



2023

Public Safety Retirement Plan Seminar

(Participants in the Fire Service, Police Service and
Detention Officer and Deputy Sheriff Retirement Plans)

Sources of Income:

- Pension
- Social Security

When should you begin payments? When should your spouse?

www.ssa.gov

- Savings 457(b), 401(k), IRAs

When can you draw without penalty?

- Investments



Expenses:

- Health Care and Insurance
- Home, Rental, Auto Insurance
- Taxes
 - We do not withhold out-of-state income tax. Go to your state's comptroller/treasurer website to determine estimated tax on your pension.
- Living Expenses

Retirement Plan Provisions

- Plan is a Defined Benefit Plan
- Benefit amount is based on a formula
- Lifetime annuity for member
- Survivor benefits for spouse or minor children
 - *DODS reduced monthly benefit
- Disability Retirement benefits

Retirement Eligibility

- **20 years of service**, regardless of age (includes actual plan service, transferred service and D/L credit) OR
- **Age 50 with at least 5 years of actual plan service plus transferred service** (D/L does not count to reach 5 years eligibility)

Retirement Eligibility - Category 2 DODS employees

Normal Retirement (unreduced benefits):

- Age 50 with at least 5 years of service if hired before 7/1/2015
- Age 50 with at least 10 years of service if hired after 7/1/2015

Early Retirement (reduced benefits):

- Upon completion of 20 years of credited service (reduced number years < age 50)

Category II -CPS I, II, Criminal Program Supervisor, CFA, ACFA and Superintendent hired or promoted before October 28, 2020

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Retirement Calculation

2.5% x FABP x creditable service up to 20 years
+
2% x FABP x creditable service over 20 years
(not to exceed 10 years)

(FABP: Final Average Basic Pay)

Final Average Basic Pay

FABP is an average of your highest **three (3)** years annual basic pay during your entire employment with AACO as of the anniversary date of your date of termination.

However, if you had an involuntary salary reduction, then your FABP will be based on your last **five (5)** years only.

Maximum Pension Credit

- Benefit may not exceed 70% of your FABP except for additional credit for military service or accumulated disability leave. Military credit is always credited at the 2% rate.

Types of Service Credit

- Actual Plan Service
- Disability leave accrual (Counts towards 20.0 eligibility)
- Pre-plan military service
 - Max of 36 months
 - Submit DD-214 Member Copy-Honorable discharge
 - Fire and Police participants must have 20 years of actual plan service to attain credit in their retirement allowance calculation.

Transferred Service

- Fire and Police Plans-Transferred service:

HB 687: **does count** towards meeting 20.0 yrs eligibility service for 20 and out and for granting Military Credit.

BILL 72-00: does **NOT count** towards meeting 20.0 yrs eligibility service for 20 and out.

- * You CAN use D/L credit to get you to 20.0 yrs, then you would be eligible for your 72-00 xfer service.

This service credit does not count towards DROP eligibility

- DODS participants-Transferred service:

Title 37 Maryland Code: Former employer pension plan credit may be transferred provided certain provisions are met. Time counts towards vesting. Does not count toward DROP eligibility.

Disability Hours Credit Conversion Table

40/80 Hours			Months	84 Hours			MONTHS
# Of Hours		Decimal Equivalent		# Of Hours		Decimal Equivalent	
0	87	0.0000	0	0.0	91.4	0.0000	0
88	263	0.0833	1	92.40	277.10	0.0833	1
264	439	0.1667	2	278.10	461.90	0.1667	2
440	615	0.2500	3	462.90	646.70	0.2500	3
616	791	0.3333	4	647.70	831.50	0.3333	4
792	967	0.4167	5	832.50	1016.30	0.4167	5
968	1143	0.5000	6	1017.30	1201.10	0.5000	6
1144	1319	0.5833	7	1202.10	1385.90	0.5833	7
1320	1495	0.6667	8	1386.90	1570.70	0.6667	8
1496	1671	0.7500	9	1571.70	1755.50	0.7500	9
1672	1847	0.8333	10	1756.50	1940.30	0.8333	10
1848	2023	0.9167	11	1941.30	2125.10	0.9167	11
2024	2199	1.0000	12	2126.10	2309.90	1.0000	12
2200	2375	1.0833	13	2310.90	2494.70	1.0833	13
2376	2551	1.1667	14	2495.70	2679.50	1.1667	14
2552	2727	1.2500	15	2680.50	2864.30	1.2500	15
2728	2903	1.3333	16	2865.30	3049.10	1.3333	16
2904	3079	1.4167	17	3050.10	3233.90	1.4167	17
3080	3255	1.5000	18	3234.90	3418.70	1.5000	18
3256	3431	1.5833	19	3419.70	3603.50	1.5833	19
3432	3607	1.6667	20	3604.50	3788.30	1.6667	20
3608	3783	1.7500	21	3789.30	3973.10	1.7500	21
3784	3959	1.8333	22	3974.10	4157.90	1.8333	22
3960	4135	1.9167	23	4158.90	4342.70	1.9167	23
4136	4311	2.0000	24	4343.70		2.0000	24

