

News for Active & Retired Members of the Baltimore City Employees' Retirement System

Retirement *Today*

SPRING 2020



ERS

Bernard C. "Jack" Young
Mayor

**EMPLOYEES'
RETIREMENT
SYSTEM**

of the CITY OF BALTIMORE

A MESSAGE FROM THE EXECUTIVE DIRECTOR



Dear Active Members,
Retirees and Beneficiaries:

In the Spring 2020 edition of our *Retirement Today* newsletter, we feature changes on the horizon and some updates that have taken place since our newsletter last fall.

Since our last publication, we have welcomed new, re-elected, and re-appointed trustees. In December 2019, we held an election for a retired member trustee for the ERS board. Two highly qualified candidates, Laverne Foster and Rosemary Atkinson, ran for the board position. Ms. Atkinson was re-elected to serve another term on the board following the election. On page 6, you can learn more about our new members and view photos of the swearing-in ceremonies that took place at the Mayor's Office in October and February.

I also want to draw attention to the article on the next page regarding an increase to the Required Minimum Distribution age. This act, passed in December, may affect you in the years to come. Please read the article about the new act to learn whether or not this change applies to you and what it means.

As tax season is upon us, you may want to learn more about exclusions that can possibly save you money. This is included among the rest of the information we hope you will find useful in the following pages.

Finally, I mentioned last fall that we were in the process of redesigning our website to make it more user-friendly for our members and retirees. If you have not done so already, please visit our website at www.bcers.org to view the new design. Once on the site, you can find and view our Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR) for both ERS and EOS which were published last December.

Warmest Regards,

David A. Randall
Executive Director

UPCOMING EVENTS

March

17 New Employee Enrollment Seminar

18 Retirement Ready Seminar

April

14 Retirement Education Seminar

15 Retirement Ready Seminar

21 New Employee Enrollment Seminar

May

19 New Employee Enrollment Seminar

20 Retirement Ready Seminar

*Additional workshop dates and descriptions on p. 7

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TAX TALK!

Let's talk exclusions:

Did you know that you may qualify for the Maryland Pension Exclusion? This special tax provision allows those that qualify to subtract a portion of your taxable pension income from your Maryland tax return, thus saving you money.

This subtraction applies only if:

A. You were 65 or older or totally disabled, or your spouse was totally disabled, on the last day of the tax year; AND

B. You included on your federal return income received as a pension, annuity or endowment from an "employee retirement system." Please note that these include qualified defined benefit and defined contribution pension plans, 401(a) plans, 401(k) plans, 403(b) plans, and 457(b) plans.

Important Note: A traditional IRA, a Roth IRA, a simplified employee plan (SEP), a Keogh Plan or an ineligible deferred compensation plan does not qualify.

Please consult your tax professional and/or the Maryland Resident Tax Booklet available online at https://www.marylandtaxes.gov/forms/current_forms/Resident_booklet.pdf for additional information and computation worksheets.

Let's talk about additional deduction potential:

Were you aged 65 or over as of December 31, 2019?

If so, you may be eligible for the Additional Standard Deduction. The standard deduction is a predetermined dollar amount set by the IRS which reduces your taxable income. Taxpayers must make a choice between itemizing deductions and utilizing the standard deduction. Taxpayers aged 65 and over may qualify for the higher standard deduction.

Please consult your tax professional and/or review the IRS Publication 501 (2019) for detailed information. <https://www.irs.gov/publications/p501>

SECURE ACT:

What Does it Mean for You?

In December 2019, the "Setting Every Community Up for Retirement Enhancement" (SECURE) Act was put into action. The SECURE act includes a number of retirement savings provisions intending to strengthen retirement security across the county. One of the primary changes involved is increasing the required minimum distribution (RMD) age.

Previously, qualified account holders such as those with 401(a) and 457(b) plans and other eligible retirement plans including individual retirement accounts had to withdraw their RMD after they reached age 70.5. The SECURE Act increases that age requirement to 72. The House reasoned that the 70.5 age was based on life expectancies established in the early 1960s and had not been updated since that time. The new act is designed to take longer life expectancies and the increase in numbers of employees working beyond traditional retirement age into account.

What does this mean for you?

If you will reach age 70.5 in 2020, you will not be required to take your required minimum distribution in April 1 of 2021 as you would have been previously. Under the new act, you will be required to take your RMD beginning in April 1 of the calendar year following the year in which you turn 72. This new RMD age of 72 applies to anyone who will reach age 70.5 in 2020 or thereafter.

