



# Howard County Retirement Plan



## **Achieving Retirement Goals**

**September 19, 2019**

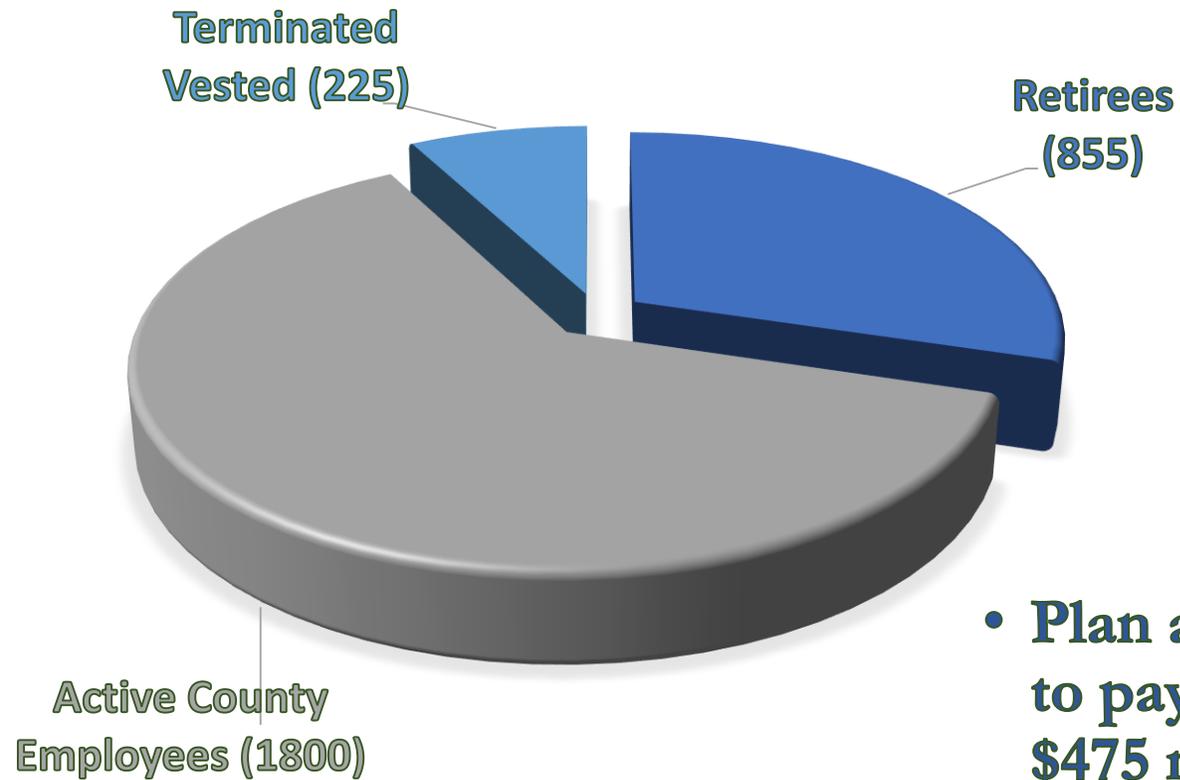
**Presented by:  
Terry Reider  
Scott Southern  
Nike Yahaya**

## DISCLAIMER

This presentation is intended as an overview of the retirement benefits provided for you by Howard County, and every effort has been made to ensure its accuracy. The County reserves the right to make future plan amendments. These materials are not a substitute for the official legal terms of the Retirement Plan specified in the Howard County Code. In the event of a discrepancy between this information and the County Code, the County Code will govern.

# PLAN STATS

## PLAN PARTICIPANTS AND BENEFICIARIES



- **Plan assets held in Trust to pay benefits: approx. \$475 million**

# PLAN FUNDING

**Employee Contributions + Employer Contributions**



- **3.0% of base pay**
- **8.5% for Corrections employees**

- **11.6% of pay (FY 20)**

# Key Definitions

## Creditable Service\* (HOW MUCH?)

- Determines amount of your benefits



## Final Average Pay

- Highest 36 months
- Excludes bonuses & overtime
- No reduction for furlough

## Eligibility Service\* (HOW SOON?)

- Determines vesting
- Eligibility for normal or early retirement
- Qualification for retiree health insurance



\* *Service is measured in years and complete calendar months*

# Additional Service Credit

- **Unused Sick Leave at Retirement**
  - Counts for Creditable Service Only
  - 22 Sick Days = 1 month of sick leave
  - Remainder >11= an additional month
  - 1.66% multiplier used
- **Pre-Employment Military Service**
  - Counts for both Eligibility and Creditable Service
  - Must have 10 years of service
  - Plan recognizes up to 4 years of active duty service



# Eligibility for Retirement Benefits



## **Normal Retirement Benefits:**

- ✓ 30 Years of Eligibility Service  
(20 Years for Corrections)

OR

- ✓ Age 62 with at least 5 years of service, if earlier.

