



THE COMMONWEALTH OF MASSACHUSETTS  
**State Retirement Board**

ONE WINTER STREET, 8TH FL., BOSTON, MA 02108

**N E W S L E T T E R**

**TREASURER'S MESSAGE**



Treasurer Grossman visits the Retirement Board's Springfield office

During each New Year at the State Board of Retirement, there are lots of changes and updates to inform you of. We will use this newsletter to provide you with information that will help you make positive decisions about your financial future.

The State Retirement Board will be holding the remaining SMART Retirement & Beyond seminars in

February and March. Information on the seminars is located on page 2. Please check our website, [mass.gov/retirement](http://mass.gov/retirement) or call the Retirement Board at 617-367-7770 to register.

We have updated our policy concerning the rules for working after retirement and the salary we use to calculate your earnings limits for public sector work. If you contemplate returning to state service after your retirement, learn more on page 4.

Finally the interest rate for certain buybacks will rise after April 2, 2013. Since this can affect your future financial planning, please plan accordingly.

As always, we welcome your comments and suggestions for future newsletters. 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



**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:**

**New!** One Winter Street, 8th Floor  
 Boston, MA 02108

**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)

**DIRECT DIALING /  
 BYPASS CALL CENTER**

If you know your party's  
 three-digit extension:

617-367-9333 Plus extension

**EMAIL**

SRB@tre.state.ma.us

**WEBSITE**

[mass.gov/retirement](http://mass.gov/retirement)

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# Is Retirement on Your “To-Do List” This Year?

Registration is still open for our remaining SMART & Beyond Retirement Seminars

As we close out the series for this year, there are certain dates open for registration. The SMART Retirement & Beyond series is a collaboration between the State Retirement Board and the Deferred Compensation SMART Plan. The seminars provide an overview of retirement benefits available to state employees and a representative from the Group Insurance Commission provides a review of your health and life insurance options. Use this as a first step towards a secure retirement - get the facts now!

You can register on our website, [mass.gov/retirement](http://mass.gov/retirement) or by calling the State Retirement Board at 617-367-7770. ■

## Remaining 2012-2013 Schedule

- 02-07-2013 - Holyoke  
Holyoke Community College, Kittredge Building
- 02-21-2013 - Fitchburg  
Fitchburg State University, Ellis White Lecture Hall
- 02-28-2013 - Boston  
Roxbury Community College, Academic Building
- 03-14-2013 - Westfield  
Westfield State University, Loughman Living Room
- 03-21-2013 - Boston  
Roxbury Community College, Academic Building
- 03-28-2013 - Bridgewater  
Bridgewater State University

## Reminders

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

### Important Dates to Remember:

#### February

Monday, February 18 | Presidents' Day Holiday  
Thursday, February 28 | Retirement Board Meeting\*

#### March

Thursday, March 28 | Retirement Board Meeting\*

#### April

Monday, April 15 | Patriot's Day Holiday  
Thursday, April 25 | Retirement Board Meeting\*

\* Meetings are held at One Winter Street, 8th Floor, Boston, MA.



Visit us on  
**Facebook.com/mass.state.retirement**

- The information you need is now at your fingertips - the [mass.gov](http://mass.gov) website was recently optimized for tablet and smart phone use!
- No need to wait for the forms you need - the retirement benefit guide and most retirement forms can be found on our website under: Key Resources > Forms and Publications.

## Your State Retirement Board has moved!



Our new Boston location is a short walk from our former location in the McCormack building and provides easy access by public transportation on the Orange, Green, Red, and Silver lines as well as several parking garages within walking distance.

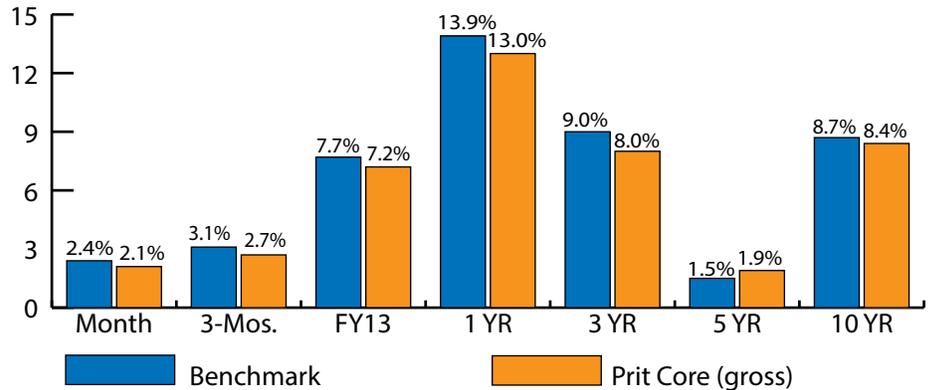
*new address*  
**In the heart of  
Downtown Crossing**

1 Winter Street, 8th Floor Boston, MA 02108  
inside the Corner Mall

# 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.

**Market Recap – as of December 31, 2012**



**Domestic Equity Markets:**

| Index              | Month | 3-Mos. | 1-Year |
|--------------------|-------|--------|--------|
| S&P 500            | 0.91% | -0.38% | 16.00% |
| DOW Jones Ind.     | 0.79% | -1.74% | 10.24% |
| NASDAQ (Price Chg) | 0.31% | -3.10% | 15.91% |
| Russell 2500       | 2.61% | 3.10%  | 17.88% |

Pension Reserves Investment Trust (PRIT) FUND ASSETS: \$51,974,558,000

State Employees' Retirement System (SERS) ASSETS: \$20,223,875,701

Full quarterly updates are available on the PRIM Board website at [www.mapension.com](http://www.mapension.com).

