



# THE COMMONWEALTH OF MASSACHUSETTS State Board of Retirement

ONE ASHBURTON PLACE, BOSTON, MA 02108-1607

## N E W S L E T T E R



Steven Grossman

### TREASURER'S MESSAGE

This year will mark the 100th year that the State Board of Retirement has been in existence. As Treasurer, I am honored to serve as chairman during the Board's centennial and will work hard to ensure we maintain the foundation for the Board to continue providing benefits to our members for the next 100 years.

I believe the defined benefit retirement system is a system that should be maintained. With proposed pension reform legislation which I support, 13.6% investment returns by PRIM in 2010 and an increasing funded ratio, we are well on our way to ensuring that happens.

Since last year Board staff has continued to work hard on a major operating system upgrade. Within the next few years you will be able to access your retirement account and complete most retirement transactions online. This newsletter contains a link to a survey that we hope you will take the time to complete. We are looking forward to seeing your feedback as we build this new system. In the meantime, be sure to visit our website for updates on our progress or to download any forms you may need.

Should you have any questions, suggestions, or contributions for future newsletters, please do not hesitate to contact us. On behalf of the State Board of Retirement, thank you for your service to the Commonwealth.

Steven Grossman  
Treasurer and Receiver General  
The Commonwealth of Massachusetts



### STATE BOARD OF RETIREMENT

#### MEMBERS OF THE BOARD

##### Chairman

Treasurer Steven Grossman

##### Elected Members

Ralph White

Theresa McGoldrick, Esq.

##### Appointed Member

Patricia Deal

##### Chosen Member

Chris S. Condon

##### Executive Director

Nicola Favorito, Esq.

#### MAIN OFFICE

##### Address:

One Ashburton Place, Room 1219  
Boston, MA 02108-1607

##### Office Hours:

8:00 a.m. – 5:00 p.m. M–F

Phone: (617) 367-7770

Fax: (617) 723-1438

#### REGIONAL OFFICE

##### Address:

436 Dwight Street, Room 109A  
Springfield, MA 01103

##### Office Hours:

8:00 a.m. – 5:00 p.m. M–F

Phone: (413) 730-6135

Fax: (413) 730-6139

#### PHONE TOLL-FREE

1-800-392-6014 (Mass. only)

#### Automated Phone Options

Retirement Counselor . . . . 1

Survivor Benefits . . . . . 5

Buyback . . . . . 6

Withdrawal/Refund . . . . . 7

Direct Deposit . . . . . 8

#### EMAIL

SRB@tre.state.ma.us

#### WEBSITE

www.mass.gov/retirement

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## GIC Benefit Statements

By now you should have received your annual Group Insurance Commission (GIC) Benefit Statement. This statement is a joint effort between the Group Insurance Commission and the State Board of Retirement. The front of the statement lists the benefits you may have through the GIC, including health insurance, life insurance, and long term disability. The back of the statement contains information on the beneficiaries that the Board has on file for you.

Please be sure to review both sides of this form for accuracy. Some of the things to look out for are:

- Spelling
- Social Security Numbers
- Date of Birth Information

The beneficiaries listed on the back of the form are not for retirement purposes, but are needed in the event of your death while still an active member of the State Employees' Retirement System but before your retirement.

If you began working for the Commonwealth before the computerization of our records in 1996, it's possible that we have your information on file, but it isn't listed on your statement. You can update your beneficiary information by filling out and returning the Change of Beneficiary form that will be enclosed with the statement. Be sure to list all information including your beneficiary(ies)'s social security number and address. You must sign the form and have it witnessed – however, the witness cannot also be listed as a beneficiary or your form will be invalid.

If you have questions regarding this process, please contact our administration department at 617-367-7770 ext. 8 or 800-392-6014 ext. 8 (in MA only). Keep in mind that we cannot make corrections or give out any beneficiary information over the phone. If you need a duplicate beneficiary form, you can download it off of our website at [mass.gov/retirement](http://mass.gov/retirement) under forms & publications.

Changes to the insurance information listed on the front of your Benefit Statement need to be made with the Group Insurance Commission. Be sure to contact them directly at 617-727-2310 or go to their website, [mass.gov/gic](http://mass.gov/gic) for more information. ■

## Your Opinion is Just a Click Away



Please take a few moments to complete our survey. As the Board approaches its 100th Anniversary we are looking for ways to better serve our members for the next 100 years. The 10 question survey should take just a few minutes to complete. Your feedback is important to us. Go to our website, [mass.gov/retirement](http://mass.gov/retirement) for a link to the survey and be a part of our next centennial!

# PRIM Board Update: December 2010

The Pension Reserves Investment Trust (PRIT) Fund is a pooled investment fund established to invest the assets of the Massachusetts State Teachers' and Employees' Retirement Systems, and the assets of county, authority, district, and municipal retirement systems that choose to invest in the Fund. The PRIT Fund was created by the Legislature in December 1983. The nine-member PRIM Board is responsible for the management of the PRIT Fund. The Treasurer and Receiver General of the Commonwealth is a member ex officio and serves as the chair. The State Employees' Retirement System has two representatives on the Board: one is elected by the members of the Retirement System and one is an Elected Member of the State Retirement Board.

