

VSP FAQ- September 16th 2025

How did the agency decide which VSP applications to accept?

A: The agencies focused on their mission and core priorities in identifying VSP applications to accept. They examined any functions that may no longer be necessary, at the appropriate level of staffing for programs, at legal requirements, and at current and projected employment trends.

Decisions were weighed against their impact on citizen's health and safety, on vulnerable and underserved populations, and on regional disparities.

I was not accepted into the VSP. Can I appeal?

A: Eligible Employees who are disapproved for VSP participation do not have grievance or appeal rights.

I was accepted into the VSP but changed my mind. Can I still rescind my application?

A: Unfortunately, the deadline to rescind your application has passed. If you have been accepted to the VSP, your last day of state employment will be September 30, 2025. Your separation under these circumstances is not subject to appeal. Please review [the website](#) for necessary information pertaining to VSP benefits, payment schedule, and filing for retirement. Thank you for your service to the State.

Where do I submit the State Retirement forms if I was accepted and plan on retiring as a Participant in this Program?

A: If you have not already done so, please submit [this retirement form](#) as soon as possible. All State Retirement forms must be taken to your agency's retirement coordinator. Your retirement coordinator will submit your forms via the Employer Portal to the Maryland State Retirement Agency. State Retirement forms cannot be submitted to the DBM VSP Administrator.

I wasn't accepted into the VSP. Can I still retire on October 1st?

A: Yes, those who submitted retirement applications under the VSP who still wish to retire on October 1st may do so. If you submitted an application for state retirement and do not rescind it, it will be processed as a normal state retirement outside the VSP process. If you are eligible for Retiree Health Benefits, please submit a [2025 Retiree Enrollment Form](#) within 60 days. Please notify your supervisor as soon as possible of your decision.

If my VSP Application has been denied, can I rescind my retirement application?

A: Yes. Employees who are not approved to participate in the VSP may rescind their retirement application. In this situation, employees should notify their supervisor and their agency's Retirement Coordinator of their intention to continue their employment as soon as possible.

The Form to Rescind VSP Retirement Request (which is available by clicking on [this link](#)) should be filled out as soon as possible but no later than October 24th. The form should be submitted to the employee's Retirement Coordinator. The agency's Retirement Coordinator will submit it to the State Retirement Agency with a copy to the Employee Benefits Division. This form also may be used to rescind a request to obtain a refund of pension accumulated contributions. These types of requests should be made directly with your Agency.

I was accepted into the VSP – what do I do about my health benefits?

A: You can check the [VSP website](#) for the most up to date information pertaining to VSP forms and benefits. [This form](#) has detailed information on health benefits for exiting employees.

Will retirees maintain their current health benefits coverage through March 31, 2026 (this date is the last day of the month of the State's full coverage of benefits) even if they are age 65?

A: Yes. Retirees will maintain their active coverage during the 6-month period of fully subsidized benefits (October 1, 2025 - March 31, 2026). If the retiree is over 65, DBM will not designate the Participant Medicare Primary until April 1, 2026, the first day of the month when the retiree health benefits start.

When will Medicare eligible retirees be required to enroll in an individual Medicare Part D prescription drug plan?

A: Medicare eligible retirees who receive the VSP severance package will be required to select a Part D plan as of April 1, 2026, which marks the end of the 6-month period for continuation of fully subsidized benefits.

How do I calculate my severance pay?

A: Each Participant will receive a lump sum payment of \$20,000. Participants also will receive an additional "service payment" of \$300 per year of State service. Your "Time Off Service Date" will be used to calculate years of service. For purposes of the service payment, partial years of service will be rounded up. For example, if you have 5 years and

3 months of State service, you will receive credit for a total of 6 years of State service for purposes of computing the additional service payment (\$300 for each year of service). The net amount an individual receives will be lower after taxes and any other required deductions. Wage catch ups, VSP lump sum, and adjusted service pay out will all be paid on October 22.

What happens to leave balances when an employee separates through the VSP?

A: Participants in the VSP will be paid for annual and compensatory leave in accordance with State law and standard practice. Leave payouts will be made on November 5th.

If you so choose, you may be able to roll over a portion of your Annual Leave payment to your existing Maryland Supplemental Retirement Plans (MSRP) account.

When can I submit an application to rollover my Annual Leave payment into my MSRP account?

A: MSRP is undergoing a Plan Administrator transition from Nationwide to Empower, and there will be a transition blackout period (September 10 at 4:00 p.m. ET through the week of September 21, but no later than September 25). Empower will be available to answer questions as of September 18, 2025. You can find information on the rollover process [here](#).

Additional information about this process is also available at msrp.maryland.gov. The new Empower Retirement MSRP website will be mymsrp.com. The customer service number will be 1-833-272-0093, and representatives will be available Monday through Friday 8:00 a.m. to 10:00 p.m. ET and Saturdays from 9:00 a.m. to 5:30 p.m. ET.

Are Unemployment Insurance benefits available to an employee who is approved to participate in the VSP?

Anyone may apply for Unemployment Insurance benefits. However, such benefits are generally not available to an employee who voluntarily separates from their position. Since participation in the Program is entirely voluntary, Participants are likely not to be eligible to receive unemployment benefits but please note that Unemployment Insurance benefit determinations are made by the Maryland Department of Labor, not DBM. If you have any questions about your specific eligibility, we recommend contacting the Maryland Department of Labor directly.

Can an employee who participates in the VSP return to State service after 18 months?

Yes. An employee who participates in the VSP may apply for State positions after 18 months (i.e., March 30, 2027, which is 18 months from the VSP separation date). There is no guarantee of future employment as a reinstatement candidate.