



UNIVERSITY HUMAN RESOURCES

# BENEFITS DESK GUIDE



[www.uhr.umd.edu/benefits](http://www.uhr.umd.edu/benefits)

For Departmental Coordinators

Office of Employee Benefits  
1101 Chesapeake Building  
College Park, MD 20742  
301.405.5654 Phone  
301.405.8243 Fax

# Benefits Desk Guide

## YOUR COMPLETE GUIDE TO PROCESSING EMPLOYEE BENEFITS

Dear Coordinators,

We are pleased to present you with the first ever Benefits Guide for Departmental Coordinators. This guide is for your use only, to support you in your everyday benefits processes. Whether you are a seasoned coordinator or a new coordinator, this guide can be used for reference and training purposes. This guide will walk you through answering basic benefit questions and to assist you in guiding your employees in completion of forms and other benefit related issues.

The Office of Employee Benefits appreciates your efforts in assisting employees with their benefit needs. We understand that benefits do not make up your sole job and that you have many other duties in your position. We are happy to support you! Please don't hesitate to contact the Office of Employee Benefits and your Benefit Counselor if you need further assistance. If there is information that you feel would be helpful, please contact us. Your feedback is the most important part of our training!

Enclosed in this guide is the Geographic Service Model showing you the contact information for your department's Benefit Services Counselor.

We Sincerely Thank You!

David Rieger  
Assistant Director  
Office of Employee Benefits  
(301) 405.5654  
[drieger@umd.edu](mailto:drieger@umd.edu)

# Table of Contents

<b>HEALTH BENEFITS</b> .....	<b>4</b>
Eligibility.....	4
When to Enroll.....	5
How to Enroll .....	6
Retroactive Coverage .....	7
Examples of Retroactive Adjustment Scenarios .....	7
Retroactive Adjustment Process At-a-Glance .....	8
Common Issues with Retroactive Adjustments .....	9
Required Documentation .....	10
Open Enrollment .....	11
Qualifying Events/Mid-Year Changes .....	12
Family Medical Leave Act (FMLA).....	13
Approved Leave Without Pay .....	14
Notification of Termination of Health Benefits.....	15
<b>RETIREMENT</b> .....	<b>16</b>
Important Notes .....	16
Online Forms.....	16
Form Printing Requirements .....	16
Notarized Forms .....	16
Eligibility.....	17
Enrollment Process .....	17
Completion of Forms .....	18
Employees on Temporary Social Security Numbers.....	18
Retirement Plan Resources .....	19
Retirement Plans At-a-Glance.....	20
State Pension System .....	21
Non-Exempt Employees.....	21
Exempt and Faculty.....	21
Optional Retirement Program (ORP).....	22
Exempt and Faculty.....	22
Claiming Retirement Credit in the Pension.....	23
Transferring Service Time.....	23
Claiming Military Credit.....	23
Qualified/Approved Leave of Absences or Notification of Military Service .....	23
Important Retirement Terms:.....	24
State Retirement Forms.....	24
<b>LIFE &amp; DISABILITY</b> .....	<b>25</b>
Life Insurance.....	25
<b>TUITION REMISSION</b> .....	<b>26</b>

**OFFICE OF EMPLOYEE BENEFITS** ..... 28  
General Contact Information ..... 28  
Benefits Staff..... 28  
Geographic Service Model ..... 29

## HEALTH BENEFITS

### Eligibility

All Regular employees, Graduate Assistants (GA) or Graduate Research Assistants (GRA), and Faculty Contractual, working at least 50 percent (25 percent for GA/GRA) of time are eligible to participate in the State of Maryland health benefit program. These employees are eligible to enroll in the 'subsidized' State Group Plan and have premiums deducted from their paycheck on a pre-tax basis. Subsidized premiums represent the employee only portion of the premium. The following are category status codes (also known as 'CAT STAT' codes) in PHR for Regular employees and GA/GRA, which can help you determine the benefit eligibility of your employees:

#### Regular Employees

- 01- Faculty, Tenured
- 02- Faculty, Non-Tenured On-Track
- 03- Faculty, non-Tenured Track
- 15- Faculty, Continuing Contract
- 20- Non-Exempt, Regular
- 33- Exempt, Regular

#### Graduate and Research Assistants

- 04- Graduate Assistant and Graduate Research Assistants

#### Contractual Employees

Contingent I and II and Faculty Contractual employees working at least 75 percent or 30 hours per week for 90 consecutive days or more are eligible to enroll in a "subsidized" State of Maryland health benefits program. These employees are billed on a monthly basis by the Department of Budget and Management Employee Benefits Division for the cost of the employee premium.

Employees working less than 75 percent or 30 hours per week are able to enroll in the "unsubsidized" State of Maryland health benefits program. These employees are billed on a monthly basis by the Department of Budget and Management Employee Benefits Division for the full cost of the benefits, which is the employee and employer share of the premium. There are no payroll deductions for contractual employees.

**\*Please Note: There are no payroll deductions for contractual employees.**

The category status codes in PHR for benefit eligible contractual employees are:

- 22- Non-Exempt, Contingent II
- 14- Student
- 25- Faculty, Post Doc Scholars

- 16- Graduate Student Hourly
- 19- Trainee Employee
- 31- Nonexempt, Contingent 1
- 34- Exempt, Contingent 1
- 35- Exempt, Contingent II
- 36- Faculty, Hourly
- 37- Faculty, Non-Tenured, Non-Regular

## When to Enroll

New employees and their eligible dependents (please see section on [Required Documentation](#)) have 60-days from the first date of employment to enroll in the State of Maryland health benefit program.



### EXAMPLE

For example, if the hire date in PHR into a benefit eligible position is August 1, 2016, the employee must submit their enrollment forms to the office of employee benefits no later than Sept. 28, 2016 (of course, taking in consideration office days/hours).

Although, employees have a 60-day enrollment window, departmental coordinators should encourage employees and GA/GRA's to submit the Health Insurance Enrollment form with supporting documentation **before or within the first week of the start date.**

**Effective Date of Coverage:** Benefits will become effective on the first of the month following the employees date of hire. The exception is if their hire date is the 1<sup>st</sup> day of any month. Then their effective date will be the 1<sup>st</sup> of the month in which their employment began. Coverage may NOT be back dated to the employee's date of hire.

**Processing Time:** Once an application is received and is in good order the application will be sent to the State of Maryland Employee Benefits Division for processing. Normal processing time for these applications can take 30-45 days.

Regardless of when the employee enrolls within their 60 days of hire, their benefits coverage will still be effective on the first of the month following their date of hire. If it applies, the employee will be responsible for paying any mandatory retroactive adjustment payments for periods of coverage back to their benefits effective date.

Even though the employee's coverage will become effective the 1<sup>st</sup> of the month following their hire date they will not receive their benefits cards until the State of Maryland Employee Benefits Division has processed their application. If the employee has a medical need during this time they may be required to pay out of pocket for these services by their medical providers. If they pay out of pocket for a service it may be possible to submit claim forms for reimbursement. For more information, please contact the State of Maryland Employees Benefits Division at (410)-767-4775.

If the employee doesn't sign up for benefits within the first 60 days of employment, he or she will NOT have another opportunity to enroll until the next open enrollment period, unless a qualifying event is experienced (please see Qualifying Event section for more information).