## **Early Retirement Benefits:**

- ✓ 25 Years of Eligibility Service

# BENEFIT FORMULA



•**The Multiplier is:**

- **For Corrections: 2.5% up to 20 years then 1% until 30 years**
- **For Local 3085 members: 1.66% for all years;**
- **For all other employees:**
  - 1.55% for service before 7/1/2012, and**
  - 1.66% for service after 7/1/2012**

**For Early Retirement, the benefit is reduced by 0.5% for each month that early retirement date precedes normal retirement date.**

# Normal Retirement Benefit Example (Non-union)

**Final Average Pay = \$60,000 (annual)  
\$ 5,000 (monthly)**

**Age at Retirement = 62  
7/1/2020**

**Retirement Date =**

**Creditable Service at Retirement = 25 years**

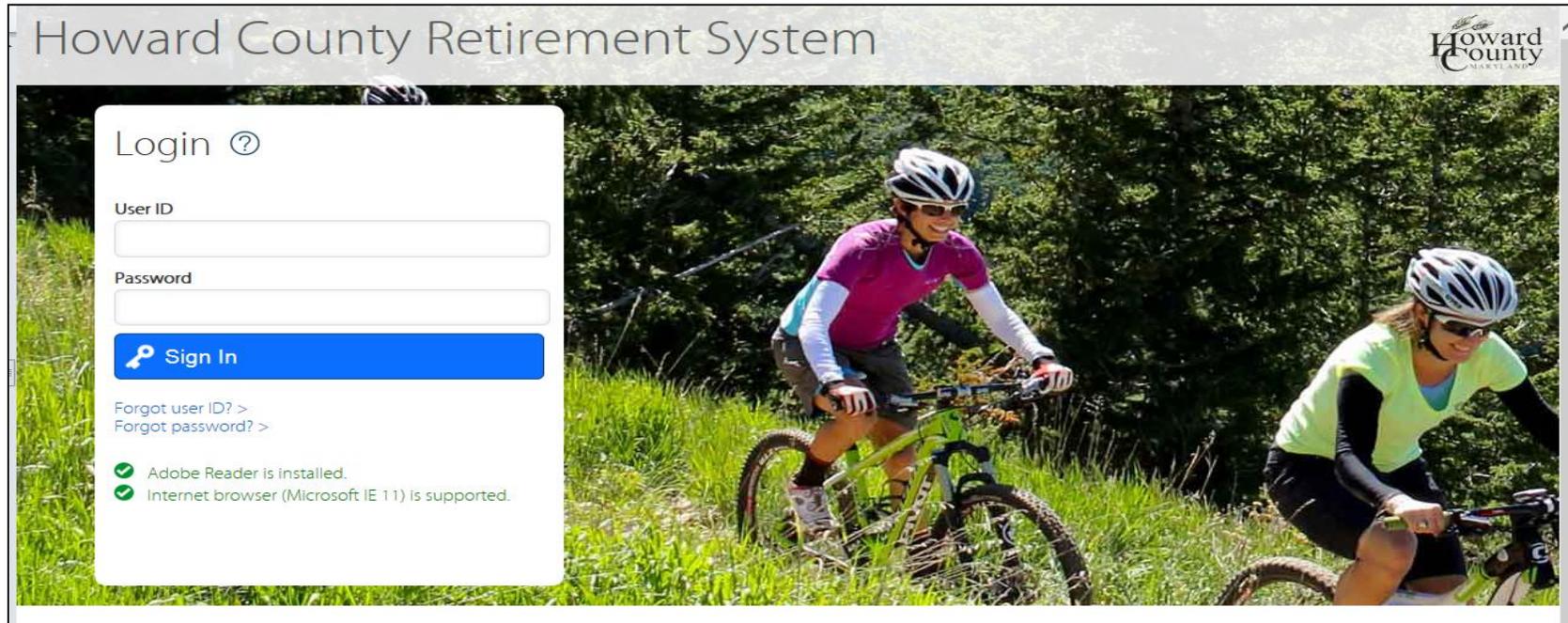
**Retirement Benefit Formula =**

$$\begin{aligned} & \$5,000 \times 17 \text{ years} \times 1.55\% \\ & + \$5,000 \times 8 \text{ years} \times 1.66\% = \$1,980/\text{month} \end{aligned}$$