NOTE: Even though this chart stops at 24 months - THERE IS NO LIMIT to the amount of disability leave credit a retiree can be granted.

Retirement Payment Options Fire and Police Plans

IF you are married at the time of your death, your spouse will receive **100%** of your monthly annuity. The spouse will continue to receive future COLA adjustments. Upon spouse's death, unmarried minor children will begin receiving benefits until the earlier of attaining age 18 or marriage.

Spouse will be eligible to continue the County health benefits and cover all eligible dependents.

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**Anne Arundel County
Police Service Retirement Plan**

ESTIMATE

Name	John A. Doe
Date of Birth	9/1/1969
Social Security Number	123-45-6789
Street Address	123 Main Street
City, State, Zip	Bowie, MD 20715
Marital Status	Married
Spouse Name	Jane Doe
Spouse SSN	987654321
Spouse Date of Birth	9/1/1970
Benefit Commencement Date	1/1/2021
Type of Benefit Calculation	Normal Retirement

Benefit Options	<u>Annual Benefit</u>	<u>Monthly Benefit</u>
Annuity Option 100% Joint & Survivor with 60 Month Certain and Continuous	\$63,300.00	\$5,275.00
Taxable Portions of Monthly Benefit (Ignore this tax split if in DROP)	<u>Taxable</u>	<u>Non-Taxable</u>
Annuity Option	\$5,272.56 37	\$2.44 49
COLAs	<u>Pre-2/1/1997</u>	<u>Post-2/1/1997</u>
Annuity Option	\$105.81	\$5,169.19

John A. Doe

DATE

*

Prepared By

DATE

Retirement Payment Options

DODS

Joint and Survivor Options

Under this option you may designate one joint annuitant, either a spouse or, if eligible, a child.

Upon your death, this person would receive 100%, 80%, 66 2/3% or 50% of your monthly income for their lifetime.

Your monthly amount would be reduced based on the election you choose at retirement.

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Retirement Payment Options

DODS

Joint and Survivor Pop-Up Options

If your joint annuitant predeceases you, your benefit "pops-up" (increases) to the amount of the unreduced Modified Cash Refund amount.

Under this option you may designate one joint annuitant, either a spouse or, if eligible, a child.

Upon your death, this person would receive 100%, 80%, 66 2/3% or 50% of your monthly income for their lifetime.

Your monthly amount would be reduced based on the election you choose at retirement.

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Anne Arundel County
Detention Officers' and Deputy Sheriffs' Retirement Plan

ESTIMATE

Name	John Q Doe
Date of Birth	2/7/1953
Social Security Number	000-00-1234
Street Address	123 Main Street
City, State, Zip	Pasadena, MD 21122
Marital Status	Married
Spouse Name	Jane Doe
Spouse SSN	000-00-4321
Spouse Date of Birth	5/4/1955
Benefit Commencement Date	9/1/2021
Type of Benefit Calculation	Service Retirement

Benefit Options	<u>Annual Benefit</u>	<u>Monthly Benefit</u>	<u>Survivor Benefit</u>	<u>Non-Taxable</u>
Modified Cash Refund Annuity	\$53,014.80	\$4,417.90		\$4.91
100% Joint & Survivor	\$43,323.72	\$3,610.31	\$3,610.31	\$3.97
80% Joint & Survivor	\$45,126.24	\$3,760.52	\$3,008.42	\$3.97
66 2/3 % Joint & Survivor	\$46,414.44	\$3,867.87	\$2,579.87	\$3.97
50% Joint & Survivor	\$48,126.84	\$4,010.57	\$2,005.29	\$3.97
100% Joint & Survivor Pop Up	\$42,581.52	\$3,548.46	\$3,548.46	\$3.97
80% Joint & Survivor Pop Up	\$44,325.72	\$3,693.81	\$2,955.05	\$3.97
66 2/3 % Joint & Survivor Pop Up	\$45,571.56	\$3,797.63	\$2,533.02	\$3.97
50% Joint & Survivor Pop Up	\$47,225.84	\$3,935.47	\$1,967.74	\$3.97

