

Anne Arundel County Public Schools Leave Payout Plan

Frequently Asked Questions



As an employee at Anne Arundel County Public Schools (AACPS), you have a tax-deferred Leave Payout Plan designed for unused sick pay, annual leave pay and personal business days. If you retire from AACPS or resign after 15 years, any eligible unused leave totaling \$1,000 or more will be directed to the AACPS Leave Payout Plan. Resignations with less than 15 years of service do not qualify for the Leave Payout Plan. Learn more by reading these frequently asked questions.

Q. What types of unused leave qualify for the Leave Payout Plan?

- A.
- **Unlimited unused sick leave** is paid out at the rate negotiated for each Unit or as established in the Terms of Employment for unrepresented Units. **Please note:** Only sick leave earned while employed with AACPS is eligible for payout. Unused sick leave is paid out upon resignation for employees with 15 or more years of service. For a qualified retirement, unused sick leave is paid out regardless of length of service.
 - **Unused personal days** are also paid out at the negotiated leave rate for qualified retirements only.
 - **Annual leave** is eligible for payout at the employee's per diem rate and subject to the limits of the applicable Terms of Employment or negotiated agreement, based on the employee's Unit.

If you have additional questions about your unused leave pay, please contact payroll@aacps.org for more information.

Q. How will my unused leave be paid out?

- A. If you retire with \$1,000 or more in eligible leave pay and have not met the annual Internal Revenue Service (IRS) limits for 403(b) plan deferrals, your leave payout funds will be automatically directed to the Leave Payout Plan – a separate tax-deferred 403(b) plan – administered by Corebridge Financial. Your unused leave will be transferred over to the plan approximately 45 days from your date of retirement.

If you resign after 15 or more years of service, you will need to submit a leave payout request to payroll@aacps.org to have eligible unused leave directed to the Leave Payout Plan.

Q. What if I have unused leave and resign with less than 15 years of service?

- A. If you resign with less than 15 years of service, your unused leave will be held for up to 5 years or can be transferred up to 100 days to another county upon submitting a request to payroll@aacps.org.

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Q. What if my unused leave payout is less than \$1,000?

A. If your leave payout is less than \$1,000, that money will be paid by AACPS payroll to your bank account on file approximately 45 days from your date of retirement or resignation and is fully taxable.

Q. Is there a limit to the amount that can be directed to the Leave Payout Plan?

A. Yes, the IRS sets an annual limit on the combined amount that can be deferred into a 403(b) plan. If your leave payout in combination with any deferrals made to the AACPS 403(b) retirement plan does not exceed this annual limit, AACPS will forward 100% of your leave payout funds to the plan. Any amount exceeding the annual IRS limit will be paid directly to you and is fully taxable. Visit corebridgefinancial.com/rs/contributionlimits to view contribution limits for the current calendar year.

Q. What if I'm on track to max out the annual IRS 403(b) deferral limit before I retire or resign?

A. As part of the AACPS Supplemental Retirement Plan (SRP), you can contribute to a 403(b) plan, a 457(b) plan or a combination of both. You may consider directing contributions to the 457(b) plan in the year you are planning on retiring or resigning, since each plan allows for the maximum annual IRS contribution amount. Visit aacps.corebridgefinancial.com to learn more about the 457(b) plan or reach out to your financial professional to discuss a contribution strategy.

Q. Can I choose my investments, request a distribution or transfer my funds in the Leave Payout Plan?

A. Yes, you have the option of selecting how your funds are invested in the plan and can request a distribution, rollover or transfer from your account. Your Corebridge financial professional can help you complete any needed paperwork and further discuss your options.

Please note: If you do not complete and return the Leave Payout Plan Enrollment Form to Corebridge Financial ahead of your eligible leave payout being transferred, your funds will automatically be invested in the default fund, the Vanguard Federal Money Market Investment Fund (VMFXX).

Your Corebridge financial professionals

Kelly Mullican and Nicole Saldivar specialize in the Leave Payout Plan and are here to help answer your questions, complete any required forms and walk you through a plan to make the most of this benefit. Once your Leave Payout Plan account has been funded, Kelly or Nicole will reach out to you to discuss your options and any next steps. In the meantime, you're always welcome to reach out to either of them directly or register for an appointment. If you're used to working with a different Corebridge financial professional, you may also reach out to them for information on the Leave Payout Plan.



Kelly Mullican
Financial Professional
Cell: 240.446.5197
[Schedule an appointment](#)
kelly.mullican@corebridgefinancial.com



Nicole Saldivar
Financial Professional
Office: 281.878.3014
[Schedule an appointment](#)
nicole.saldivar@corebridgefinancial.com