## How to Enroll

New enrollee must complete the Active Status (if Regular or GA/GRA) or the Direct Pay (if contractual) Health Insurance Enrollment Form. Forms can be obtained online at [www.uhr.umd.edu/forms](http://www.uhr.umd.edu/forms)

**Prior to submitting form, please review for completion of:**

- Enrollee has filled in their legal name, address, and correct SSN.
- Enrollee has legibly listed all dependent(s) that they would like covered under the State of Maryland Plans.

- The benefits selections are properly blackened/bubbled in.
- The Enrollment Form is signed by the enrollee.
- The Agency Signature is BLANK (please do not sign).

Please forward the completed Enrollment form with supporting documentation (please see 'Required Documentation' Section of this guide) to the University of Maryland Benefits office, 1101 Chesapeake Building, College Park MD 20742 before the sixty (60) day deadline.

The University of Maryland Benefits office review forms to make sure all areas are completed correctly, the individual submitted the correct form and all required documents are attached. If incomplete, the Benefits office will hold all forms until the necessary information is received.

Once complete, the Enrollment form is mailed to the Department of Budget and Management (DBM) in Baltimore for processing.

Before DBM can process the form, the employee or GA/GRA must be on payroll under their legal name and correct SSN\*.

\*Note: Temporary SSN's will not be accepted for health benefit enrollment. Forms will be held in the Office of Employee Benefits until the department sends a permanent SSN and their record in PHR has been updated.

Finally, the form is processed with an effective date of the 1st of the month following the date of hire\*\*

The University of Maryland Benefits office prints out the summary statement and forwards it to the Department via interoffice mail.

\*\*Due to the high volume, it usually take 2-4 pay periods (4-6 weeks) for the enrollments to be processed.

## Retroactive Coverage

There are circumstances that would warrant a 'mandatory' retroactive adjustment. Mandatory retroactive adjustments include if benefit deductions were not withheld because the employee has missed a pay or a newborn is added and the coverage level changes. It is vital that the employee or department contact our office to process a mandatory retroactive adjustment, when applicable.

### Examples of Retroactive Adjustment Scenarios

**Missed Deductions:** If an employee misses a pay due to a PHR appointment being created/approved late, a payroll error, or other special circumstances, the employee will be required to pay for the missed contribution through a retroactive adjustment.



**EXAMPLE**

A Faculty member gets a renewed agreement on January 1, 2016. The appointment is put into PHR and approved after the payroll deadline. The employee misses one paycheck and therefore does not have deductions for their health benefits. The employee or department is required to contact us to calculate a retroactive adjustment for the missed deductions.

**Adding Newborns:** Also, if a newborn is added to the employee's coverage, a mandatory retroactive adjustment would be required if the coverage level changes (see the example below).



**EXAMPLE**

An employee has "Employee + Spouse" health insurance. The employee has a newborn on January 12, 2016 and adds the newborn to their health plan. Benefits for the newborn are processed for a February 1<sup>st</sup> effective date. A mandatory retro will be due to make coverage retroactive to the newborn's date of birth. The calculation will pay for the difference between "Employee + Spouse" coverage and "Family" coverage for that period.

Retroactive payment must be made by the employee to the State Benefits Division on a post-tax basis. The amount is calculated by the Office of Employee Benefits after the employee calls to make the request for the 'Retroactive Adjustment'. Employees only have 30-days from their benefit coverage effective date (shown on their Benefits Summary Statement) to request and pay for (if applicable) a retroactive adjustment. Employees may not do a retroactive adjustment for Flexible Spending Accounts, unless they missed a paycheck.



## Retroactive Adjustment Process At-a-Glance



### Common Issues with Retroactive Adjustments

Retroactive Adjustments require special attention and in some cases, there are common problems that can occur. Here are a few common problems and solutions that you may hear about from your employees with regards to retroactive adjustments.

Common Issues	Solutions
<b>A retro was processed and the employee states that insurance company does not have the updated date.</b>	Call the Benefits Office. We will contact the state and have them send an update to that insurance company.
<b>Employee receives a letter from the state (“No Pay Letter”) indicating a premium that was not made along with a coupon to pay the full amount.</b>	Contact the Benefits Office. If a premium was missed, we determine if a retroactive adjustment is due. If so, a new amount for the employee only portion will be calculated and the employee will be required to make a prompt payment to the Department of Budget and Management.
<b>An employee has a baby, and the newborn is not added right away. The employee receives bills for the newborns hospital stay from the physicians.</b>	The newborn must be added immediately by the employee. Enrollment form and temporary documentation must be submitted, and a retroactive adjustment will be calculated if there is a premium difference due. Coverage will be made retroactive to the newborns date of birth once processed and rejected claims can be resubmitted to the insurance company. <b>IMPORTANT: employee has 60-days from the newborn’s date of birth to enroll the child for State Benefits.</b>
<b>A 9-month Faculty member retires on July 1<sup>st</sup> and receives only one pay in June. They receive a letter from the Department of Budget &amp; Management stating that their benefits are terminated for the second half of June.</b>	Contact the Benefits Office. We will calculate a retroactive adjustment for the pay that was missed in June. It is important that 9 month faculty members, who are retiring on July 1 <sup>st</sup> , contact our office if they are only receiving one paycheck in the June prior to their retirement.
<b>A 9-month GA or GRA, who is returning in the Fall, does not have a multiple deduction for benefits over the summer months.</b>	Employee will received communications from the State Benefits Division and must contact the Benefits Office as soon as possible. A mandatory retroactive adjustment is required to cover benefits over the summer months.

## Required Documentation

An employee may enroll eligible dependents. The following is a chart outlining dependents who are eligible for coverage and the documentation required to enroll them into the State of Maryland health benefits program:

Eligible Dependent	Required Documentation
Spouse – Opposite Sex/Same Sex	<p>(all forms and affidavits can be found under 'benefits forms' at <a href="http://www.uhr.umd.edu/forms">www.uhr.umd.edu/forms</a>)</p> <ul style="list-style-type: none"> <li>● Certified copy marriage certificate signed by the court clergy*</li> </ul> <p>*Please note: the state will not accept marriage certificates signed by the pastor, priest, minister, rabbi, reverend or celebrant. If an employee needs to obtain a certified marriage certificate, they can obtain one by visiting the court clerk's office in the county/city they were married or online at <a href="http://www.vitalchek.com">www.vitalchek.com</a></p>
Biological Child	<ul style="list-style-type: none"> <li>● Copy of child's official state Birth Certificate</li> </ul>
Adopted Child	<ul style="list-style-type: none"> <li>● Copy of adoption papers: must indicate child's date of birth</li> <li>● Copy of child's official state Birth Certificate</li> </ul>
Step-Child	<ul style="list-style-type: none"> <li>● Copy of child's official state Birth Certificate with the employee's spouse named as child's parent</li> <li>● Copy of employees official state Marriage Certificate</li> </ul>
Grandchild	<ul style="list-style-type: none"> <li>● Copy of child's official state Birth Certificate</li> <li>● Copy of child's parent's Birth Certificate (to document grandchild's relationship to employee)</li> <li>● Proof of permanent residency (one of the following):               <ul style="list-style-type: none"> <li>○ Valid driver's license</li> <li>○ State-issued identification card</li> <li>○ School records certifying dependent's address</li> <li>○ Day care records certifying dependent's address</li> <li>○ Tax documents certifying address with child's name on document</li> </ul> </li> </ul>
Legal ward, Testamentary, or Court Appointed Guardian	<ul style="list-style-type: none"> <li>● Copy of legal ward/testamentary court document, signed by a judge</li> <li>● Copy of dependent's official state Birth Certificate</li> <li>● Proof of permanent residency (one of the following):               <ul style="list-style-type: none"> <li>○ Valid driver's license</li> <li>○ State-issued identification card</li> <li>○ School records certifying dependent's address</li> <li>○ Day care records certifying dependent's address</li> <li>○ Tax documents certifying address with child's name on document</li> </ul> </li> </ul>
Step-grandchild or Other Dependent Child Relatives	<ul style="list-style-type: none"> <li>● Copy of child's official state Birth Certificate</li> <li>● Proof of permanent residency (one of the following):               <ul style="list-style-type: none"> <li>○ Valid driver's license</li> </ul> </li> </ul>