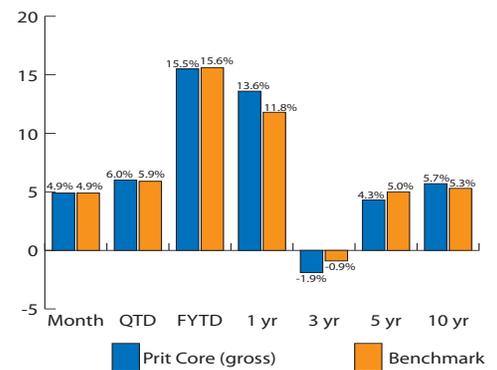
**\*Pension Reserves Investment Trust (PRIT) FUND ASSETS:**  
\$48,291,531,000

**\*State Employees' Retirement System (SERS) ASSETS:**  
\$19,060,337,987

Due to limited space, we can only provide a condensed version of fund updates. For full quarterly updates and more detailed information on the Pension Reserves Investment Management (PRIM) Board go to [www.mapension.com](http://www.mapension.com).

\*As of 12/31/2010

PRIT Core Fund as of 12/31/10



### Market Recap – December 31, 2010

#### Domestic Equity Markets:

Index	Month	QTD	1-Year
S&P 500	6.68%	10.76%	15.06%
DOW	5.33%	8.04%	14.06%
NASDAQ (Price Chg)	6.19%	12.00%	16.91%
Russell 3000	6.78%	11.59%	16.93%

## Reminders

Please notify your Human Resources coordinator of any change of address.

### Important Dates to Remember:

#### February

Monday, February 21 | Presidents' Day  
Thursday, February 24 | Board Meeting

#### March

Thursday, March 31 | Board Meeting

#### April

Monday, April 18 | Patriots Day  
Thursday, April 28 | Board Meeting

### Account Information

Please contact us if you ever need to get an official copy of the balance of your annuity savings account. Keep in mind that these statements will show the balance as of the date you contacted us, not your year end amount.

Year end statements are mailed out every spring to all active members of the State Employees' Retirement System. At this time, the Board is unable to provide balance or beneficiary information over the phone. Please allow time for us to mail you this information.



Look for this icon on our website to calculate an estimate of your pension benefits

## Understanding Your Benefits: *Proposed legislation - "Pension Reform III"*

Several changes to the pension system have been proposed for the current legislative session. Governor Patrick has filed *An Act Providing for Additional Pension Reform and Benefits Modernization*. The bill has been referred to the Public Service Committee. Most of the changes would only affect new employees hired on or after July 1, 2011 but some of the changes would also apply to current employees.

Proposed changes include:

### Buyback Timing and Interest Rate

In order to complete a buy back of prior service, you would need to enter into a payment agreement within one year of your date of reinstatement or re-entry or within one year after July 1, 2011, whichever is later in order to be entitled to the buyback interest rate. You would otherwise have to pay actuarial assumed interest on all make-up payments.

### Group Classification / Prorate Benefits

For employees who serve in more than one group, the percentage of time a member spends in a certain position would now be taken into account and used in the final retirement calculation. Board approval would still be required for group classification.

### Increased Minimum Age of Retirement

Members entering the system after July 1, 2011 would use different age factors when calculating their retirement. The retirement age for group 1 would be raised from 55-65 to 60-67, group 2 would go from 55-60 to 55-62, and group 4 would go from 45-55 to 50-57.

### Limit on Annual Increase of Earnings

Changes in compensation of more than 7 percent plus the change in the U.S. Consumer Price Index for the previous two years would not be included when calculating your highest salary average for retirement purposes.

### Termination Retirement

The enhanced section 10 Termination Retirement benefit would be eliminated after July 1, 2011. Members with 20 years



or more of creditable service who would otherwise qualify for a termination retirement would have their retirement benefits calculated according to a regular superannuation retirement.

### Option Change for Same Sex Marriage

Members who retired before May 17, 2004 and chose option A or B and who married a person of the same sex before May 17, 2005 may change their retirement option selection to C. Members can make this change on or before January 1, 2012. The change would be retroactive to the retirement date and the Board would advise members of the appropriate repayment for this change.

### Pension Funding Schedule

The new proposed pension funding schedule would be June 30, 2040. As of January 1, 2011, the funded ratio for the SERS is 76.5%.

### Pension by Elected Officials

Newly elected officials (beginning service after July 1, 2011) would no longer have the right to receive compensation for service as an elected official, while also receiving a pension.

### Highest Salary Average Period Increased

The highest five (5) years' salary average would be used for calculating retirement for employees hired after July 1, 2011.

If you wish to read more information on this proposed legislation, you can find a link to it on our website. We will continue to follow this and other legislation that is filed and will keep you posted in subsequent editions of this newsletter. ■