COLAs	<u>Pre-2/1/1997</u>	<u>Post-2/1/1997</u>
FULL PRE/POST on MCR Annuity Only: (Print Optional Forms for J&S Options)	\$536.83	\$3,881.07

Participant

Date

Prepared by

Date

Retirement Payment Options

All Plans

Five Year Certain and Continuous

If you are not married and have no minor, unmarried children at the time of your death; if you should die before receiving 60 monthly payments, benefits will continue to be paid to your designated beneficiary or estate until a total of 60 payments have been made.

Cost of Living Adjustments Fire and Police Plans

Benefit adjustments due to COLA's occur on July 1 of each year. There are two different COLA's: one is applied to benefits earned (accrued) prior to February 1, 1997; the other is applied to benefits earned after January 31, 1997.

Pre 2-1-97 Benefit: 4% cap, compounded

- Must be retired on or before March 1st
- First COLA will be prorated based on when you retire

Post 2-1-97 Benefit: 60% of CPI up to 2.5% cap, compounded

- To be eligible for first COLA, you must be
- * retired as of January 1st

Cost of Living Adjustments

DODS

Benefit adjustments due to COLA's occur on July 1 of each year. There are two different COLA's: one is applied to benefits earned (accrued) prior to February 1, 1997; the other is applied to benefits earned after January 31, 1997.

Pre 2-1-97 Benefit: 4% cap, compounded

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Post 2-1-97 Benefit: 60% of CPI up to 2.5% cap, compounded

- To be eligible for first COLA, you must be
- * retired as of January 1st

Deferred Retirement Option Program

Understanding DROP Benefit

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What is DROP?

DROP is a voluntary program that provides an alternative way for you to earn and receive a portion of your retirement benefits

A monthly retirement benefit is paid into a DROP account while you are an active employee for up to 6 years.

- 4.25% annual interest yield will be compounded monthly on your DROP account.
- Pension contributions stop after DROP entry.
- For DODS 4th, 5th and 6th years are subject to Appointing Authority approval.
- Fire 6th year approval needed for Division Chief, Deputy Chief, Asst. Chief, or Chief.
- * ■ Police 6th year approval needed for Captain, Major, Deputy Chief, or Chief.

What is the DROP Lump Sum account?

- The DROP Lump Sum account is the “account” established to record the DROP benefits for each DROP participant.
- An amount equal to the monthly retirement benefit, calculated at the time you entered DROP, plus applicable COLA’s, will be “credited” to your DROP Lump Sum “account”.
- A Final Lump Sum account worksheet will be provided at the time of retirement.

Anne Arundel County Police Service Retirement Plan

DROP Calculation Sheet ESTIMATE Only

John A. Doe (123-45-6789)

- (1) Effective Date of DROP **1/1/2021** must be the first of a month
 (2) Years of Actual County Service at start of DROP **24.0000**
 (3) Age last birthday at start of DROP **51**
 (4) Eligible for DROP? **Yes**

(5) COLA Increases:

	Pre-2/1/1997	Post 2/1/1997	
COLA for 7/1/ 2021	0.00%	0.00%	For illustration only
COLA for 7/1/ 2022	0.00%	0.00%	For illustration only
COLA for 7/1/ 2023	0.00%	0.00%	For illustration only
COLA for 7/1/ 2024	0.00%	0.00%	For illustration only
COLA for 7/1/ 2025	0.00%	0.00%	For illustration only
COLA for 7/1/ 2026	0.00%	0.00%	For illustration only

Month	Month Beginning	Pre 2/97 Annuity	Post 2/97 Annuity	DROP Annuity	Pre 2/97 COLA	Post 2/98 COLA
1	1/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00		
2	2/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
3	3/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
4	4/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
5	5/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
6	6/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
7	7/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
8	8/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
9	9/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
10	10/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
11	11/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
12	12/1/2021	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
13	1/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
14	2/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
15	3/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
16	4/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
17	5/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
18	6/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
19	7/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
20	8/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
21	9/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
22	10/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
23	11/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
24	12/1/2022	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
25	1/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
26	2/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
27	3/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
28	4/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
29	5/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
30	6/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
31	7/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
32	8/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
33	9/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
34	10/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
35	11/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
36	12/1/2023	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%

