



STATE RETIREMENT AGENCY
120 East Baltimore Street
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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

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sra.maryland.gov

May 18, 2022

The Honorable Sarah K. Elfreth
Senate Chair, Joint Committee on Pensions
103 James Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

The Honorable Brooke E. Lierman
House Chair, Joint Committee of Pensions
House Office Building, Room 311
6 Bladen Street
Annapolis, Maryland 21401

RE: Report required by § 3 of Chapter 216 of the Acts of 2021 (MSAR #13367)

Dear Chairs Elfreth and Lierman:

Section 3 of Chapter 216 of the Acts of 2021 requires the State Retirement Agency to submit a report indicating:

- (1) the number of ordinary disability retirement allowances awarded on or after July 1, 2018;
- (2) of the ordinary disability retirement allowances that were awarded on or after July 1, 2018:
 - a. the number of applications in which a selection was made on the preliminary application for Option 1;
 - b. the number of applications in which a selection was made on the preliminary application for Option 2;
- (3) of the ordinary disability retirement allowances that were awarded on or after July 1, 2018, the number of allowances, by age of the retiree, that were paid the basic allowance and each of the benefit option elections under § 21-403 of the State Personnel and Pensions Article; and
- (4) of the ordinary disability retirement allowances that were awarded on or after July 1, 2018, the number of allowances awarded based only on a preliminary application.

Findings

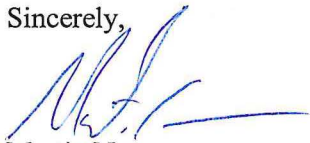
The Agency has determined that there were 1,236 ordinary disability allowances awarded between July 1, 2018 and November 30, 2021. To determine the exact number of applications in which a selection was made on the preliminary application for either Option 1 or Option 2, the Agency would have to manually review each of the 1,236 retiree accounts that were awarded an ordinary disability between July 1, 2018 and November 30, 2021. While the Agency does not have the resources to review each of these accounts, we did a sampling of 100 accounts and determined 65% chose Option 1, while 35% chose Option 2. Applying this ratio to the 1,236 disability accounts in question, approximately 803 individuals should have selected Option 1, with 433 individuals selecting Option 2.

Attachment A provides a breakdown of the number of accounts, by retiree age, that were paid the basic allowance or one of the six optional allowances.

Unfortunately, the Agency does not track ordinary disability allowances that are awarded based on the preliminary application. However, anecdotally, we believe we see this happen, on average, once a month. Therefore, the Agency would estimate there were approximately 41 allowances awarded based on preliminary applications over the period of time addressed in this report.

Should you have any questions, please do not hesitate to contact me at 410-625-5600.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Noven', with a long horizontal flourish extending to the right.

Martin Noven
Executive Director

cc: The Honorable William C. Ferguson IV
The Honorable Adrienne A. Jones
The Honorable Guy J. Guzzone
The Honorable Benjamin Barnes
The Honorable Susie Proctor
The Honorable D. Antonio Bridges
Victoria L. Gruber
Sarah Albert
Board of Trustees

ATTACHMENT A

**State Retirement and Pension System Ordinary Disability Allowance, by Retiree Age
and Allowance Selection
July 1, 2018 – November 30, 2021**

Age	Basic Allowance	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Total
29	1	0	0	0	0	0	0	1
30	2	0	0	0	0	0	0	2
31	2	0	0	0	0	0	0	2
32	0	1	0	0	2	0	0	3
33	2	1	0	0	0	0	0	3
34	2	1	0	0	0	1	2	6
35	6	1	0	0	0	0	0	7
36	3	0	1	0	1	1	1	7
37	7	2	0	0	0	0	2	11
38	5	0	0	0	0	0	0	5
39	3	2	0	2	3	2	0	12
40	8	1	1	0	0	0	0	10
41	12	1	0	0	0	2	0	15
42	6	2	1	2	2	0	1	014
43	10	2	2	1	1	0	1	17
44	11	2	1	1	1	2	0	18
45	8	0	0	1	2	1	1	13
46	8	1	3	1	2	0	3	18
47	9	5	2	1	7	2	1	27
48	15	2	1	1	1	2	3	25
49	21	2	2	2	8	0	2	37
50	25	8	3	3	10	2	3	54
51	37	4	4	6	6	1	8	66
52	25	4	8	3	5	0	8	53
53	29	3	2	4	9	0	8	55
54	44	7	10	6	6	4	6	83
55	43	6	8	6	11	2	2	78
56	36	8	5	4	10	2	6	71
57	36	14	2	3	16	3	4	78
58	53	11	9	7	10	2	3	95
59	40	5	5	2	10	2	5	69
60	48	3	7	6	5	2	5	76
61	42	9	6	4	13	3	4	81
62	18	4	4	1	5	2	1	35
63	13	1	0	0	4	1	2	21
64	5	2	0	1	0	1	0	9
65	7	2	0	0	3	0	1	13
66	4	1	2	1	0	0	0	8
67	5	1	0	0	0	2	0	8
68	2	1	1	1	0	0	1	6
69	3	0	0	0	1	0	0	4

**State Retirement and Pension System Ordinary Disability Allowance, by Retiree Age
and Allowance Selection (continued)
July 1, 2018 – November 30, 2021**

Age	Basic Allowance	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Total
70	0	1	1	0	2	0	1	5
71	0	0	0	0	0	0	0	0
72	1	0	1	0	2	0	0	4
73	1	0	0	0	1	0	0	2
74	1	0	0	0	0	1	0	2
75	1	0	0	0	0	0	0	1
76	0	0	1	0	0	0	0	1
77	2	0	0	0	0	0	0	2
78	1	0	0	0	0	0	0	1
79	0	0	0	0	0	0	1	1
80	0	0	0	0	0	0	0	0
81	0	0	0	0	0	0	0	0
82	0	0	0	0	0	0	0	0
83	0	1	0	0	0	0	0	1
Total:	663	122	93	70	159	43	86	1,236