

MSRP PLANS ARE FOR CONTRACTUAL EMPLOYEES TOO!!



Contractual employees can participate in the 457(b), 401(k) and 403(b)!

Why should Contractuals participate?

- *Because you aren't in the pension system (and aren't contributing 7% of your salary to it), you absolutely need to save for retirement!!*
- What's in it for you?! Money for your future!
- Payroll deduction makes it easy and painless.
- You own this money. Regardless of where your career takes you, this money will always be yours.
- MSRP offers lower expenses than investing on your own.
- If you have no other option and really need it, you can access your retirement money through loans or hardship withdrawals.

Which account is better for Contractuals?

Usually the **457(b) account** since it has no age restrictions on getting access to your money when you have left state service. If you are 55 or older, the 401(k) gives you similar access. The EZ Enrollment form automatically signs you up for the best account based on your date of birth!

WHAT ABOUT ALL THE “WHAT IFS” SINCE YOU ARE CONTRACTUAL?

What happens if I leave State service without getting a regular position and a PIN number?

Once you join, you may continue as a lifetime member of MSRP into your retirement years. You may keep your account with MSRP, and even move later IRA or 401(k) amounts back to your MSRP account and take advantage of low costs and sound investment choices. Or, you can roll your money out to a new employer's plan or Traditional IRA if you wish. However, if you want to retain immediate access to money in your 457(b), you should leave it in your MSRP account. (If you roll it out you will lose access to the money until you turn 59 ½.)

You can still change your investments anytime, but you cannot contribute from your paycheck any longer.

What if I do get a regular position and a PIN number?

If you get a regular position and become part of the pension system, you might still leave before you are vested in the state pension benefit (10 years for most employees—in the Reformed Pension). You will then be *required* to withdraw your contributions plus interest. If you choose the option for a rollover into your 457(b) account (or other retirement account) you may avoid it becoming immediate taxable income. Without the rollover, you would probably have to pay a 10% excise tax when you file your next tax return.

If you stay employed with the State for your career, you may use your MSRP account money (which has never been taxed) to purchase service credit for your contractual time and become eligible to retire earlier or to increase your pension benefit amount.

What if I don't get a paycheck every pay period?

If you only miss 1 or 2 pay periods, your contributions should pick up again with your next pay check (although you should review your pay stub to be sure). If you miss more than 2 consecutive pay periods you may have to restart your contributions in writing, by phone or online. If you are not a year-round employee, you might want to submit a Deferral Change Form that is effective for your first pay after your return, or even at the beginning of your break (i.e. submit the form in June to be effective your first pay in September).

What if there is not enough money available in my paycheck to cover my requested contribution?

This most often occurs because you did not work your normal number of days. If there is not enough money in your paycheck to take your requested MSRP contribution, **then payroll takes nothing**. If you go more than 2 pays without a contribution, you will need to restart your contributions in writing, by phone or online. If you are contributing a large percentage of your paycheck, try to limit your contribution amount to the amount that will always be available, even with days off for holidays, etc.



To join the MSRP Plans please complete the attached EZ Enrollment Form

Using this form will automatically put you into the best plan for your age, and direct your investments to the T. Rowe Price Target Date Fund based on your date of birth. The only decision you need to make is how much you want to contribute per pay! We encourage you to start out with at least \$25 per pay if possible (the minimum is \$5 per pay). Keep in mind that because of the pretax benefit, your take home pay will go down by a smaller amount (for a \$25 contribution the reduction in take home pay is \$18.50 for the average State employee). Please be sure to write in your number of pays per year (26 for most employees) and circle "Contractual" for type. If you do not know your Payroll Center or your 6 digit Agency Code, please contact your personnel office.

You will receive a welcome packet from Nationwide (our third party administrator) including a Beneficiary Designation form. It is critical that you return the signed form ASAP. Your contributions should start to come out in 2 pay periods. You will receive quarterly statements.

Making changes to your MSRP account is easy!

You can change your contribution amount or switch to Roth (after tax) contributions at any time; these changes usually take 2 pay periods to become effective. You can change how your money is invested anytime (these changes submitted before 4 pm take effect no later than the next business day).

ONLINE

Set up MSRP Online Access at www.MarylandDC.com (you may also go paperless).