Eligible Dependent	Required Documentation
(all forms and affidavits can be found under 'benefits forms' at <a href="http://www.uhr.umd.edu/forms">www.uhr.umd.edu/forms</a> )	<ul style="list-style-type: none"> <li>○ State-issued identification card</li> <li>○ School records certifying dependent's address</li> <li>○ Day care records certifying dependent's address</li> <li>○ Tax documents certifying address with child's name on document</li> </ul>
Child with Mental or Physical incapacity incurred prior to age 26**	<ul style="list-style-type: none"> <li>● Affidavit for Dependent Eligibility and Tax Status</li> <li>● Copy of child's official state Birth Certificate</li> <li>● Copy of child's Disability Certification Form</li> </ul> <p><b>**Note: Child must be on plan prior to the age of 26</b></p>

## Open Enrollment

Open Enrollment allows employees to make coverage changes for the plan year that begins January 1<sup>st</sup> and runs through the following December 31<sup>st</sup>. The election period runs from mid-October through mid-November. The Office of Employee Benefits will announce the Open Enrollment election period every year and will provide coordinators with training on the various changes and processes.

During the Open Enrollment Election period, employees can make the following types of changes to their coverage:

- Drop & add spouse and/or dependent(s)
- Change benefit plan(s)
- Enroll in flexible spending for the new plan year
- Increase or decrease Life Insurance and/or PA&D coverage
- Cancel benefits
- Enroll new in benefit plan(s)

Please make sure you forward communications to all eligible employees to ensure they have enough time to make any necessary changes. No changes will be permitted after Open Enrollment closes unless there is a qualifying event (as outlined in the [Qualifying Events](#) section).

There are a few important things to note during Open Enrollment:

- Flexible Spending Accounts do not roll-over into the new plan year. Participants must make elections for flexible spending accounts during each open enrollment period.
- Dependent Documentation as listed in the [Required Documentation](#) section must be submitted to the Office of Employee Benefits for all newly enrolled dependents.
- Open Enrollment is the responsibility of the employee. Please make sure to remind employees to check their summary statements for accurate information. They should verify their coverage, address information, and names and birthdates of their dependents. If errors are found, please have them contact the Office of Employee Benefits immediately.

## Qualifying Events/Mid-Year Changes

Employees who meet certain criteria may be entitled to make mid-year changes to their health benefits. The State of Maryland Employee Benefits Division allows changes, in most cases, due to one of the following qualifying events and must provide additional documentation with their enrollment forms as outlined in the following chart.

Qualifying Event	Qualifying Event Additional Documentation Required*
Birth of a Child	Certified State's Birth Certificate <i>Temporary Documentation includes: Copy of Hospital Bracelet. Employee has 60 days to provide permanent birth certificate.</i>
Marriage	Certified Marriage Certificate
Death of an Eligible Dependent	Copy of Death Certificate
Divorce	Copy of Divorce Decree signed by Judge
Involuntary loss of other coverage	Letter From Former source of Insurance indicating the following: <ul style="list-style-type: none"> <li>List of participants covered</li> <li>What benefits are being Lost</li> <li>Date benefits are being terminated</li> <li>Reason for Loss of Coverage</li> </ul>
Employee or dependent child's loss or Gain of SCHIP, Medicaid or Medical Assistance coverage	Documentation from SCHIP, Medicaid, or Medial Assistance indicating: <ul style="list-style-type: none"> <li>Participant(s) covered</li> <li>What benefits being lost or gained</li> <li>Effective date of gain or loss of coverage</li> </ul>
Changes in your other coverage which has a different plan year	Letter From Former source of Insurance indicating the following: <ul style="list-style-type: none"> <li>List of participants covered</li> <li>What benefits are being changed</li> <li>Effective date of coverage changes</li> <li>Proof of other plans Open Enrollment period</li> </ul>

\*Please Note: These documents must accompany the Enrollment Form and any applicable required documentation as listed in the [Required Documentation](#) section.

There are some special situations that may be considered qualifying events by the State Benefits division. If any of your employees experience any of the following changes, please have them contact our office to discuss their eligibility:

- An employee's eligible dependent enters the United States from a foreign country to live permanently (does not include trips by the dependent for visiting purposes)
- Pending adoption of a Child
- Retirement of Spouse covered under an employee's plan
- Changes during the Open Enrollment period of an eligible Spouse or Child plan

The State Benefits division is ultimately responsible for approving all mid-year changes. Eligibility for such changes must meet the State of Maryland's requirements, and employees must be prepared to produce the

required documentation for this change. Required documentation must be submitted with the enrollment form supporting the benefit change and qualifying event.

## Family Medical Leave Act (FMLA)

When an employee is approved for FMLA, it is important that you take the following steps to ensure the participant has continuous benefits during their leave (whether paid leave or unpaid leave).

### Step 1 Fax copy of approved FMLA to Benefits Office

- The department or employee must fax a copy of the approved FMLA paperwork to the Office of Employee Benefits at 301.405.8243 prior to the start date of their FMLA

### Step 2 Report Unpaid Status to Benefits Office

- The department or employee should contact our office as soon as possible if any portion of the FMLA is expected to be unpaid.

### Step 3 Respond to Notices from the State of Maryland

- Employees must respond to any notices they receive from the State Benefits Division. Please have them contact our office at 301.405.5654 if they receive a bill from the State. We will verify or calculate the 'employee only' amount that they owe, and will give the employee instructions on how to pay.

### Step 4 Pension Participants Only must complete Form 46

- If the employee is in the pension system and is on unpaid FMLA for one of the following reasons, they must complete the **Form 46\*** if the leave is due to: personal illness, birth or legal adoption of a child, government sponsored and/or subsidized employment, study.

**\*Form 46:** Application to be Place on a Qualifying Approved Leave of Absence. This form can be found on the State Retirement website at: [www.sra.state.md.us](http://www.sra.state.md.us) under 'Printable Form'.

## Approved Leave Without Pay

When an employee is approved for Leave Without Pay (LWOP or LAW), it is important that you take the following steps to ensure the participant has either elected to either KEEP or CANCEL benefits during their leave without pay. **If participants are keeping coverage, they will be required to make payments directly to the State of Maryland Employee Benefits Division during their LWOP or LAW.**

### Step 1

#### Employee reports unpaid leave to Benefits Office

- Have the employee (or department) contact the Office of Employee Benefits prior to the beginning of their unpaid leave

### Step 2

#### Employee completes a Health Benefits Enrollment Form

- Employee completes an Active Enrollment Form and Mark the following:  
 STATUS: LAW: PERSONAL (enter begin date of Leave of Absence and End date)  
 ENROLLMENT CHANGE/ACTION REQUESTED: Cancel All Coverage (if cancelling coverage) or New Enrollment (if keeping coverage)
- Make Coverage Selections and sign/date form.
- Attach copy of approved Leave of Absence Without Pay form
- Employees requesting to KEEP coverage will be billed for premiums during their LWOP or LAW period, and it is their responsibility to make timely payments.