Month Beginning	DROP Deposit	Interest	Value at End of Month
1/1/2021	\$ 5,275.00	\$ 18.33	\$ 5,293.33
2/1/2021	\$ 5,275.00	\$ 36.72	\$ 10,605.05
3/1/2021	\$ 5,275.00	\$ 55.18	\$ 15,935.22
4/1/2021	\$ 5,275.00	\$ 73.69	\$ 21,283.92
5/1/2021	\$ 5,275.00	\$ 92.28	\$ 26,651.20
6/1/2021	\$ 5,275.00	\$ 110.93	\$ 32,037.12
7/1/2021	\$ 5,275.00	\$ 129.64	\$ 37,441.76
8/1/2021	\$ 5,275.00	\$ 148.42	\$ 42,865.18
9/1/2021	\$ 5,275.00	\$ 167.26	\$ 48,307.45
10/1/2021	\$ 5,275.00	\$ 186.17	\$ 53,768.62
11/1/2021	\$ 5,275.00	\$ 205.15	\$ 59,248.77
12/1/2021	\$ 5,275.00	\$ 224.19	\$ 64,747.95
1/1/2022	\$ 5,275.00	\$ 243.29	\$ 70,266.25
2/1/2022	\$ 5,275.00	\$ 262.47	\$ 75,803.71
3/1/2022	\$ 5,275.00	\$ 281.71	\$ 81,360.42
4/1/2022	\$ 5,275.00	\$ 301.01	\$ 86,936.44
5/1/2022	\$ 5,275.00	\$ 320.39	\$ 92,531.82
6/1/2022	\$ 5,275.00	\$ 339.83	\$ 98,146.65
7/1/2022	\$ 5,275.00	\$ 359.34	\$ 103,780.99
8/1/2022	\$ 5,275.00	\$ 378.91	\$ 109,434.91
9/1/2022	\$ 5,275.00	\$ 398.56	\$ 115,108.47
10/1/2022	\$ 5,275.00	\$ 418.27	\$ 120,801.74
11/1/2022	\$ 5,275.00	\$ 438.05	\$ 126,514.79
12/1/2022	\$ 5,275.00	\$ 457.90	\$ 132,247.69
1/1/2023	\$ 5,275.00	\$ 477.82	\$ 138,000.52
2/1/2023	\$ 5,275.00	\$ 497.81	\$ 143,773.33
3/1/2023	\$ 5,275.00	\$ 517.87	\$ 149,566.19
4/1/2023	\$ 5,275.00	\$ 537.99	\$ 155,379.19
5/1/2023	\$ 5,275.00	\$ 558.19	\$ 161,212.38
6/1/2023	\$ 5,275.00	\$ 578.46	\$ 167,065.84
7/1/2023	\$ 5,275.00	\$ 598.80	\$ 172,939.64
8/1/2023	\$ 5,275.00	\$ 619.21	\$ 178,833.84
9/1/2023	\$ 5,275.00	\$ 639.69	\$ 184,748.53
10/1/2023	\$ 5,275.00	\$ 660.24	\$ 190,683.76
11/1/2023	\$ 5,275.00	\$ 680.86	\$ 196,639.62
12/1/2023	\$ 5,275.00	\$ 701.55	\$ 202,616.17

Requires election to continue beyond above date.

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DROP Calculation Sheet For Plan Administrator Use Only

(Note: Only input required on this sheet is for COLAs effective during DROP period. Also requires change if 4.25% interest rate changed.)

