

457(b)

Roth 457(b)

401(k)

Roth 401(k)

403(b)

Benefit payment options

MSRP offers many ways for you to receive money from your account

You're eligible to receive payments when you retire or leave state employment. However, you are not **required** to begin receiving benefits until you are 73¹ years old—MSRP is here to serve you throughout your lifetime. You may change your benefit payment option at any time (as long as you receive your required minimum distribution if you are 73¹ or older).

Periodic payments

- Payments can be monthly, quarterly, semiannually or annually. You can also choose to receive payments over a fixed number of years, not to exceed your life expectancy, or as a fixed dollar amount. Payments received over a fixed number of years may vary based on the value of your account at the time of each payment. Each payment must be at least \$25.
- Benefits paid as a fixed dollar amount will each be the same.
- If you are over 73¹, an additional payment will be made to meet your required minimum distribution, if necessary.
- In the event of your death, your beneficiary will receive any remaining account balance.

Partial withdrawals

- You can receive payments as partial withdrawals.
- You can take up to 12 partial withdrawals annually. Each withdrawal must be at least \$25.
- You can postpone payment of the remainder of your account balance until age 73¹, request additional partial withdrawals as needed, or establish periodic payments.
- Partial withdrawals may be paid even if you're receiving periodic payments.

Full withdrawal

- Your account is paid out in one lump-sum payment.
- You will no longer be a participant in the plan.
- Leave a small balance to be able to return if your plans change.

Rollovers

- Whether you are actively at work or separated from service, you can roll assets you have in another eligible retirement plan into MSRP.
- Required minimum distributions (RMDs), if applicable, will be paid prior to processing any outgoing total account rollovers.
- When you're eligible to receive payments, you have the option to roll out of MSRP and into another eligible retirement plan.
- Tax consequences, distribution options, investment options and participation costs in other types of retirement plans may differ from the MSRP.



To initiate a payment request, call Customer Service at **1-800-545-4730**, or log into your account at **MarylandDC.com**. Follow along with a step-by-step video from the *Planning in Retirement* tile on the website.

Contact Customer Service or a local Retirement Specialist with questions.

All benefit payments paid from pre-tax accounts and the taxable portion of a nonqualified distribution from Roth accounts will be subject to federal income taxes. State income tax liability will depend on the laws in your state of residence when benefits are received.

¹ 75 if born after 1960

Answers to commonly asked questions about MSRP

Who is eligible to participate?

All state, contractual, and university employees.

Are payroll deductions pre-tax?

Yes, regular deferrals are pre-tax for federal and state² income tax purposes but not for FICA. Roth contributions are available and are made after-tax.

What's the minimum contribution?

\$5 per pay period.

What's the maximum contribution?³

- \$22,500 for anyone under age 50
- \$30,000 for anyone age 50 or over
- \$45,000 in final 3 years if 457(b) deferrals in previous years were less than the amount allowed by law, you may be eligible to make Retirement Catch-Up deferrals (cannot be combined with Age 50 Catch-up).

Can I change my contribution amount?

Change contribution amounts as often as you like. Changes take effect as soon as administratively possible.

Can I contribute to more than one plan type?

You can contribute to more than one plan type at a time subject to maximum contribution limits.

May I roll over money into MSRP?

Yes, from qualified retirement accounts.

Can I take a loan against my account balance?

MSRP permits loans, Contact Customer Service for specific details about how they are set up.

May I withdraw pre-tax money while employed?

Yes, if you are 70½ or older for a 457(b); or 59½ for a 401(k)/403(b); or qualify for an unforeseeable emergency withdrawal; or if you have rolled over assets from a 401(k), 403(b) or an IRA, and other very limited circumstances. Withdrawals of rollover assets rolled into MSRP continue to be subject to the distribution rules of the former plan, which could include an additional 10% early withdrawal tax if they are received before age 59½.

When may I begin benefit payments without an additional 10% early withdrawal tax?

You may begin 401(k)/403(b) payments when you leave employment at age 59½ without a 10% early withdrawal tax. The 457(b) is whenever you leave state employment, regardless of age.

May I change payment options once I start payout?

Yes. You have complete flexibility when choosing and changing your benefit payment options.

Must I begin payments when I leave state employment?

No. However, benefit payments must begin at age 73¹, under the required minimum distribution (RMD) provision.

When do I pay taxes on distributions?

Ordinary income taxes apply when the pre-tax portion of account is paid to you, usually at retirement. Qualified distributions from your Roth account are tax free.

How much does it cost to participate?

MSRP administrative fee that is a combination of a fixed fee of \$6.00 per account and an asset-based fee of 0.11%, capped at \$2,000 annually. Some of the mutual funds offered as investment options pay reimbursements that are credited to the accounts of participants who are invested in the mutual fund paying the reimbursement.

Do I incur any charges upon withdrawal?

No. MSRP does not assess any front-end or back-end sales charge.



Visit MarylandDC.com, or contact Customer Service at 1-800-545-4730 for help joining MSRP, managing your account, or requesting a distribution.



SCHEDULE ONLINE

Contact a Personal Retirement Consultant at 443-886-9402 for personal consultations and rollovers.

² Depending on the state. Pennsylvania is excluded.

³ "401(k) limit increases to \$22,500," IR-2022-188, Internal Revenue Service (Oct. 21, 2022). These limits are subject to change annually.