

## NOVEMBER LT 2011

### NOVEMBER 2011 RETIREES

Best wishes to Shahriar Etemadi on his retirement from the Commission effective November 1, 2011. Congratulations and enjoy your retirement!

### DECEMBER BOT MEETING



The next ERS **Board of Trustees meeting** is scheduled for **December 6, 2011, 10 a.m., in the ERS/Merit Board Conference Room**. For more information, please contact the Retirement Office at 301-454-1415.

### ERS MEMBERS' ANNUAL STATEMENTS – WHAT YOU NEED TO KNOW

The 2011 ERS Annual Statements will soon be mailed to members. The statement includes information about your retirement benefits and credited service as of June 30, 2011. Be sure to carefully review your statement and save it for your records.

The Annual Statement will provide your account balance as of June 30, 2011. You make bi-weekly contributions to the ERS based on the contribution percentage specified in your plan. These contributions and interest at 4.5% per year make up your account balance. Although your benefit does not consider your contributions in the formula, your account balance is usually paid back to you, by way of your monthly retirement benefits, within the first three years of your retirement.

If you are an active or vested member your Annual Statement will include an estimate of benefits at your normal retirement date. The estimate is based on projections of your normal retirement date and credited service, and a conservative calculation of your High-3 Average using salary data through June 30, 2011. Any salary adjustments effective July 1, 2011 and beyond are not factored into your estimate.

Total credited service is also reflected on your Annual Statement. Credited service may include employment while a participant in the ERS, in another governmental plan, or in the uniformed services of the U.S.; credit awarded while on long-term disability; or credit for unused sick leave. However, any adjustments made to your credited service after June 30, 2011 will not be reflected on the 2011 Annual Statement.

The following information may be helpful to know when reviewing your statement:

#### ***Terminology:***

- *High-3 Average* - your highest average base pay over any three consecutive years of credited service. Generally, the final three years of service include the highest pay, but pay from an earlier three-year period can be used if it is higher.
- *Credited Service* – the total period of years and months of completed service as credited under the terms and conditions of the ERS.

- *Normal Retirement Date* – the date a member may retire with full benefits. Eligibility requirements will vary by Plan.
- *Step-down Date* - the date when a Plan B participant is eligible to receive full Social Security retirement benefits, at which time the monthly annuity from the ERS is reduced. The annuity for Plan B participants is integrated with Social Security retirement benefits. Many defined benefit plans integrate Social Security to determine plan benefits.

***Frequently Asked Questions:***

- Q.* I should have more credited service than what is on my statement. Why is there missing service?
- A.* Participants who had periods of leave without pay (LWOP) may have less credited service due to missing contributions. Long-term disability (LTD) participants may have less credited service due to pending certification from the Health and Benefits Department, or because they have reached their normal retirement date and are no longer eligible for free credited service. Some members may have understated credited service because their transfer of service from another retirement system was processed after June 30, 2011.
- Q.* The benefits statement shows that I became eligible for normal retirement effective July 1, 2011. Is this correct?
- A.* The annual statement reflects a participant's eligibility as of June 30, 2011. Any active member who is eligible for normal retirement on or before the benefit statement effective date will have July 1, 2011 listed as a retirement date. July 1, 2011 is a default date that allows the statement to reflect the continual accrual of salary increases, sick leave and credited service.
- Q.* Can I withdraw my retirement contributions from this ERS account?
- A.* No. A Plan member may not withdraw his/her contributions except upon termination of employment.
- Q.* Does the Commission make a contribution?
- A.* The Commission makes contributions to the Trust Fund that are actuarially determined to provide for benefits under the System's Plans. The Commission's contribution is not reflected in your individual account balance.

You may contact the Retirement Office if you have additional questions after reviewing your statement, or if you note any discrepancies.

**Reminder:** A *Summary Plan Description* and *Popular Annual Financial Report* will be mailed along with your Annual Statement.