John A. Doe (123-45-6789)

Month	Month Beginning	Pre 2/97 Annuity	Post 2/97 Annuity	DROP Annuity	Pre 2/97 COLA	Post 2/98 COLA
37	1/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
38	2/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
39	3/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
40	4/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
41	5/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
42	6/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
43	7/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
44	8/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
45	9/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
46	10/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
47	11/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
48	12/1/2024	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
49	1/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
50	2/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
51	3/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
52	4/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
53	5/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
54	6/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
55	7/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
56	8/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
57	9/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
58	10/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
59	11/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
60	12/1/2025	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
61	1/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
62	2/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
63	3/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
64	4/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
65	5/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
66	6/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
67	7/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
68	8/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
69	9/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
70	10/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
71	11/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%
72	12/1/2026	\$ 105.81	\$ 5,169.19	\$ 5,275.00	0.00%	0.00%

Month Beginning	DROP Deposit	Interest	DROP Account Value at End of Month
1/1/2024	\$ 5,275.00	\$ 722.32	\$ 208,613.49
2/1/2024	\$ 5,275.00	\$ 743.15	\$ 214,631.64
3/1/2024	\$ 5,275.00	\$ 764.06	\$ 220,670.71
4/1/2024	\$ 5,275.00	\$ 785.05	\$ 226,730.76
5/1/2024	\$ 5,275.00	\$ 806.10	\$ 232,811.86
6/1/2024	\$ 5,275.00	\$ 827.23	\$ 238,914.09
7/1/2024	\$ 5,275.00	\$ 848.43	\$ 245,037.52
8/1/2024	\$ 5,275.00	\$ 869.71	\$ 251,182.23
9/1/2024	\$ 5,275.00	\$ 891.06	\$ 257,348.29
10/1/2024	\$ 5,275.00	\$ 912.48	\$ 263,535.78
11/1/2024	\$ 5,275.00	\$ 933.98	\$ 269,744.76
12/1/2024	\$ 5,275.00	\$ 955.55	\$ 275,975.31
Requires election to continue beyond above date.			
1/1/2025	\$ 5,275.00	\$ 977.20	\$ 282,227.52
2/1/2025	\$ 5,275.00	\$ 998.93	\$ 288,501.44
3/1/2025	\$ 5,275.00	\$ 1,020.72	\$ 294,797.17
4/1/2025	\$ 5,275.00	\$ 1,042.60	\$ 301,114.77
5/1/2025	\$ 5,275.00	\$ 1,064.55	\$ 307,454.32
6/1/2025	\$ 5,275.00	\$ 1,086.58	\$ 313,815.89
7/1/2025	\$ 5,275.00	\$ 1,108.68	\$ 320,199.57
8/1/2025	\$ 5,275.00	\$ 1,130.86	\$ 326,605.43
9/1/2025	\$ 5,275.00	\$ 1,153.12	\$ 333,033.55
10/1/2025	\$ 5,275.00	\$ 1,175.45	\$ 339,484.00
11/1/2025	\$ 5,275.00	\$ 1,197.86	\$ 345,956.86
12/1/2025	\$ 5,275.00	\$ 1,220.35	\$ 352,452.22
Requires election to continue beyond above date.			
1/1/2026	\$ 5,275.00	\$ 1,242.92	\$ 358,970.14
2/1/2026	\$ 5,275.00	\$ 1,265.57	\$ 365,510.71
3/1/2026	\$ 5,275.00	\$ 1,288.29	\$ 372,074.00
4/1/2026	\$ 5,275.00	\$ 1,311.10	\$ 378,660.10
5/1/2026	\$ 5,275.00	\$ 1,333.98	\$ 385,269.08
6/1/2026	\$ 5,275.00	\$ 1,356.94	\$ 391,901.02
7/1/2026	\$ 5,275.00	\$ 1,379.99	\$ 398,556.01
8/1/2026	\$ 5,275.00	\$ 1,403.11	\$ 405,234.12
9/1/2026	\$ 5,275.00	\$ 1,426.31	\$ 411,935.43
10/1/2026	\$ 5,275.00	\$ 1,449.60	\$ 418,660.02
11/1/2026	\$ 5,275.00	\$ 1,472.96	\$ 425,407.98
12/1/2026	\$ 5,275.00	\$ 1,496.41	\$ 432,179.39

DROP Eligibility

- Must have 20 years of **Actual Plan Service** as of the DROP election date selected
 - Disability leave, military or transferred service is not used.
- Must submit the application not earlier than 90 days and not less than 30 days prior to your DROP election date
- If you decide to not enter DROP you must rescind your application two weeks (14 days) prior to the DROP date selected
- If you rescind timely you will still be eligible to apply at a later date

DROP Early Exit

If you exit DROP *for any reason* before the end of the initial three years, the Lump Sum would be forfeited and an actuarial reduction would be applied to your pension for missed pension contributions during your DROP participation period, plus interest if your employment continues after your DROP exit.