### Step 3

#### Send Enrollment Forms to Benefits Office

- Make sure the employee sends the enrollment forms prior to their leave without pay. Forms can be sent to the Office of Employee Benefits at: 1101 Chesapeake Building.

### Step 4

#### Pension Participants Only must complete Form 46

- If the employee is in the Pension System and is on unpaid leave for one of the following reasons, they must complete the **Form 46\*** if the leave is due to personal illness, birth or legal adoption of a child, government sponsored and/or subsidized employment, study.

### Step 5

#### Enrollment upon Return from Leave Without Pay

- Upon return from Approved Leave Without Pay, it is the employee's responsibility to enroll in health benefits. Employee must complete a new Active Enrollment Form within 60-days of their return from LWOP/LAW.
- **IMPORTANT:** Failure enroll within the 60-days of return from LWOP or LAW, will result in the employee having to wait for open enrollment or a qualifying event to enroll again.

## Notification of Termination of Health Benefits

When an employee who has health benefits through the State of Maryland leaves employment, the department is required to send the Office of Employee Benefits the Notification of Termination of Health Benefits form (found online at [www.uhr.umd.edu/forms](http://www.uhr.umd.edu/forms)) to notify the State Benefits Division of the separation, as shown in the illustration below.

This form is used for any employee who was covered at the time of separation to include: Faculty, Staff, Graduate Assistant, and Contingent employees. The reasons for termination are important to the State of Maryland, so please make selections carefully.

### Employee Type:

See [Eligibility Section](#) for details.

**Active:** Regular Status employees and GA/GRA's.

**Contractual:** Contingent II or Faculty Contractual Employees.

### Last day on payroll: .

Last day on payroll is the termination date as listed in PHR.

### Termination Reason

**Resignation:** Employee who leaves voluntarily

**Termination:** Employee is involuntarily terminated by the University

**Retirement:** An employee who retires directly from the University

\*Please Note: Retirement dates are always the 1st of the month following their separation date.

\*Please verify employees retirement date with your assigned [Benefits Counselor](#).

**Layoff:** Employee who is given a layoff letter

### NOTIFICATION OF TERMINATION FOR HEALTH BENEFITS

It is extremely important that this form is completed and faxed to the Employee Benefits Division in a timely manner. This form is essential to ensure that non-covered employees and dependents do not receive State subsidized benefits. Efforts will be made to collect State subsidized premiums for employees and dependents that are no longer eligible for the State subsidized benefits.

**NOTE:** Please do not send a Notice of Termination form for an employee who is transferring to another State of Maryland agency.

**TO:** Office of Personnel Services and Benefits  
Employee Benefits Division

**FROM:** \_\_\_\_\_  
Agency Appointing Authority/Designee

### PLEASE REMOVE THIS EMPLOYEE FROM YOUR RECORDS

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Agency Code as it appears on MS 310: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

For University of MD, indicate check distribution code: \_\_\_\_\_

Last day on payroll (last day worked) \_\_\_\_\_

Check one box in each of the following columns:

- Termination Reason:
- Terminated
  - Resigned
  - Deceased – Date: \_\_\_\_\_
  - Retired – Date: \_\_\_\_\_

- Employee Type
- Active
  - Contractual

APPROVAL:

Print Name of Appointing Authority/Designee \_\_\_\_\_ Date \_\_\_\_\_

Signature of Appointing Authority/Designee \_\_\_\_\_ Date \_\_\_\_\_

FAX TO:

Agency \_\_\_\_\_

rev \_\_\_\_\_

### Agency Appointing Authority:

**LEAVE BLANK.** The Office of Employee Benefits will sign this form.



# RETIREMENT

## Important Notes

### Online Forms

Please be advised that the forms are frequently updated. We will inform you of any changes to the forms but remember to obtain your forms from The State Retirement Agency's website – [www.sra.state.md.us](http://www.sra.state.md.us), The UHR website [www.uhr.umd.edu](http://www.uhr.umd.edu), and/or from the Department of Budget & Management's (DBM) website [www.dbm.maryland.gov](http://www.dbm.maryland.gov).

### Form Printing Requirements

We know that everyone is trying to “go green”, however, the state has printing requirements and will not accept double sided or two page forms printed on one sheet. We frequently receive, double sided Optional Retirement Forms (ORP) and we also receive the Supplemental Retirement Annuity Salary Deduction Agreement and the Deduction Authorization Form double sided. **We need to receive each form on a separate sheet of paper. If we continue to receive the forms double-sided, we will return the forms and this will lead to a delay in the processing of the paperwork.**

### Notarized Forms

There is one form that is used frequently that requires a notary: the Beneficiary Form (Form 4). The employee must sign and date the forms in front of a notary. **It is important that the date the employee signs and the notary date match.** Otherwise, the State Retirement Agency will not accept the forms.

If you are the notary, please make sure that you date the form the same day as the employee signed it.

MARYLAND STATE RETIREMENT AGENCY  
20 EAST BALTIMORE STREET  
BALTIMORE, MARYLAND 21202-6700

**DESIGNATION OF BENEFICIARY**

**FORM 4**

IMPORTANT: Please return completed form to the address listed above. Print clearly and read the instructions first. Fill in all sections. Retain a copy for your records.

FOR RETIREMENT USE ONLY FORM 4 (REV. 8/16)

APPLICANT'S SOCIAL SECURITY NUMBER: \_\_\_\_\_ CHECK ONE  Active  Retired (if retiring, retirement date: \_\_\_\_\_)

APPLICANT'S NAME: \_\_\_\_\_ **IMPORTANT: If you are retired under Option 2, 3, 5 or 6, ETDG, You cannot use this form. You must complete a Form 6 to initiate any beneficiary changes.**

HOME ADDRESS: \_\_\_\_\_  
Number and Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**PRIMARY BENEFICIARY(IES)** All money shall be paid in equal shares to the primary beneficiary(ies) who are living at the time of my death.  Check if you used an additional Form 4 to name additional primary beneficiaries.

BENEFICIARY'S NAME: \_\_\_\_\_ RELATIONSHIP: \_\_\_\_\_ Gender: \_\_\_\_\_ (M or F) Birthdate: \_\_\_\_\_ (Month Day Year)  
First Initial Last

BENEFICIARY'S ADDRESS: \_\_\_\_\_

BENEFICIARY'S NAME: \_\_\_\_\_ RELATIONSHIP: \_\_\_\_\_ Gender: \_\_\_\_\_ (M or F) Birthdate: \_\_\_\_\_ (Month Day Year)  
First Initial Last

BENEFICIARY'S ADDRESS: \_\_\_\_\_

**CONTINGENT BENEFICIARY(IES)** If all primary beneficiaries die before me all money shall be paid in equal shares to the following person(s) who are living at the time of my death.  Check if you used an additional Form 4 to name additional contingent beneficiaries.