BY PHONE

Call Team MSRP Customer Service at 1-800-545-4730

Live assistance 8:00 am – 11:00 pm Monday – Friday, and 9:00 am – 6:00 pm on Saturdays

IN WRITING

Download MSRP forms from www.MarylandDC.com

IN PERSON

By meeting with your Team MSRP Nationwide Rep or a MSRP Rep at your worksite.

QUESTIONS?

Contact the MSRP Board office at 1-800-543-5605 or email to info.MSRP@maryland.gov .



MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

SEND OR FAX COMPLETED FORM TO:

Nationwide Retirement Solutions
11350 McCormick Road
Executive Plaza 1, Suite 400
Hunt Valley, MD 21031
Phone: 800-545-4730
Fax: 443-886-9403

EZ Enrollment Form

- 457(b) Plan if under age 55
- 401(k) Plan if 55 years or older

PERSONAL INFORMATION *(please print)*

Name _____ Male Female
 Address _____
 City _____ State _____ Zip _____
 Home Phone _____ Work Phone _____
 Email Address _____
 Date of Birth ____/____/____ Number of pay periods per year _____
 Agency Code: _____ Payroll Type *(circle answer)*: Regular University Contractual Other
 Payroll Center Name *(circle answer)*: Central University Other

I acknowledge that I have read the terms and conditions detailed below. I will be enrolled into the 457(b) plan unless I am currently 55 or older, in which case I will be enrolled in the 401(k) plan.

Signature _____ Date _____
 Social Security Number _____

ENROLLMENT INSTRUCTIONS

- I want to enroll in the MSRP Program today and begin contributing:
- \$25 per pay period
 - \$ _____ per pay period

A pre-tax payroll deduction will be invested into the T. Rowe Price Targeted Retirement Fund closest to the year in which I turn age 65. I understand that deferrals will begin on the next pay date 30 days from the date my form is received by the Program, and that upon receipt of this form I will receive a Program welcome kit. Changes can be made at any time.

Please be sure to provide your Social Security Number, signature, and date.

TERMS AND CONDITIONS

Upon receipt of this enrollment form, you will be mailed a welcome kit which will include a copy of the Cancellation Form, Beneficiary Form, Memorandum of Understanding and Enrollment Kit or Basics Booklet with more detailed information on the provisions outlined below:

- My account balance will be held by MSRP in trust for the exclusive benefit of me or my beneficiaries.
- I may cancel my participation, before my forms are processed, by calling 1-800-545-4730 within seven days from the date that I signed the enrollment form.
- Based on market fluctuations, the rate of return on my account could be either positive or negative. This could result in my account balance being worth less than my contributions.
- Investments may have underlying expenses or management fees that will reduce the investment results. Information on these expenses can be found in the investment profiles or the respective prospectus(es). Investment profiles and prospectus(es) can be found on the Plans website at MarylandDC.com
- **Fund prospectuses can be obtained by calling 1-800-545-4730. Read the prospectuses carefully before investing. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus contains this and other important information.**
- You can always call Team MSRP at 1-800-543-5605 for a schedule of investment education opportunities.

The Internal Revenue Service imposes rules which limit the times when I can make changes or receive withdrawals from the Program.

- At any time, I may change my contribution amount and the investment allocation of my current account balance. I may also change the investment allocation of my contribution to either or both the pre-tax or after-tax plan option(s) of my choice. I understand that the decision to invest in an after-tax Roth plan option is irrevocable.
- I may withdraw funds from the Program only upon:
 - 1) Severance from employment (including termination or death)
 - 2) A severe financial hardship (as defined by IRC section 401(k))
 - 3) An Unforeseeable Emergency (as defined by IRC section 457(b))
 - 4) Plans loan provision
 - 5) Total disability
 - 6) Attaining age 59½ even if still employed. Only available for 401(k)
 - 7) Attaining age 70½ even if still employed. Only available for 457(b)
- Although not required, withdrawals may begin after receipt of a Payout Request Form including my severance from employment and my employer's verification of severance.
- The funds in my account may be eligible for rollover to an IRA or to an eligible retirement plan upon severance from employment.
- I realize my participation is for long-term retirement savings and I should maintain separate, available emergency funds to cover day-to-day, unanticipated, financial shortages.

Financial & Realty Services, LLC may provide education and marketing support services on behalf of NRS. Its Retirement Consultants are registered representatives of FSC Securities Corporation (FSC), member FINRA, SIPC. FSC and Financial & Realty Services, LLC are not affiliated with MSRP, NRS or NISC.

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.