

Press Release

Maryland State Retirement and Pension System
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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

For Immediate Release

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Cost-of-living adjustment payable to eligible payees in July 2022

Baltimore, MD (April 21, 2022) — Eligible payees (retirees and beneficiaries) of the Maryland State Retirement and Pension System will notice a boost in their monthly allowance beginning in July as the 2022 cost-of-living adjustment (COLA) takes effect.

This year's COLA rate of 4.698% exceeds the statutory rate caps that apply to all or a portion of the allowance payable to most payees. The information below summarizes the COLA rate that generally applies to payees of the various State systems:

- Correctional Officers' Retirement System
 - 4.698% on the portion of the allowance based on creditable service earned before 7/1/2011 and 2.5% on the portion earned on or after 7/1/2011
- Employees' and Teachers' Pension Systems
 - 3% on the portion of the allowance based on creditable service earned before 7/1/2011 and 2.5% on the portion earned on or after 7/1/2011
- Employees' and Teachers' Retirement Systems
 - 4.698% (except for bi-furcated payees, who will receive 4.698% on the portion of the allowance based on creditable service earned before they elected to bi-furcate and 3% on the portion earned after they elected to bi-furcate)
- Law Enforcement Officers' Pension System
 - 3% on the portion of the allowance based on creditable service earned before 7/1/2011 and 2.5% on the portion earned on or after 7/1/2011 (except for transferees from the Employees' or Teachers' Retirement System under Selections A or B who did not elect to participate in the Law Enforcement Modified Pension Benefit, who will receive 4.698%)
- Local Fire and Police System
 - 3% (except for transferees from the Employees' Retirement System, who will receive 4.698%)
- State Police Retirement System
 - 4.698% on the portion of the allowance based on creditable service earned before 7/1/2011 and 2.5% on the portion earned on or after 7/1/2011

This COLA does not apply to most payees of the Legislative Pension Plan and Judges' Retirement System. The majority of payees from these systems receive adjustments based on the salary increases received by active legislators and judges.

Frequently asked questions

Q. Who qualifies to receive the COLA this July?

A. A payee must be receiving an allowance based upon a retirement that was effective on or before July 1, 2021, to receive this year's COLA. Those receiving an allowance based on a retirement that was effective after July 1, 2021 (August 2021 or later) will receive their first COLA increase in July 2023.

Q. Which payment will include the new COLA increase?

A. Qualifying payees will see the adjustment in their July 2022 allowance payments, paid at the end of July.

Q. How is the annual COLA increase applied?

A. A payee's benefit system determines how the annual increase is calculated for his or her payment. Eligible payees receive either a compound rate or a simple rate. For payees receiving the compound rate, the COLA increase is based on their current allowance, allowing COLAs to compound over time. Under the simple rate, the increase is based on the initial allowance. The compound rate applies for eligible payees of all systems except the Employees' Non-Contributory Pension System and the Local Fire and Police System.

Q. How is the COLA rate determined?

A. The COLA rate is based upon the calendar year over calendar year change in the Consumer Price Index (all urban consumers – United States city average – all items, not seasonally adjusted) as published by the United States Department of Labor, Bureau of Labor Statistics.

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The Maryland State Retirement and Pension System is charged with the fiduciary responsibility for properly administering the retirement and pension allowances of more than 173,000 payees as well as the future benefits for more than 245,000 active and former members. These groups include state government employees, teachers, law enforcement personnel, legislators, judges and local government employees and fire fighters whose employers have elected to participate in the system.