BENEFICIARY'S NAME: \_\_\_\_\_ RELATIONSHIP: \_\_\_\_\_ Gender: \_\_\_\_\_ (M or F) Birthdate: \_\_\_\_\_ (Month Day Year)  
First Initial Last

BENEFICIARY'S ADDRESS: \_\_\_\_\_

BENEFICIARY'S NAME: \_\_\_\_\_ RELATIONSHIP: \_\_\_\_\_ Gender: \_\_\_\_\_ (M or F) Birthdate: \_\_\_\_\_ (Month Day Year)  
First Initial Last

BENEFICIARY'S ADDRESS: \_\_\_\_\_

TO THE MARYLAND STATE RETIREMENT AGENCY: I authorize the Maryland State Retirement Agency to pay the death benefit to my designated beneficiary or beneficiaries. I agree on behalf of estate, heirs and assignors to the payment of such death benefit to my designated beneficiary or beneficiaries. I understand that my designated beneficiary or beneficiaries may be designated by me at any time by filing a new Designation of Beneficiary with the Maryland State Retirement Agency. Any new Designation of Beneficiary from this date will replace this form. I understand that if my designated beneficiary or beneficiaries die before me, my designated beneficiary or beneficiaries shall be paid in equal shares to the contingent beneficiary or beneficiaries named herein. If I am a minor, I understand that I am not a legal guardian of that minor. SIGN IN THE PRESENCE OF A NOTARY PUBLIC. (Form not valid unless notarized.)

Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

This form must be signed and notarized in order to be valid.

Please check (✓) for your system:  
 1 Teachers' Retirement System  
 2 Employee's Retirement System  
 3C Correctional Officers' Retirement System  
 4 State Police Retirement System  
 5 Firefighters' Retirement System (Not Standard)  
 7 Employee's Personalized (Blended)  
 8B Law Enforcement Officers' Personalized

State of \_\_\_\_\_ County of \_\_\_\_\_ (or City of Baltimore)  
On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer, \_\_\_\_\_ (Official State Seal/Notary Public)  
personally appeared \_\_\_\_\_ known to me  
(or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that (he/she) executed the same for the purposes therein contained. In witness whereof I hereunto set my hand and official seal.  
Signature of Notary Public \_\_\_\_\_ My Commission Expires \_\_\_\_\_  
Printed Name of Notary Public \_\_\_\_\_ **IMPORTANT: If the name of the individual whose signature is being acknowledged is not filled in, this form will be WAIVED and become VOID.**

### NOTARY SECTION

Please make sure forms are notarized prior to sending them to Benefits Office. Notary Date and 'Date Signed' MUST Match

## Eligibility

Retirement eligible employees are required to make a retirement enrollment decision on their **first day of employment**. An employee is considered retirement eligible if he/she is in one of the following category status codes in PHR (regardless of FTE):

- 01- Faculty, Tenured
- 02- Faculty, Non-Tenured On-Track
- 03- Faculty, Non-Tenured Track
- 15- Faculty, Continuing Contract
- 20- Non-Exempt Regular
- 33- Exempt Regular

## Enrollment Process

**Important Note:** As a condition of employment, all new employees MUST enroll in a retirement plan on their first day of employment. If their selection is not made in PHR on their first day, new hires will automatically default into the Maryland State Teachers' or Employees' Pension System (SRPS), in which case membership forms for the Pension System will be required.

**Effective 7/1/17 all employees must sign and complete retirement election forms on or before their date of hire. Failure to do so will cause the employee to default into the state pension. A default in the state pension is irrevocable and employee will not be eligible to join the ORP.**

When employees are enrolled or default enrolled into the SRPS, the mandatory contribution of 7% will be withheld from their paycheck. Contributions made to the SRPS will not be returned to the employee until the employee has either separated employment or retires.

The following is an overview of eligibility, enrollment forms and notary requirements by retirement plan type.

State Teacher's or Employees' Pension System	Optional Retirement Program (ORP)
<ul style="list-style-type: none"> <li>• <b>Who's Eligible:</b> <ul style="list-style-type: none"> <li>○ Regular Non-Exempt Employees</li> <li>○ Regular Exempt Employees</li> <li>○ Regular Faculty Employees</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Who's Eligible:</b> <ul style="list-style-type: none"> <li>○ Regular Exempt Employees</li> <li>○ Regular Faculty Employees</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <b>Required Enrollment Documents:</b> <ul style="list-style-type: none"> <li>○ Membership Application (Form 1)</li> <li>○ Beneficiary Forms (Form 4)</li> <li>○ Retirement Plan Selection Form (only if exempt or faculty)</li> <li>○ Copy of Proof of Birth               <ul style="list-style-type: none"> <li>▪ US Passport</li> <li>▪ Drivers' License</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Required Enrollment Documents:</b> <ul style="list-style-type: none"> <li>○ Retirement Plan Selection Form</li> <li>○ Election Not to Participate (Form 60)</li> <li>○ Vender Selection Form</li> <li>○ Copy of Proof of Birth               <ul style="list-style-type: none"> <li>▪ Passport</li> <li>▪ Drivers' License</li> <li>▪ Birth Certificate*</li> </ul> </li> </ul> </li> </ul>

## State Teacher's or Employees' Pension System

## Optional Retirement Program (ORP)

- **Birth Certificate\***

- **Forms Requiring Notary:**

- **Beneficiary Forms (Form 4):**  
**Note: No scratch-outs, white-outs, or corrections are allowed on this form.**

\*Birth Certificate Requirement: If the birth certificate is not in English, the translation must be attached and notarized. The birth certificate cannot be translated by the employee nor can the translation be notarized by the employee.

### Completion of Forms

Before sending over any forms such as the Application for Membership, Designation of Beneficiary Form, Election Not To Participate Form, ORP Selection Form, Supplemental Retirement Deduction Authorization Form, and Supplemental Retirement Salary Reduction Form, it **is vital that you check the following areas for completion:**

- **Social Security Number:** Must be on all forms
- **First, Middle Initial, Last Name:** Must be on all forms as it appears on their identification and in PHR
- **Employee's Signature and Date:** Must be on all forms, forms requiring a notary must be signed and dated in front of a notary
- **Employee's Phone Number:** when applicable
- **Employee's current and complete home/ mailing address:** Please use the address of the employee. Campus Addresses will not be accepted.
- **Forms which require a Notary Signature:** MUST BE NOTARIZED. The notary section must be completed with the notary seal, and the 'employee signature date' must match the 'notary date'.
- **Date of Birth:** Must be on all forms, when applicable.
- **Copy of Proof of Birth** must be attached. Please do not send copies of the social security card as proof of birth as the birth date is not listed on the social security card.
- **Gender:** Must be on all forms, where requested

### Employees on Temporary Social Security Numbers

Individuals with a temporary social security number will automatically be coded as "Not Eligible for Retirement" in PHR.

Once the employee receives the permanent social security, please take the following steps:

- Step 1: Work with PHR Service Center to update the SSN in PHR
- Step 2: Have the employee complete Retirement Paperwork and forward the originals to the Office of Employee Benefits.

Step 3: **Important:** Contact your Benefits Service Counselor to change the retirement selection in PHR from 'Not Eligible' to the plan the employee has selected.



Failure to contact your Benefits Services Counselor to make the retirement selection change in PHR may result in the employee not being enrolled into a retirement plan.

## Retirement Plan Resources

Many employees will ask you "What is the best retirement plan for me?" It is important that you do not 'advise' the employee on a plan, but rather give them information that will help them make the right decision for them. Here are a list of resources that can be helpful and the respective websites in which the information can be accessed:

- ORP: Choosing a Retirement Plan Booklet
  - Found on the State Retirement and Pension System Website under 'Benefit Handbooks'  
[www.sra.state.md.us](http://www.sra.state.md.us)
  - Found on the UHR Website under 'Retirement Planning and Programs'  
[www.uhr.umd.edu/benefits](http://www.uhr.umd.edu/benefits)
- State Pension System: Employees' and Teachers' Reformed Contributory Pension System
  - Found on the State Retirement and Pension System Website under 'Benefit Handbooks'  
[www.sra.state.md.us](http://www.sra.state.md.us)
  - Found on the UHR Website under 'Retirement Planning and Programs'  
[www.uhr.umd.edu/benefits](http://www.uhr.umd.edu/benefits)
- New Hire Benefits Overview
  - Found on the UHR Website under 'New Employees'  
[www.uhr.umd.edu/newemployees](http://www.uhr.umd.edu/newemployees)
- Benefits Guide: see section on Retiree Health Benefits
  - Found on the Department of Budget & Management Website  
[www.dbm.maryland.gov/benefits](http://www.dbm.maryland.gov/benefits)
  - Found on the UHR Website under 'Benefits Offered'  
[www.uhr.umd.edu/benefits](http://www.uhr.umd.edu/benefits)

## Retirement Plans At-a-Glance

The following chart can be found in the New Hire guides on the UHR website and can be given to employees to help them compare the plans.