If you exit DROP after the end of the initial three years, but before the end of a renewal year, you would keep the Lump Sum for all full years completed in DROP and your pension would not be subject to an actuarial reduction.

*

Disability During DROP

If you exit DROP due to a disability, your disability pension will be calculated using the service/salary accrued/earned while in DROP and you will take an actuarial offset in monthly income for missed contributions. You will also forfeit any DROP lump-sum accumulated (even if you have completed three full years).

Death During DROP

DROP Lump Sum as of the date of death is paid to the beneficiary regardless of Active or Non-Duty Death.

Active Duty Death: Pension will be calculated using service/salary accrued/earned while in DROP and your surviving spouse will take an actuarial offset in monthly income for your missed contributions.

Non-Duty Related Death: Pension will not be calculated using service/salary while in DROP. DROP pension will be adjusted for COLAs. No actuarial offset in surviving spouse benefit.

Things to Consider When Deciding

- QDRO: DROP funds are subject to marital division to former spouse(s)
- You may choose to withdrawal from the Program at any time during your initial three year period. However, you will be ineligible to participate in the Program in the future and will have **benefit offset for missed contributions**
- Must exit the program after 6th year
 - Will you be prepared financially?
 - Will you be prepared mentally?

*

What will a DROP participant receive at the end of their DROP period?

- A participant will begin to receive the monthly retirement benefit that was calculated at the time they entered **DROP**, adjusted for any changes in the Disability Leave balance and applicable COLA's.
- The participant's **DROP** Lump Sum

DISABILITY LEAVE CALCULATION

Disability Leave balance when you entered DROP is compared with the Disability Leave balance when you exit DROP.

- **If balance is:**
 - SAME: No Change to monthly pension**
 - LESS: Lower monthly pension**
 - GREATER: Higher monthly pension**
- Changes to your D/L balance DO NOT change your DROP Lump Sum benefit amount.

Is DROP taxable?

- An amount equal to any Post-Tax contributions the participant made to the plan, if any, will result in a portion of the participant's DR
- The remaining amount in the DR
- Participants should consult with their attorney, tax professional or financial planner prior to the distribution of these funds.

DROP LUMP SUM

- The participant must elect how they will receive their DROP Lump Sum account balance. You can:
- Elect Lump Sum paid to you: 20% Federal & 7.75% State taxes are withheld at payment. IRS imposes a 10% tax penalty if the separation date from DROP service occurred before the calendar year in which Participant attains age 50 for Fire personnel and sworn officers, age 59 1/2 for Detention Officers and Category II
- Elect Lump Sum rollover to an IRA or eligible qualified plan (avoiding taxes and penalties)
- Elect a partial Lump Sum, the balance rolled over to IRA or eligible tax-deferred qualified plan. Post-Tax amount paid to you; Pre-Tax amount rolled over

Note that the AACO 457(b) Plan is the ONLY rollover option which would allow subsequent DROP distributions before 59 1/2 without a 10% tax penalty for Fire personnel and sworn officers

REMEMBER

YOUR DROP ACCOUNT

STOPS

EARNING INTEREST

AS OF THE DATE YOU EXIT DROP

*

T. Rowe Price

Entering DROP is a great time to increase your contribution to the Anne Arundel County 457(b) Deferred Compensation Plan

FINAL STAGE COMPLETING THE RETIREMENT PROCESS

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What do I do?

- Schedule a counseling session 4-8 weeks prior to your retirement date
- Review the final figures and paperwork sent to you by the analyst (Analyst will send paperwork 60 days prior to DROP exit date to DROP participants)
- Decide what you intend to do with the DROP lump-sum
- Notify your employer at least 2 weeks prior to retirement
- Locate copies of your marriage certificate (if applicable) as well as proof of birth for both you and your spouse. Birth certificates are required for all dependents covered on your retiree insurance.

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Reemployment After Retirement

County policy requires that a retiree be removed from the County payroll for at least 30 days before being reemployed. No offer of re-employment should be discussed by you and your employer prior to retirement.

NOTE: Distributions from your 457(b) T. Rowe Price account are not permitted during your period of reemployment. You are permitted to resume deferrals into that Plan.

*

Reemployment After Retirement

Reemployment with an Anne Arundel County Pension System participating employer:

If you are reemployed with the County after you retire your retirement benefit will be offset

\$1.00 for every \$2.00

you earn as a rehired retired employee.