*Note: These are gross amounts, before tax withholding.*



# Online Portal



The online portal can be accessed from any computer, tablet, or smart phone by going to:

<https://www.mypensionbenefit.com/Default.aspx?co=howard>

# Portal Home Page

The screenshot shows the user interface of the Howard County Pension Portal. At the top, the user is identified as 'Southern, Scott T (Participant)' with a 'Logout' button. The main header reads 'Howard County Pension Portal'. Below this, a breadcrumb trail shows 'Howard County Retirement Plan' and 'Southern, Scott T (Active)'. A 'Menu' section contains five items: 'Home Page', 'Participant Data', 'Benefit Calculation', 'Pension Documents', and 'My Security'. A 'Quick Links' section on the right lists seven document types: 'Designation of Beneficiary Form', 'Military Service Form', 'Transfer Service Form', 'Optional Benefit Forms (Married)', 'Optional Benefit Forms (Single)', 'Summary of the Howard County Retirement Plan', and 'Latest Benefit Statement'. Three callout arrows are overlaid on the page: a blue arrow labeled 'Online Statements' points to the 'Pension Documents' menu item; a green arrow labeled 'Estimate Calculator' points to the 'Benefit Calculation' menu item; and a blue arrow labeled 'Plan Documents and Forms' points to the 'Quick Links' section.

User: Southern, Scott T (Participant) Logout

## Howard County Pension Portal

Howard County Retirement Plan ▶ Southern, Scott T (Active)

### Menu

- Home Page
- Participant Data
- Benefit Calculation
- Pension Documents
- My Security

### Quick Links

- Designation of Beneficiary Form
- Military Service Form
- Transfer Service Form
- Optional Benefit Forms (Married)
- Optional Benefit Forms (Single)
- Summary of the Howard County Retirement Plan
- Latest Benefit Statement

Online Statements

Estimate Calculator

Plan Documents and Forms

# Online Calculator

PlusWeb Contribution Summary Howard County Govern... Home - Retirement Plan ... ADP Enterprise HR V5 Log... Maryland State Retiremen... Statements Howard County Retireme...

User: Southern, Scott T (Participant) Logout

## Howard County Pension Portal

Howard County Retirement Plan Southern, Scott T (Active)

### Benefit Calculation

What is your actual or expected last day of employment?

Termination Age/Date:  Fixed Age   Fixed Date

When do you want to begin receiving pension benefits?

Pension Start Age/Date:  Fixed Age   Fixed Date

Who do you plan to designate as your beneficiary, where applicable?

Relationship to you:  Date of Birth:

If calculating after today, assume the following:

Expected Annual Pay Increases:  %

I understand and agree to the following [Terms and Conditions](#)

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- Four Quick Questions
- Projecting Salary increase
- Estimates can be stored



# HOWARD COUNTY RETIREMENT PLAN

## SAMPLE STATEMENT

### Statement of Your Estimated Retirement Benefits as of July 1, XXXX

Participant Name: Jane Doe  
 Social Security #: XXX-XX-XXXX  
 Date of Birth: XX/XX/XX  
 Enrollment Date: XX/XX/XX  
 Rate of Pay on July 1: \$XX,XXX.00

Service as of July 1	Creditable	Eligibility
•Membership xxYrs/xxMos	xxYrs/xxMos	
•Military xxYrs/xxMos	xxYrs/xxMos	
•Purchased/Transferred	<u>xxYrs/xxMos</u>	<u>xxYrs/xxMos</u>
<b>Total</b>	<u>xxYrs/xxMos</u>	
<b>Projected Benefits as of July 1, XXXX</b>		
•Normal Retirement Date		<u>xx/xx/xxxx</u>
•Estimated Monthly Benefit 1		\$xxxx.xx
•Estimated Monthly Benefit 2	\$xxxx.xx	

#### Your Contributions

<u>During the past year</u>		<u>Cumulative</u>	
•Contribution	\$xx.xx	Pre-tax contributions	\$xx.xx
•Transfers	xx.xx	After-tax contributions	xx.xx
•Interest	xx.xx	Transfers	xx.xx
	Interest	<u>xx.xx</u>	
<b>Total</b>	<b>\$XXX.XX</b>	<b>Total</b>	<b>\$XXX.XX</b>

