

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BALTIMORE**

DISTRIBUTION OF BENEFITS -- PAYMENT METHODS POLICY

Adopted August 17, 2006. Amended April 16, 2015.

I. BACKGROUND

The general administration and responsibility for the proper operation of the Employees' and Elected Officials' Retirement Systems of the City of Baltimore ("Retirement Systems") are vested in the Board of Trustees ("Board") of the Retirement Systems. The Board periodically reviews and amends policies relating to the administration of benefits. To the extent administrative policies result in operational efficiencies, the City of Baltimore and the Retirement Systems experience budgetary savings.

II. DISTRIBUTION OF BENEFITS - PAYMENT METHODS

PART I - ELECTRONIC FUNDS TRANSFER

- A. The Retirement Systems shall pay a member or beneficiary's allowance by electronic fund transfer to the institution designated by the member or beneficiary as provided in this Policy.
- B. When a member or beneficiary first becomes eligible to receive a monthly allowance, the Retirement Systems shall provide a form to the member or beneficiary that shall be the electronic fund transfer sign-up form. The member or beneficiary shall complete the electronic fund transfer sign-up form and file it with the Retirement Systems. Members and beneficiaries must submit a completed electronic fund transfer sign-up form in order to receive benefit payments.
- C. The Retirement Systems shall accept the electronic fund transfer sign-up form filed by a member or beneficiary if the:
 - (1) Member or beneficiary completes the form; and
 - (2) Institution named by the member or beneficiary on the form participates in the Automated Clearing House Network.
- D. At any time while receiving an allowance, a member or beneficiary may change the designated institution by completing a new electronic fund transfer sign-up form and submitting the form to the Retirement Systems.

- E. The last electronic fund transfer sign-up form filed by a member or beneficiary and accepted by the Retirement Systems shall control the electronic fund transfer of the member or beneficiary's monthly allowance.
- F. The Retirement Systems shall notify any retired member or beneficiary who does not receive his or her benefits via electronic fund transfer, or whose electronic fund transfer arrangement lapses, that he or she should submit an electronic funds transfer sign-up form within 30 days of the date of the letter.
- G. Retired members and beneficiaries who do not submit an electronic funds transfer sign-up form within 30 days of the date of the letter will have their benefit payments paid by check and delivered to the Retirement Systems until such form is submitted. Retired members and beneficiaries will be permitted to pick up the first check so delivered, but subsequent checks will be held until an electronic funds transfer sign-up form is submitted.
- H. If there is a charge for stopping payment on a retiree member or beneficiary's check, the retiree member or beneficiary will be liable to the Retirement Systems for such charge.

PART II -- PAYMENT PROCEDURE

- A. The Retirement Systems shall transmit a member or beneficiary's monthly allowance to the institution designated by the member or beneficiary as set forth in Part I of this Policy.
- B. The Retirement Systems shall give each member or beneficiary who receives an allowance through electronic fund transfer a monthly advice statement that reflects the following:
 - (1) The total amount of the monthly allowance;
 - (2) Any amounts deducted from the monthly allowance; and
 - (3) The portion of the monthly allowance electronically transferred.

III. WAIVER.

The Executive Director may, for good cause shown, waive any part of this Policy.