If you reached 70.5 in 2019, however, you will still need to withdraw your required minimum distribution this year. Failing to make the withdrawal will result in a 50% penalty of your RMD. If you turned 70.5 in 2019, you can wait to withdraw your RMD until April 1, 2020.



4 REASONS to KEEP YOUR MONEY in the Deferred Comp Plan!

The Deferred Compensation Plan (DCP), or 457 (b), offers City of Baltimore employees the opportunity to save additional money for retirement. Currently administered by Nationwide, the DCP is a tax-advantaged, long-term optional retirement savings plan open to all retirement benefits-eligible City employees. Baltimore City Public Schools employees not eligible for participation in the Maryland State Retirement system are also eligible to contribute to the DCP.

Did you know that there are benefits to keeping your money in the Deferred Compensation Plan even after you leave employment with the City?

If you are already retired, have retirement on the horizon, or are thinking of terminating employment with the City and have money in the plan, you may be presented with different options to move your money out of DCP and into other retirement plans. Before you make a move, however, remember that you do not have to move your money out of the plan after you leave employment with the City and that leaving your money in the plan offers several benefits.

Lower Fees

The City of Baltimore has low cost investment options that may be cheaper than you could get on your own, a benefit you retain even after you retire or separate service. You can avoid the added direct expense a financial professional may charge for many services the Plan offers.

Local Specialists

You can continue to meet with local retirement

specialists after you retire and receive the financial guidance they provide at no additional cost.

Flexible payout options

The plan offers flexible payout options so that you can receive money at regular intervals or withdraw money when you need it.

Decreased tax burden

The DCP may allow you to defer sick, vacation and back pay. Doing this may help decrease or delay the tax impact of your withdrawals.

Meet with a retirement specialist to learn more about the Deferred Compensation Plan and these benefits.



Have questions about how to be Retirement Ready? Our Retirement Specialists are here to help!

Schedule an appointment to meet with a Retirement Specialist to make sure you are contributing to Deferred Compensation and on the right track toward retirement.

Meet with Heather Gayle



Heather E. Gayle, RICP

Meet with Bryant Mayes



Bryant Mayes, CRPC

To schedule an appointment online, visit
<http://retirewithbmore.myretirementappt.com>

7 E. Redwood Street, 11th Floor

Baltimore, MD 21202

8:30 AM - 4:30 PM

(443) 984-2389

EMPLOYEE SPOTLIGHT: INTRODUCING ANGELA JACKSON



Retirement Benefits Manager Angela Jackson is new to the Employees' Retirement Systems team, but a long-time employee of the City of Baltimore. She began in her role as Benefits Manager for the ERS in late 2019 after working for more than 34 years with the City's Employee Benefits Division as the Benefits Supervisor.

Moving to a new agency within the City marked a big change for Angela. Her role with Employee Benefits was her first "real" job. "I was looking for a change, but had not actively pursued other opportunities," Angela said. When the Benefits Manager position was presented, it opened a window of opportunity into the new challenge she was looking for.

"I felt like this is where I should be," Angela said.

"We are excited to welcome Angela to the ERS team," said Deputy Executive Director Nichelle Lashley. "She brings a historical knowledge of City operations, documented experience with working on behalf of the retiree population, and a cooperative spirit which has made her transition seamless."

In the months since she has been in her new role, she enjoys being able to continue to work for the City in a new environment. "I love the new role," Angela says. "It's a new pace and a new atmosphere. I love learning new things and the team that I have."

Outside of work, Angela likes to explore her passion for natural healing and health. She also enjoys traveling and spending time with her family and friends.

RETIREMENT SCRAMBLE



J	X	Q	K	M	N	B	A	P	Y	C	F	J	V	L
I	N	Y	M	F	O	K	I	S	F	A	Z	Z	O	K
C	O	N	T	R	I	B	U	T	I	O	N	C	W	S
A	P	Y	D	J	U	D	B	E	N	E	F	I	T	A
C	Q	J	P	I	U	D	U	C	F	O	D	I	E	V
C	R	X	X	Z	S	G	M	M	K	I	F	L	R	I
M	Y	O	E	P	X	T	N	M	E	E	L	B	I	N
Q	U	J	L	A	E	S	R	Y	T	G	Y	T	R	G
C	Z	R	S	L	N	N	E	I	Y	K	W	N	A	S
I	R	O	T	H	O	A	S	C	B	L	Z	A	T	I
E	S	P	D	S	G	V	Q	I	U	U	L	R	U	Q
A	U	Z	T	B	O	O	E	M	O	R	T	R	Y	V
V	L	C	Z	H	U	X	Z	R	J	N	I	I	J	E
A	N	N	U	I	T	I	E	S	G	C	H	T	O	Y
F	U	N	D	H	X	U	L	U	C	Y	V	J	Y	N

Contribution
Security
Roth

Distribution
Benefit
Savings

Annuities
Pension
IRA

Rollover
Fund

ERS & RSP BOARD MEMBERS SWORN IN

The ERS and RSP Boards of Trustees have both welcomed new members.