At  
Retirement  
Benefit  
Payment  
Options

*You will elect your form of payment from the choices below:*

1. Life Only Annuity (Basic Option)
2. 50% Joint and Survivor\*
3. 100% Joint and Survivor\*
4. 50% Pop Up\*
5. 100% Pop Up\*
6. Guaranteed Return of Accrued Benefit
7. Guaranteed Return of Employee Contributions



*\* For married retirees only*

# At Retirement

## Examples of Optional Forms

**Life Only Annuity- \$1,980**

payable for your lifetime and stops upon your death

**50% Joint and Survivor- \$1,820**

payable for your lifetime with 50% (\$910) payable to spouse after your death

**100% Joint and Survivor- \$1,690**

payable for your lifetime with 100% (\$1,690) payable to spouse after your death

*Amounts are illustrative only and assume that retiree and spouse are the same age; actual amounts are actuarially determined at retirement based on the exact age of you and your spouse.*

# At Retirement

## Examples of Optional Forms

(continued)

### 50% Pop Up - \$1,800

payable for your lifetime with 50% (\$900) payable to spouse after your death. Your benefit pops up to \$1,980 if spouse dies or if you divorce.

### 100% Pop Up - \$1,650

payable for your lifetime with 100% (\$1,650) payable to spouse after your death. Your benefit pops up to \$1,980 if spouse dies or if you divorce.

### Return of Accrued Benefit Option - \$1,885

payable for your lifetime with a guarantee of \$290,000 total payments. Any remainder is paid to beneficiary.

*Amounts are illustrative only and assume that retiree and spouse are the same age; actual amounts are actuarially determined at retirement based on the exact age of you and your spouse.*

# The Retirement Process



- **Within 12 months of retirement request an estimate from the retirement team.**
- **Make an appointment with the retirement team 4 to 6 weeks before the date of retirement to complete required paperwork:**
  - **Option Election form\***
  - **Direct deposit**
  - **Tax withholding**
  - **Health insurance election**
- **Notify your supervisor at least 2 weeks in advance.**

*\* Option cannot be changed once payments commence.*

# Payme nts

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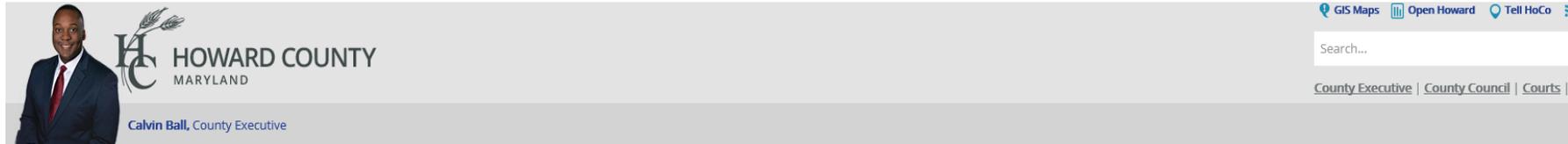
# COST OF LIVING ADJUSTMENT (COLA)

**The Plan adds a COLA to retirees' benefits each July 1. The maximum is 3%.**

**The COLA is based upon changes in the Consumer Price Index (CPI-U) for the Baltimore-Towson-Columbia area.**

**To be eligible to receive the annual COLA, you must have been receiving retirement payments for at least one full year.**

# Additional Information and Resources



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Departments

Navigation

Summaries,  
Forms, Rates,  
and  
Presentations

Retirement

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Retirement Plan Committee  
Pension Oversight Commission  
Retirement Plan Summaries  
Forms For Active Employees  
Retiree COLA  
Employee Presentations  
Retiree Health Insurance  
Links For Retirees

Classification And Pay Plans  
Pay Schedules  
Benefit Plans

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Howard County maintains two defined benefit retirement plans for their employees: one for the general employees including correctional officers, and the other for police officers and firefighters. The re  
mitted to enhancing the understanding of the plan benefits while providing quality service to our members as they move to and through retirement.

Contact  
information

Found in the  
Human  
Resources  
section on the  
County Website.

# AS YOU APPROACH RETIREMENT



- **Depending on your age, contact the local Social Security Office (or go to [www.ssa.gov](http://www.ssa.gov)) for information on Social Security and Medicare benefits.**
- **Make an appointment with the Nationwide Retirement Specialist to discuss options for deferred compensation money.**