<b>Maryland State Teachers' or Employees' Reformed Contributory Pension System (EPS or TPS) for employees hired on or after 07/01/2011</b>	<b>Optional Retirement Program (ORP)</b>
Defined Benefit Plan, retirement is based upon a formula as follows: <u>Average Final Compensation</u> x <u>.015</u> x <u>Years of Service</u>	Defined contribution plan. Benefits are based upon how investments perform.
EPS is available to eligible Staff TPS is available to eligible Faculty	Choice between two vendors: Fidelity Investments and TIAA-CREF
Members of the EPS or TPS contribute 7% of their annual salary, on a pre-tax basis.	Members do not contribute to their ORP. It is an "employer only" contributory plan, in which the University contributes 7.25% of your salary into the plan. Contributions begin as soon as administratively possible.
Vesting in 10 years. If you leave the University, your plan may be transferrable to certain plans within the State of Maryland.	Vesting is 100% immediately. The ORP is portable and may be transferable to other types of retirement accounts.
<i>Normal:</i> At least 90 years of combined age and years of eligibility service. For example: <ul style="list-style-type: none"> <li>• Age 57 with 33 years of service,</li> <li>• Age 60 with 30 years of service or</li> <li>• Age 63 with 27 years of service</li> </ul> Active members with at least 10 years of eligibility service become eligible for normal service retirement at age 65. <i>Early:</i> Age 60 with at least 15 years of eligibility service.	Benefits may begin upon separation from employment. A federal penalty tax may apply.
Offers disability retirement provision.	Participants in an ORP may not change to the EPS or TPS, but may change between ORP vendors.
If a member dies after accruing at least one year of eligibility service, or dies in the course of duty, the beneficiary(ies) receives a one-time payment of the member's annual salary plus the member's accumulated contributions and interest.	Death benefits are based on the value of your account.
Provides fully subsidized health insurance to retiree and their dependents once individual has reached twenty-five (25) years of creditable service. Retiree's with 10 or more years of creditable service may receive 1/25 <sup>th</sup> of the State subsidy for each year of creditable service up to 25 years for themselves and eligible dependents.	Provides fully subsidized health insurance to retiree and their dependents once individual has reached twenty-five (25) years of service credit. Retiree's with 10 or more years of service may receive 1/25 <sup>th</sup> of the State subsidy for themselves for each year of service credit up to 25 years. No dependent subsidy if retiree has less than 25 years of service credit. Service credit is based on actual time worked. For part time employees, service credit is prorated to reflect the actual percentage of time worked.

## State Pension System

What an employee needs to submit to enroll in the Pension:

- Application for Membership (Form 1)
- Designation of Beneficiary Form (Form 4) – Must be Notarized
- Retirement Plan Selection form (if exempt or faculty)
- Acceptable Proof of Birth
  - Copy of Driver's License
  - Copy of US Passport (Foreign Passports cannot be accepted)
  - Copy of a Birth Certificate (if it's not in English, it must be translated and notarized)

### Non-Exempt Employees

It is Mandatory for Non-Exempt Employees to enroll into the State Pension System. 7% of the employee annual salary will be withheld from the employee's biweekly paycheck (over 26 paychecks)

If the non-exempt employee defaults in PHR to the State Employees' Pension System, they still need to complete the forms listed above.

### Exempt and Faculty

Exempt and Faculty Employees have a choice in retirement plans – they can enroll in the State Pension System or the Optional Retirement Program (ORP). Please note the following:

- Exempt employees who choose the pension are enrolled into the Employees' Reformed Contributory Pension System and will make a 7% contribution of their annual salary over 26 bi-weekly pay periods.
- Faculty employees who choose the pension are enrolled into the Teacher's Reformed Contributory Pension and will make a 7% contribution of their annual salary over 20 bi-weekly pay periods (pay periods 5-24)
- Once the employee joins the ORP, they can never enroll in the Pension System (even at another Maryland Higher Education Institution)\*
- **Enrollment into the state pension plan is final and irrevocable**

\*If the other institution does not offer the ORP or if the employee goes into a Non-exempt position, then the employee may enroll in the Pension System.

## Optional Retirement Program (ORP)

### Exempt and Faculty

Exempt and Faculty employees who elect the ORP are waiving all rights to participate in the State Pension System. **Enrollment into an ORP is final and irrevocable.** Please make sure employees are aware of the following:

- Employees have a choice between the following two vendors:
  - TIAA-CREF <http://enroll.tiaa-cref.org/marylandorp/> 1-800-842-2776
  - Fidelity <https://www.mysavingsatwork.com/atwork/umd.htm> 1-800-343-0860
- Employees who enroll in the ORP cannot change their election and enroll in the state pension system.

To enroll in the ORP, an employee must submit the following Enrollment documents:

- The Election Not To Participate Form (Form 60)
- Retirement Plan Selection Form
- The ORP Selection Form
- Acceptable Proof of Birth
  - Copy of Driver's License
  - Copy of Passport
  - Copy of a Birth Certificate (if it's not in English, it must be translated and notarized)

### New Retirement Election Rules Effective (7/1/17)

- Effective 7/1/17 state legislation (HB815/SB401) has been enacted that amends the membership provisions in the ORP. The new legislation rules are as followed:
- Requires an election to join a SRPS plan or the ORP upon commencement of employment
- Employees must sign and complete retirement election forms on or before their date of hire
- Eliminates the current 1-year window for members to elect to participate in the ORP
- Prohibits State or ORP employing institution employees with prior MSRPS membership from joining the ORP

### HB815/SB401 examples

**Commencement of employment-** A new employee will start at the University of Maryland August 1 in an ORP eligible position. They have never been a member of the State Pension System as a State employee, nor has he had any prior election to join the ORP. If the employee wants to join the ORP, their paperwork will have to be completed prior to or on 8/1.

**State Employee** – A new employee will start in an ORP eligible position at the University of Maryland August 1, but the employee was previously a member of the State Pension System as a State employee therefore the employee is not eligible to join the ORP. This includes if the employee was previously a member of the State Pension System as a State employee of the University of Maryland in a position that was not ORP eligible and never had an election to join the ORP. Mr. Maryland is not eligible to join the ORP.

**ORP Employer Employee** – A new employee will start in an ORP eligible position at the University of Maryland August 1, The employee never had an election to join the ORP but the employee was previously a member of the State Pension System, therefore the employee is not eligible to join the ORP.

## Claiming Retirement Credit in the Pension

### Transferring Service Time

If an employee transfers from one Maryland State employer to the University of Maryland, they can typically transfer service credit between the two different systems and plans.

