



THE COMMONWEALTH OF MASSACHUSETTS State Board of Retirement

ONE ASHBURTON PLACE, BOSTON, MA 02108-1607

NEWSLETTER

TREASURER'S MESSAGE



I was honored to have participated in the State Retirement Board's 100th Anniversary Celebration earlier this year with former Treasurers John Driscoll, Robert Crane and Joseph Malone. Some highlights of the event are featured in this issue. This event showcased how important retirement benefits are to each and every one of our members. Over the next 100 years we will work hard to make sure future

retirees are able to retire with the same security and dignity.

This issue provides important information on a provision which affects Social Security spousal benefits for state employees. State employees do not contribute to Social Security and any benefits you may be entitled to under Social Security can be affected.

Please send us your comments, questions, and ideas for future articles. On behalf of the State Retirement Board, thank you for your service to the Commonwealth.

Steven Grossman
Treasurer and Receiver General
The Commonwealth of Massachusetts

Pictured above: Treasurer Steven Grossman, Board member and Mass Retirees President Ralph White, Board member and president of SEIU/NAGE Unit 6 Theresa McGoldrick, Treasurer Joseph Malone. Seated: Treasurer John Driscoll, Treasurer Robert Crane



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.

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Looking Ahead to the Next 100 Years



The State Retirement Board commemorated 100 years of service in May at the State House. Helping us kick off our anniversary year were former treasurers Robert Crane, John Driscoll, and Joseph Malone as well as current treasurer Steven Grossman. Current and former staff members were also in attendance, along with some of our retirees.

The Massachusetts State Retirement Board was established by Chapter 532 of the Acts of 1911 and began operations in June of 1912. As we reflect on our 100 years of service, we look ahead to the next 100 years. Our goal is to continue providing a high level of service while administering secure retirement benefits for our members for years to come. ■



Pictured counter-clockwise from top left: MSRB Customer Service Representative Anthony Lucente, Retirement Counselor Kevin Caira, Brookline Retirement Board Administrator Frank Zecha, and SMART Plan Deputy Director Michael Dear; Treasurer Grossman addresses the crowd; Event attendees, including two retired members whose service was highlighted by Treasurer Grossman - Irene Dufour and Joe Rull (2nd & 3rd from left); also highlighted at the ceremony, retiree Dorothy Jean Parks; MSRB Survivor Benefits manager Carol Powers, State Representative Corey Atkins, MSRB Deputy Director Marianne Gebert, Ralph White, and Alice Rouse, Associate Dean of College Advancement, Middlesex Community College.

SMART Retirement & Beyond Seminar Series -

Let us know where we should go next

Our 2011-2012 series of SMART & Beyond seminars wrapped up last spring with approximately 700 state employees taking advantage of these informational sessions. The evening retirement seminars were held at locations across the commonwealth. The series is a collaboration between the State Retirement Board, the Deferred Compensation SMART Plan, and the Group Insurance Commission to help our members get a better understanding of their retirement benefits.

As we plan our next series, set to begin again this fall, we are looking for input from you. Give us your suggestions on where we should go next and our next location may be close to home! Suggested locations must be open to the public, have access to parking or public transit, accommodate at least 60 people, provide accommodations for persons with disabilities, and have access to audio/visual equipment. Send your suggestions to ndunker@tre.state.ma.us. We look forward to hearing from you! ■

PRIM Board Update:

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, as well as the assets of county, authority, district, and municipal retirement systems that choose to participate. The PRIT Fund was created by the Legislature in December 1983. The Treasurer and Receiver General of the Commonwealth is a member ex officio and serves as the chair of the nine-member Pension Reserves Investment Management (PRIM) Board, which is responsible for overseeing the Fund. 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.

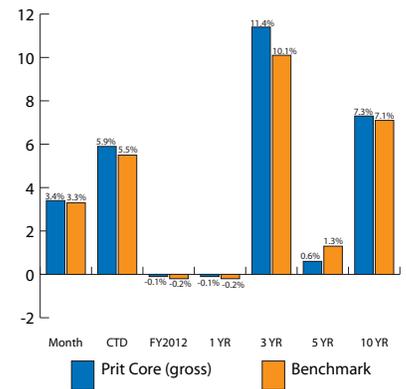
***Pension Reserves Investment Trust (PRIT) FUND ASSETS:**
\$48,867,807,000

***State Employees' Retirement System (SERS) ASSETS:**
\$19,156,577,162

Due to limited space, we can only provide a condensed version of fund updates. For full quarterly updates and more detailed information on the PRIM Board go to www.mapension.com.

