- 1. Only troopers retiring in good standing will be eligible to receive a retirement identification card, retirement breast badge and/or retirement miniature badge.
- 2. A trooper is not in good standing if he:
 - a. retires or separates prior to the adjudication of any administrative charges; or
 - b. fails to return issued equipment.
- 3. It is the trooper's responsibility to ensure that all charges and/or related issues are resolved prior to separation from the MSP.
- 4. A trooper who voluntarily resigns from the MSP, regardless of his tenure, will not be eligible for retirement credentials.
- 5. The Law Enforcement Officer Safety Act (i.e., HR 218) applies to retired troopers who meet the statutory definition of a qualified retired law enforcement officer; a trooper who retires for mental health reasons will not be awarded retirement credentials.
- 6. If a trooper receives a medical retirement other than for mental health reasons, his Bureau Chief will make a recommendation to the Superintendent concerning the issuance of the retirement credentials.
- 7. Requests for retirement credentials will be submitted:
 - a. by the retiring trooper's commander;
 - b. no later than 30 days before the trooper's planned retirement date; and
 - c. through official channels, to the Superintendent, on a Form 120, Requisition, for review and approval.
- 8. Final approval for the issuance of retirement credentials rests with the Superintendent.

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J. Replacement of Retirement Credentials

1. Requests for replacement of lost, stolen or damaged retirement credentials will be submitted in writing to the Superintendent.
2. The report should include the circumstances surrounding lost or stolen credentials and supporting documentation.
3. The cost of replacing lost or stolen credentials will be the responsibility of the retired trooper.
4. Upon receipt of the damaged retirement credentials, new credentials will be issued and the replacement cost will be borne by the retired trooper.

Approved:

Colonel Marcus L. Brown
Superintendent 02/01/2014