Employee must go directly from one job to the next without a break in service greater than 30 days in order to transfer credit. The employee should complete the following forms (found online at [www.sra.state.md.us](http://www.sra.state.md.us)):

- Request to Transfer Service (Form 37)
- Application for Membership (Form 1)
- Designation of Beneficiary (Form 4)
- Acceptable Proof of Birth
  - Copy of Driver's License
  - Copy of Passport
  - Copy of a Birth Certificate (if it's not in English, it must be translated and notarized)

### Claiming Military Credit

Employees who once served in the Military can request credit for their Military Time. If the employee wants to receive credit for military time, they should complete the following forms (found online at [www.sra.state.md.us](http://www.sra.state.md.us)):

- Claim of Retirement Credit for Military Service (Form 43)
- Provide a copy of their Military DD214 Form and attach it to the Form 43
- Send the documentation to the State Retirement Agency (address is on the Form 43)

### Qualified/Approved Leave of Absences or Notification of Military Service

If the employee is in the pension system and is going on an Approved Leave of Absence without pay or reporting for Military Service, they must complete the Form 46: Application to be placed on a Qualifying Approved Leave of Absence (found online at [www.sra.state.md.edu](http://www.sra.state.md.edu)). For an Approved Leave of Absence through the Maryland State Retirement Agency, the employee must be on an extended unpaid leave (period not to exceed two years) for one of the following reasons:

- Personal Illness
- Birth or legal adoption of a child
- Government sponsored and/or subsidized employment
- Study



## Important Retirement Terms:

COLA	Cost of Living Adjustment
Creditable Service	Service used in the calculation of the allowance that determines the dollar amount of the member's benefit
Eligibility Service	Service that determines the member's eligibility for a benefit
AFC	Average Final Compensation

## State Retirement Forms

In the appendix of this guide, you will find samples of each of the frequently used Retirement Forms listed below. Please remember to get the most up-to-date forms online at the Maryland State Retirement Agency website [www.sra.state.md.edu](http://www.sra.state.md.edu)

### Important Notes:

- Applicant's Section: Must be completed by the applicant and signed by only the applicant.
- **Retirement Forms cannot have white-out or cross-outs**
- **Important:** Retirement Coordinator's Section can only be filled out by designated staff in the Office of Employee Benefits

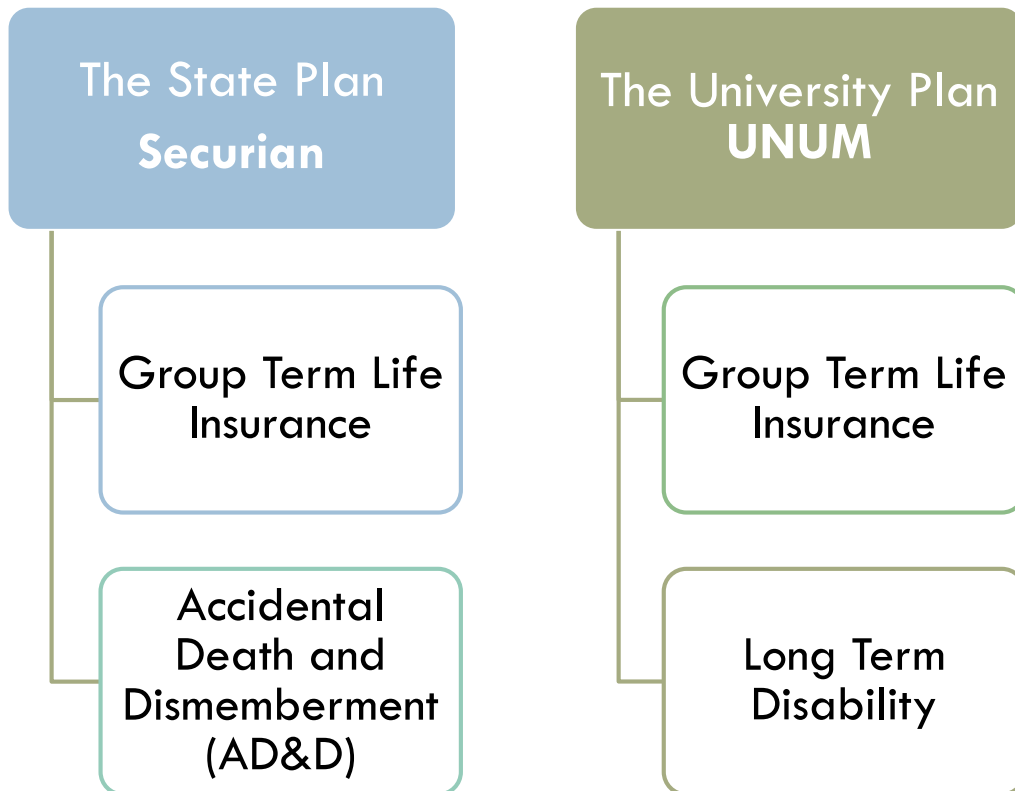
### State Retirement Forms

Form 1:	Application for Membership
Form 4:	Designation of Beneficiary
Form 9:	Application for Estimate of Service Retirement Allowances
Form 26:	Request to Purchase Previous Service
Form 37:	Election to Transfer Service (Not Available on Line)
Form 43:	Claim of Retirement Credit for Active Duty Military Service
Form 46:	Application to Be Placed on a Qualifying Approved Leave of Absence (9/11)
Form 60:	Election Not to Participate in the Teacher's System by Faculty or Administrative Officers of Institutions of Higher Learning

## LIFE & DISABILITY

### Life Insurance

There are two types of life insurance plans offered to your employees:



## TUITION REMISSION

### **Tuition Remission Introduction:**

The University of Maryland (UMD) encourages and supports the continuing of education of its regular and retired faculty and staff by providing tuition remission and tuition reimbursement for eligible employees and retirees to enroll in academic courses for the improvement of skills or for personal development purposes, as described in policy VII – 4.10. Also, tuition remission is available for the spouses and dependent children of UMD regular faculty, staff and retirees, by its constituent institutions, on an intra- and inter- institutional basis, as described in policy VII 4.20.

### **What to look for before approving a Tuition Remission Request:**

The request for tuition remission must be submitted on-line for any eligible participant attending UMD campus through the electronic form called “TR-ELF”. As departmental approvers, you should make sure all information, especially KFS account numbers, are correct and the supervisor Certification for Non-Taxable Graduate Tuition Remission has been completed and forwarded to Janice Smith before approving the form, if applicable.

Any participant attending other USM institutions must complete the paper tuition remission form with the revised date of 11-12-2014 on the bottom right of the first page. The departmental approvers should review and make sure the form has the correct KFS account numbers, correct number of credits, initials in the appropriate areas, the employee and supervisor signature, and make sure the Supervisor Certification for Non-Taxable Graduate Tuition remission is attached, if applicable.

\*Graduate Assistants with an active PHR appointment and current KFS account who enrolled in College Park classes will automatically receive tuition reimbursement for each semester that they are registered.

### **When will Tuition Remission Post to the Student’s Account?**

At the beginning of a new semester, tuition reimbursement will not post to the student’s account until the previous semester pool accounts are balanced and closed. The dates varies from each semester, depending on how long it takes for the University Budget Office and the Benefits Office to balance the pool accounts. Once the pool accounts are cleared, three things must be in place before the reimbursement posts to the student accounts. The student must be registered, the KFS account must be current and the employee/faculty/GA must have an active PHR appointment. If there is an end date in PHR before the last day of the semester, the tuition will not post.

