

# 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 IF'S" 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?** *(Call Customer Service to let us know you have become a Regular employee so there is no break in your contributions!)*

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?**

Your contributions should pick up again with your next pay check (although you should review your pay stub to be sure).

### **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 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 \$17.31 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 and circle your Payroll Center. If you don't know your 6 digit Agency Code, we will look it up for you!

Please send your completed form to the fax number at the bottom.

You will receive a welcome packet or welcome email from Nationwide (our third party administrator) including instructions about how to set up your account online if you would like. 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](http://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](http://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](mailto:info.MSRP@maryland.gov).



# EZ enrollment

457(b)

401(k)

## MSRP

### PERSONAL INFORMATION

(please print and provide information—even if you're not yet ready to join an MSRP Plan.)

Name \_\_\_\_\_  Male  Female

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_ Work Phone \_\_\_\_\_

Email Address \_\_\_\_\_

Date of Birth \_\_\_\_/\_\_\_\_/\_\_\_\_ Hire Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Check this box if you are already a member of MSRP.

### SIGN ME UP!

I want to enroll in the MSRP Program and begin contributing:

\$25 per pay period OR  \$\_\_\_\_\_ per pay period

**Paperless Delivery** I am consenting to receive statements, confirmations, terms, agreements and other information provided in connection with my retirement plan electronically.

**I acknowledge that I will receive a full Memorandum of Understanding in the mail. 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. Your payroll deduction will be invested in the T. Rowe Price Retirement Trust closest to the year in which you turn age 65.**

Social Security Number \_\_\_\_\_

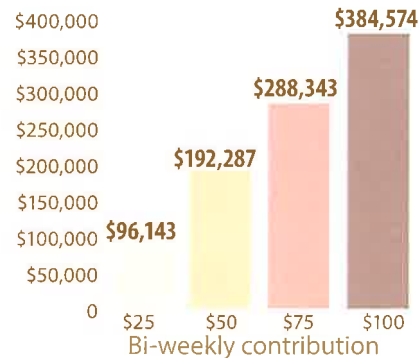
Signature \_\_\_\_\_ Date \_\_\_\_\_

Beneficiary \_\_\_\_\_ Relationship \_\_\_\_\_ / \_\_\_\_\_ %

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

*Investing involves market risk, including possible loss of principal. While Team MSRP cannot offer investment, tax or legal advice, we can help you understand the risks you may face and strategies that may help you deal with them. Not investing for retirement—or not investing enough—involves risk too. Talk with a Team MSRP Member about your options through the Maryland Supplemental Retirement Plans.*

Potential balance at age 60



This illustration is a hypothetical compounding calculation assuming starting age of 25, continuous bi-weekly contributions and an annual 7% rate of return. It is not intended to serve as a projection or prediction of the investment results of any specific investment. Investments are not guaranteed. Depending on the underlying investments, the return may be higher or lower. Interest compounded annually based on beginning-year contributions. No taxes or fees are reflected in this example, which would lower the results displayed.

Pre-tax contribution per pay	Amount from your take-home pay
\$25	\$17.31
\$50	\$34.63
\$75	\$51.94
\$100	\$69.25

Potential impact on take-home pay calculations, above, are based on federal tax rate of 25% and 5.75% state tax rate. These are approximate based on current salary, marital status, and W-2 tax deduction assumptions.

Please fill in the information below and fax this form to: 410-659-0349 or mail to: MSRP, 6 St Paul St, Ste. 200 Baltimore MD 21202

Number of pay periods per year \_\_\_\_\_ Agency Code: \_\_\_\_\_ Work Address: \_\_\_\_\_

Payroll Type (circle answer): Regular University Contractual Other Payroll Center Name (circle answer): Central University Other



**Pamela Thomas** “I joined MSRP to have money to live on after working for 30 years. I look forward to no hassles, early morning deadlines, and all days off—my own schedule, in retirement.”



**Nadine Countess** “Saving through MSRP will provide me with a safety net to ensure my family will not need to use their personal income to take care of me in my later years.”



**Jenny Goldentafer** “I’m still working, but want to retire earlier, so maybe MSRP will help.”



**Derrick Thomas** “As a former MSP & U.S. Air Marshall, preparing for my future is my main concern. I am learning that I need to make sure my money is keeping up with the inflation rate so I can keep the same standard of living in retirement. I am definitely going to make some changes now to protect my future.”



**Joshua Cain** “My brother helped me through a difficult transition during a change of employment. Now, as a state employee, he has guided me through the MSRP savings process. This money will hopefully allow my family to buy a home some day.”

## Real people. Real stories.

We asked state employees why they save with MSRP. Here’s what they had to say...



**Margaret Gordon** “It’s easy to save through MSRP. “I didn’t miss it (her contributions) or notice it was gone. I got used to it.” In retirement this will help me with “stress-free living (hopefully) and travel (somewhat).”



**Elvira Smith** “I started saving because it was easy and effortless. My money started growing. It’ll be another resource for me to use in retirement.”



**Matthew Levin** “I started saving with MSRP because I wanted to diversify my investments in a tax-sheltered retirement account. Many of my friends aren’t saving because they don’t plan to retire until they are in their 70s. I suggest to them to start saving a small amount. Getting started is what counts.”



**Ashley Harvin** “MSRP has helped me save and invest a lot of money with its low fees and easy to use online access. With a touch of my phone, I can increase what I invest from my pay, decreasing my taxable income each year. It’s a great program to be a part of for planning your financial future.”

These experiences may not be representative of the experience of other participants. These experiences are not a guarantee of future performance or success.

Nationwide is the administrative service provider for MSRP. Nationwide Investment Services Corporation (member, FINRA), an affiliate of Nationwide, provides educational and enrollment services on behalf of MSRP. Financial & Realty Services, LLC may provide education and marketing support services on behalf of Nationwide. Its Retirement Consultants are registered representatives of Nationwide Investment Services Corporation, member FINRA.

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