*

Exceptions to Reemployment Offset

- Rehired with the County in a contractual agreement to work 1500 hours or less per Calendar Year;
- Rehired with the County in a grant funded position regardless of hours;
- Rehired with the County with the Office of the State's Attorney or the Office of the Sheriff in a position that requires the employee to be certified as a Police Officer by the Police Training Commission. Note: Retiree must have been certified as a Police Officer by the PTC at the time the employee retired.

NOTE: Certain employees who retired from certain exempt positions may still incur an offset.

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IAFF/Battalion Chief DROP Retirees- Reemployment

DROP Participants who were represented by IAFF and Battalion Chiefs upon retirement from DROP are subject to an offset in their pension regardless of the employment accepted with a participating County employer.

There are currently no reemployment offset exceptions at this time.

Reemployment After Retirement

OTHER THAN Anne Arundel County Government:

NO RESTRICTIONS

If you elected a normal or early service retirement and accept employment with the private sector or with a non-participating employer.

*

Pension Team

Supervisor: Kelly Lovett

Analyst: Lynn Daitch

Assistant: Wendy Graulich

Assistant: Kellie Reilly

Email: pension_team@aacounty.org

Phone: 410-222-7595



The Anne Arundel County
Deferred Compensation Plan



IT'S A
SNAP!

NEW!

We now offer a ROTH option in the 457(b) Deferred Compensation plan.

This will allow you to contribute to your 457 account after tax and pay no taxes on qualifying distributions when the money is withdrawn.

There is a minimum of 5 years from the first Roth contribution and age 59 1/2 to get the tax savings.

*



The Anne Arundel County
Deferred Compensation Plan

IT'S A
SNAP!

- Administered through T. Rowe Price
- Allows for additional savings on a pre-tax or post-tax basis
- Offers various investment options
 - Retirement Funds
- Deferrals may be changed at any time
- Deferrals may be stopped at any time
- Enroll at any time

*



The Anne Arundel County
Deferred Compensation Plan

IT'S A
SNAP!

- Lesser of 100% of eligible compensation or IRS Limitation
- Contribution Limit 2023: \$22,500
- Over 50 Catch-up 2023: \$7,500 (\$30,000 total)
 - Roth only for income above \$145,000 starting 1/1/2024
- 457 Special Catch-up:
 - 2 x allowable limit (\$45,000) in the 3 consecutive calendar years prior to year of normal retirement age.
 - not required to retire after participating.
- Final balances for Annual Leave, Disability Leave, Comp hours (except executive CT) are all eligible to be deferred into your Plan account



The Anne Arundel County
Deferred Compensation Plan

IT'S A
SNAP!

In-Service Distributions Limited to:

- Loans
- Unforeseeable Emergency
- New! In-service distributions at age 59 ½
- Qualified Birth or Adoption Distributions

After-Retirement Distributions:

- Assets are immediately available to the participant upon retirement.
- No decision or action required at retirement
- Distributions mandatory starting at age 72 (new)
- Taxed as ordinary income at distribution

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The Anne Arundel County
Deferred Compensation Plan

IT'S A
SNAP!

Distribution Options:

- Do Nothing
- Lump Sum
- Partial Lump Sum
- Installment payments
- Fixed payment amount over period of X years
- Rollover to an eligible retirement plan.





The Anne Arundel County
Deferred Compensation Plan

→ ITSA
SNAP!

Loans after Retirement

If you have an existing loan balance at the time you separate from employment you may:

- Contact TRP and arrange to make manual monthly payments on the existing balance
- Contact TRP and request the total payoff amount and pay in full
- Cure Period: the period of time allowed by the County following a missed payment before a loan is considered in default. **Our cure period is the end of the calendar quarter following missed contributions, not less than 90 days.** Interest still accrues on the balance during the cure period.
- Once the cure period ends, if the participant has not made arrangements to pay off the loan or pay monthly payments, the County will instruct TRP to do a Plan Loan Offset.
- A Plan Loan Offset is the reduction of the Plan's total assets by the outstanding loan amount. The loan amount ceases to exist and the participant's loan balance is reduced to \$0. This is considered a "distribution". In January of the following year of this offset the participant will receive a 1099-R tax form.
It will be a taxable event.

Pension Team

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