### **Who is eligible for Tuition for the summer?**

Tuition Remission is offered to eligible faculty, staff and their eligible family members with an active PHR appointment. For newly hired eligible faculty and staff, each semester there will be a memo released to the departments with the deadline for the approved PHR appointment start date in order for the participant to receive tuition reimbursement for the semester.

12 month GAs with an active PHR appointment through the last day of class for the semester will automatically receive tuition reimbursement. 22 pay GAs must have a summer research appointment in order to receive tuition reimbursement for the summer.

### **When is Tuition Remission Taxable?**

The IRS does not require taxation of tuition remission benefits for undergraduate courses, unless the spouse or dependent child is not claimed as a dependent on the employees’ tax return. However, the full amount of graduate level courses for spouses and dependent children are considered taxable income.

As of January 1, 2002, tuition remission benefits for employees for graduate level courses will not be taxed unless the amount remitted exceeds \$5250.00. If the remission exceeds the \$5250.00 maximum, the employee will be taxed on the amount above the maximum threshold, unless the program is either required as a condition of employment, or would maintain or improve the skills for the current position. If the graduate level courses meet the above non-taxable conditions, a Supervisor Certification for Non-Taxable Graduate Tuition Remission must be included with the tuition remission form. If the employee initials the section that the tuition remission is considered a working fringe benefit and the Supervisor Certification form was not received, the employee will be taxed.

### **How is this determined?**

Each semester, the Benefits Office reports to UMD Payroll the amount of remission remitted for each student taking courses at UMD. Other USM institutions report the amount remitted to UMD Payroll for each student taking courses at their institution. Once the remission amount exceeds the threshold, Kim Williams, UMD Payroll Manager, submits a list of names and dollar amount of tuition remitted for each recipient to the Benefits Office, which then sends an email to the employee indicating the total dollar amount being taxed and the number of pay dates that the tax will be taken.

The taxes will be withheld as follows:

- Federal Income Tax- flat 25% rate, required by IRS regulation
- State and Local Income Tax- employee's combined current rate, around 7% to 8% in most cases
- FICA Tax- flat 7.65%

The taxation will occur as follows:

- If the graduate tuition exceeds \$5250 for employees, full graduate tuition for spouse/dependents, or full tuition for non-qualified dependents is \$200 or less, the entire amount will be taxed on one paycheck.
- If the graduate tuition exceeds \$5250 for employees, full graduate tuition for spouse/dependents, or full tuition for non-qualified dependents exceeds \$200, the taxation will be prorated over four or five paychecks.

### **Terminated before the last day of class (Dissertation classes)?**

If an employee resigns, or is terminated prior to the drop/add deadline for each semester, the tuition remission benefit will be rescinded and all tuition and mandatory fees, if applicable will be charged back to the student's account.

Graduate Assistants must have an active PHR appointment until the last day of class. If the Graduate Assistant's PHR appointment ends in the middle of the semester, the tuition remission benefit will be rescinded and all tuition will be charged back to the student's account. If a Graduate Assistant is receiving in-state tuition due to the assistantship, the tuition will be charged back at the out-of-state rate.

However, if the Graduate Assistant is taking a dissertation class (899, 898, etc.) and graduates, you must contact Janice Smith to request the tuition remission to be added back to the student account.

## OFFICE OF EMPLOYEE BENEFITS

### General Contact Information

1101 Chesapeake Building, 4300 Terrapin Trail  
[www.uhr.umd.edu/benefits](http://www.uhr.umd.edu/benefits)

Phone: 301.405.5654

Fax: 301.405.8243

### Benefits Staff:

**Dave Rieger, Assistant Director Benefits** ext. 55654  
[drieger@umd.edu](mailto:drieger@umd.edu)

**Stacy Sims, Benefits Counselor** ext. 55657  
[ssims@umd.edu](mailto:ssims@umd.edu)

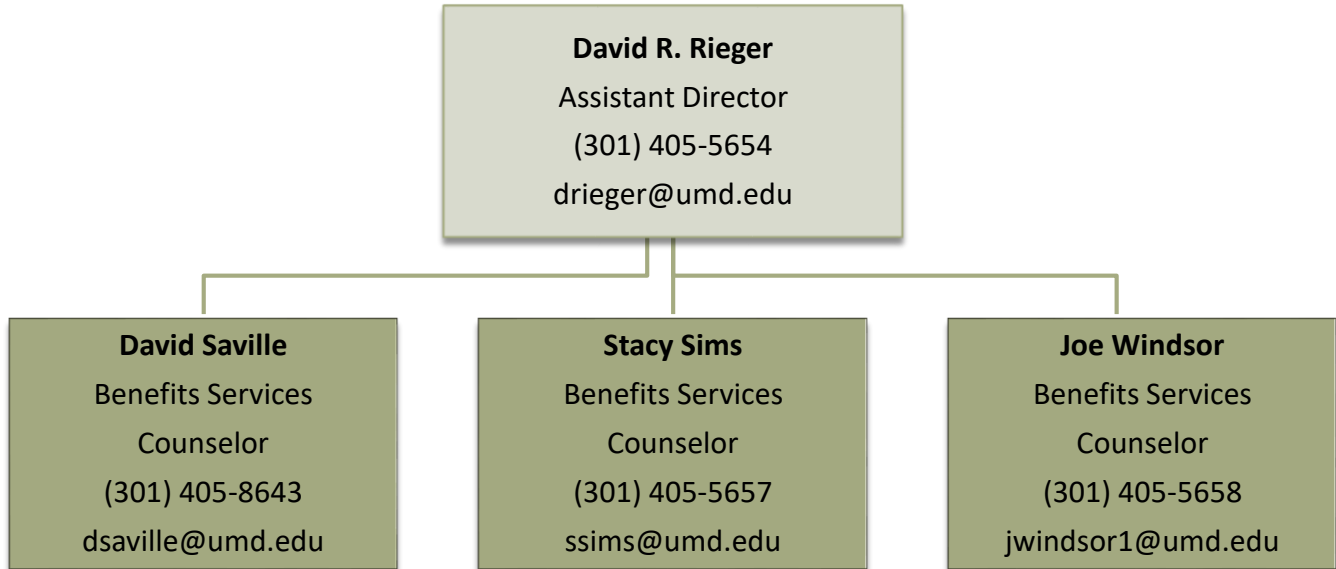
**David Saville, Benefits Counselor** ext. 58643  
[dsaville@umd.edu](mailto:dsaville@umd.edu)

**Joe Windsor, Benefits Counselor** ext. 55658  
[jwindsor1@umd.edu](mailto:jwindsor1@umd.edu)

**Shirleen Moore, Coordinator** ext. 57893  
[smoore1@umd.edu](mailto:smoore1@umd.edu)

**Janice Smith, Tuition Remission Specialist** ext. 55659  
[jsmith12@umd.edu](mailto:jsmith12@umd.edu)

## Geographic Service Model



**Agriculture (AGNR)**

**Architecture (ARCH)**

**Arts & Humanities (ARHU)**

**College of Information Studies**

**Education (EDUC)**

**Libraries (LIBR)**

**IT (IT)**

**RH Smith School of Business  
(BMGT)**

**Undergraduate Studies (UGST)**

**Administration & Finance (VPAF)**

**CMNS**

**President's Office (PRES)**

**Research & Graduate School (VPR)**

**School of Public Health (SPHL)**

**Shady Grove (USG)**

**SVPAAP (Provost)**

**BSOS (BSOS)**

**Engineering (ENGR)**

**Journalism (JOUR)**

**Public Policy**

**Office of Extended Studies (EXST)**

**Student Affairs (VPSA)**

**University Relations (VPUR)**