

Retirement Programs at a Glance

	State Retirement and Pension System	Optional Retirement Program
Type of Program	Defined benefit plan provides a determinable benefit based upon your age, average final compensation and service.	Defined contribution plan provides a benefit based upon your accumulated account balance.
How Benefits are Determined	Benefits are calculated using a specific formula that takes into consideration your age, a fixed percentage of your years of creditable service, and your average final compensation.	Benefits are based on your ORP account accumulation, which consists of your employer's contributions, income, expenses and investment gains and losses.
Contributions	Your employer contributes a certain amount, which is determined annually by the state system's actuary. You must contribute 7% of your earnable compensation.	Your employer contributes a certain percentage of your earnable compensation each year to your ORP account. Currently, the contribution rate is 7.25% of earnable compensation.
Investment Management	The SRPS assets are invested by the Investment Division of the SRPS and external professional investment managers chosen by the SRPS Board of Trustees. You do not bear any personal investment risk.	You choose one of the investment vendors when you join the program. You may invest your account among your vendor's investment options. You bear all investment risk.
Normal Service Retirement Benefit	You are eligible when your eligibility service plus your age equal at least 90; or at age 65 with 10 years of eligibility service	Benefits may begin upon separation from employment. A federal penalty tax may apply.
Early Retirement Benefit	After age 60 with 15 or more years of eligibility service, benefit is reduced 1/2% each month by which your retirement date precedes age 65.	Benefits may begin upon separation from employment. A federal penalty tax may apply.
Disability	Ordinary disability: you must be permanently disabled from performing the normal duties of your position and have 5 or more years of eligibility service. Accidental disability: you must be permanently disabled from performing the normal duties of your position as the natural and proximate result of an on-duty accident without your willful negligence.	The ORP investment accounts do not include disability benefits. However, if you become disabled, you may receive the full value of your current ORP account balance.
Death Benefit	A pre-retirement death benefit is available. The benefit amount depends upon your age, eligibility service, accumulated member contributions and annual earnable compensation at time of death.	A pre-retirement death benefit is available. The benefit is your account balance - including all employer contributions and investment earnings - paid to your designated beneficiary or estate.
Vested Retirement Allowance	You are fully vested after completing 10 years of eligibility service. Benefit payment may commence at age 65 or reduced payments may commence as early as age 60 with 15 years of eligibility service.	You are immediately fully vested in your total account balance. Benefits may begin upon separation from employment. A federal penalty tax may apply.
How Benefits Are Paid	You may elect one of several payment options available.	You may elect one of several payment options available through your investment vendor.
Cost-of-Living Increases	Adjustment may be made each July 1. Cost-of-living adjustment has (i) a 2.5% compounded interest annual cap if the SRPS investment target is reached; or (ii) a 1% compounded interest annual cap if the SRPS investment target is not reached.	ORP benefits do not include an annual Cost-of-Living Adjustment.
Portability	SRPS service and the related benefits are transferable among certain governmental plans within the State of Maryland.	ORP accounts may be transferable to a broader array of other employers' retirement programs.