In October, Connie A. Bosse, BCPSS Payroll Director, and Charles A. Hall, Jr., BCPSS Director of Employee Engagement, were officially named to the Retirement Savings Plan Board of Trustees. Mayor Jack Young swore in both BCPSS CEO Designees with a ceremony at City Hall.



Mayor Jack Young and Connie A. Bosse



Mayor Jack Young and Charles A. Hall

Patricia Roberts joined the ERS Board of Trustees in February. Appointed by the Mayor, Ms. Roberts is retired from the Municipal Employees Credit Union (MECU) where she served for 43 years. She was sworn in by Mayor Young at a ceremony at City Hall along with Rosemary H. Atkinson, Dorothy L. Bryant and Deborah F. Moore-Carter who are current trustees beginning new terms.



(l-r, front) Patricia Roberts, Deborah F. Moore-Carter, Mayor Jack Young, Rosemary H. Atkinson, Dorothy L. Bryant (back) Henry Raymond (Board Chair) and David Randall (Executive Director)

Congratulations to all of our board members. We look forward to all of the work we will do together serving the employees of the City of Baltimore!

ERS 2020 SEMINARS

BENEFIT PAYDATES 2020

Retirement Ready Seminars

Retirement Ready Seminars (RRS) are for employees with 15 or more years of ERS membership service.

Topics discussed include:

- Retirement eligibility requirements
- Application process
- Disability and death benefits
- Military and transfer time
- Beneficiary designation
- Social Security benefits
- Retirement Savings plan options
- Health insurance options
- Living wills, power-of attorney, estate planning

Dates

March 18
April 15
May 20
June 17
Sept 16
Oct 21

9:00 a.m. - 3:00 p.m.

Retirement Education Seminars

Retirement Education Seminars (RES) are for employees with less than 15 years of ERS membership service.

Topics discussed include:

- Benefits for Plan C and Plan D
- Retirement eligibility requirements
- Disability and death benefits
- Military time
- Transfer time
- Beneficiary designation
- Retirement savings options
- Health insurance options

Dates

April 14
July 14
Oct 13

9:00 a.m. - 1:00 p.m.

March: 02/28/20

April: 04/01/20

May: 05/01/20

June: 06/01/20

July: 07/01/20

August: 07/31/20

September: 09/01/20

October: 10/01/20

November: 10/30/20

December: 12/01/20

**Call 443-984-3200,
Option 1, to register
for RRS or RES**

New Employee Enrollment Seminars

New Employee Enrollment Seminars (NEES) are for new employees who need to elect a retirement plan prior to end of the 150-day mandatory plan selection period.

Topics covered include:

- 401(a) Hybrid plan
- 401(a) Non-Hybrid plan
- 457b Deferred Compensation plan
- Enrollment process
- Deadline requirements
- Retirement application process
- Beneficiary designation
- ...and more

Dates

March 17
April 21
May 19
June 16
July 21
Aug 18
Sept 15
Oct 27
Nov 17
Dec 15

9:00 a.m. - 11:00 a.m.

**Call 443-984-3200,
Option 4, to register for
NEES**

*The Office of the Labor Commissioner is authorizing permission leave for employees to attend a seminar. Any employee who wishes to attend a seminar must submit a request to the immediate supervisor at least two weeks in advance. The request may be denied for operational reasons.



ERS

EMPLOYEES' RETIREMENT SYSTEM



@bmoreretirement

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PRESORT MKTG
POSTAGE & FEES PAID
CITY OF BALTIMORE
PERMIT NO. 992

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8:30 a.m. to 4:30 p.m.

Phone: 443-984-3200

Fax: 410-528-8428

Website: www.bcercs.org

Email: newsletter@bcercs.org

ADMINISTRATION

David A. Randall
Executive Director

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Retired
Appointed by Mayor

Dorothy L. Bryant

Phlebotomist
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Retired
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Baltimore City Council

Rosemary H. Atkinson

Retired
HOPE VI Community Builder
Elected by Retired Members

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Appointed by Mayor/
Baltimore City Council

Joan Carter Conway

Maryland State Senator
Appointed by Mayor

*Serves on both the ERS and RSP
boards.

Retirement Savings Plan

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City Union of Baltimore

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BCPS CEO Designee

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BCPS CEO Designee

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Chief Human Capital Officer