*As of 06/30/2012

PRIT Core Fund as of 06/30/12



Market Recap – June 30, 2012

Domestic Equity Markets:

Index	Month	QTD	1-Year
S&P 500	4.12%	9.49%	5.45%
DOW Jones Ind.	4.05%	6.83%	6.63%
NASDAQ (Price Chg)	3.81%	12.66%	5.82%
Russell 2500	3.64%	8.31%	-2.29%

Reminders

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

Important Dates to Remember:

August

Thursday, August 30 | Retirement Board Meeting*

September

Monday, September 3 | Labor Day, Offices Closed
Thursday, September 27 | Retirement Board Meeting*

October

Monday, October 8 | Columbus Day, Offices Closed
Thursday, October 25 | Retirement Board Meeting*

Need a Retirement Form?

Our most updated retirement forms are available for download on our website under: Active Employees > Key Resources > Forms & Publications.

New to the Website:

- Updated Group Classification Form

Interested in Learning About Your Benefits?

Visit our website, mass.gov/retirement for information on your state retirement benefits. Our website has information on:

- How to qualify for benefits
- Planning for your retirement
- Retirement calculator (estimate your benefits)
- Updates on changes to retirement law / pension reform
- Leaving state service before retiring
- How to get credit for previous service (service purchase/ buyback)
- Links to previous newsletters
- and much more!



Visit us on [Facebook.com/mass.state.retirement](https://www.facebook.com/mass.state.retirement)

* Unless otherwise noted, meetings are held at 1 Ashburton Place, 21st Floor Conference Room, Boston, MA.

Understanding Your Benefits: *Social Security Spousal Benefits*



Harold and Ava have been married 30 years. When Harold retires and starts collecting his federal Social Security benefits, Ava is entitled to an \$800 per month spousal benefit. However, because she is a state employee, what she receives depends on how much her pension will be.

As state employees, we contribute to the Massachusetts State Employees' Retirement System for our retirement benefits and not the Social Security system. If we work our entire careers in public service, we will not be eligible for Social Security benefits under our own record when we retire and would instead collect a state pension. However, if you are married to someone who will collect Social Security you may be eligible for benefits under their record through Social Security spousal benefits.

Originally, benefits for wives, husbands, widows or widowers were meant to compensate spouses who typically stayed home to raise a family and were financially dependent on the working spouse. As it became more common for both spouses to work, each individual would earn their own Social Security benefit. Any spousal benefits due the spouse were **offset dollar for dollar** by the amount of the other spouse's

own Social Security benefit.

Because state employees received either a small Social Security benefit or none at all, they would not be as affected by this offset. **The Government Pension Offset was enacted by Congress to level the playing field** so that individuals participating in a retirement system such as the MSERS were treated similarly to individuals who only participated in Social Security.

If you are eligible for a pension and are the spouse or former spouse of a person eligible for Social Security benefits, you can collect the spousal benefit. However, your benefit will be offset once you start receiving your pension by two-thirds of the amount of your pension. For example, if you receive a monthly pension of \$900, two-thirds of that (\$600), will be deducted from your Social Security benefits. If you are eligible for an \$800 spouse's, widow's, or widower's benefit from Social Security, you will receive \$200 per month from Social Security. If your monthly pension is \$2100, then the offset would be \$1400, and you would not receive any benefits on an \$800 per month spousal benefit amount.

If you never contributed to Social Security and are not eligible for any spousal benefits because of the GPO, you would still be eligible for Medicare if your spouse will collect Social Security. You would apply for Medicare once you turn 65 or when you retire, whichever is later.

For more information on the Government Pension Offset and the Windfall Elimination Provision, the offset which affects a public employee's own Social Security benefit, please visit the Social Security website: [socialsecurity.gov/gpo-wep/](https://www.socialsecurity.gov/gpo-wep/). ■

What will Ava get?

If Ava...	Her Own MSRB Retirement Benefit	Monthly SSA Spousal Benefit	Her Offset is	Net amount of Ava's Spousal Benefit
worked in the private sector her entire career	\$900.00	\$800	\$900	\$0
worked in the public sector her entire career	\$2100.00	\$800	$\$2100 \times 2/3 = \1400	\$0
worked in the public sector her entire career	\$900.00	\$800	$\$900 \times 2/3 = \600	\$200
Never worked	\$0.00	\$800	\$0	\$800

Source for this article: SSA Publication No. 05-10007, Government Pension Offset Factsheet