## Annual Beneficiary Check-In Time

Every January the State Retirement Board collaborates with the Group Insurance Commission to bring you up to date on your benefits. If you have not already received your annual GIC Benefit Statement, look for yours to arrive in the mail soon. The front of the form lists the benefits you receive through the GIC. The back of the form lists the beneficiaries we have on file for you at the Board. These beneficiaries listed on the back are for State Retirement Board purposes only and do not affect any benefits payable through the GIC.

If you need to update or correct any of the beneficiaries listed on the front of the form simply fill out the enclosed GIC Beneficiary form and return to the GIC. If you have any questions regarding the information listed on the front of the form please contact the GIC at [mass.gov/GIC](http://mass.gov/GIC) or by calling 617-727-2310.

Corrections or updates that need to be made to the back of the form can only be made by completing the enclosed State Retirement Board change of beneficiary form and mailing it back

to the Board. Board staff cannot give any beneficiary information over the phone.

Membership in the State Employees' Retirement System is required if you are a permanent employee who works at least half time. As a member of MSERS, you contribute a portion of your salary into an annuity savings account. Generally, if you pass away before leaving state service or retiring, the beneficiaries listed on the back of the benefit statement will receive a refund of your account. If you do not list any beneficiaries, the balance of your account will go to your estate. When you retire, you would complete a new beneficiary designation based on the retirement option you select.

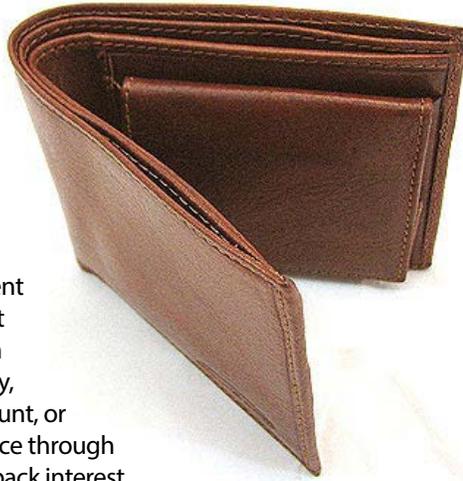
Please take the time to review your benefit statement carefully to ensure all information listed is accurate and up to date. ■

## Understanding Your Benefits: *Watching Your Wallet*

### BUYBACK INTEREST INCREASING

If you at any point in your career worked in the public sector in Massachusetts and took a refund of your money when you left you may be able to re-establish credit through a service purchase. Also, if you had a probation period when you were first hired where you did not contribute into the State Employees' Retirement System, you may be able to establish credit for that service.

If you have been thinking about buying back service, now is the time to act. Members who entered service before April 2, 2012 have until April 2, 2013 to enter into a buyback agreement at the current regular buyback interest rate of 4.125%. Once you enter into an agreement you can pay the bill directly, use funds from your SMART Plan account, or take up to five years to pay your balance through payroll deductions at the regular buyback interest rate.



**This interest rate will double to 8.25% on April 2, 2013** for members in service prior to April 2, 2012. The interest rate for members who entered service on or after April 2, 2012 will change to 8.25% after they have been in service for one year.

This change in the interest rate only applies to certain buybacks. Other types of buybacks such as Contract Service Buyback and Veterans Service Buyback will not be affected by this change. ■

#### KEY FACTS:

- **4.125% - Regular Interest Rate**
- **8.25% - New Interest Rate** after 1 year of membership or on **April 2, 2013** whichever comes later.
- Remember: the longer you wait to complete your buyback the more expensive it could get. To learn more, go to [mass.gov/retirement](http://mass.gov/retirement).

### CHANGES TO RULES FOR WORKING AFTER RETIREMENT

In most cases, if you retire and then go work in the private sector you will not have any income restrictions<sup>1</sup>. However, there are restrictions for working in the public sector<sup>2</sup> in Massachusetts. The State Retirement Board recently updated its policies to address this issue. Current law allows a member to work a maximum of 960 hours per year or the difference between the current salary of the position you retired from and your pension. With recent legislation, after you have been retired a full calendar year, you can also earn an additional \$15,000 above the dollar amount maximum but you are still limited to 960 hours per year.

These guidelines work for most retirees. For example, if a member retires with an annual pension of \$25,000 per year and the current salary of the position they retired from is paying \$45,000, then that member can earn up to \$20,000 per calendar year in the public sector or, if they have been retired at least a full calendar year, they can earn up to \$35,000 (\$20,000 plus an additional \$15,000).

But what if a member has been in a position a long time, earns raises along the way and a person brought in to replace them starts at a lower salary for the position? For example, a member retires from their job at their maximum

benefit of 80% with a \$60,000 salary average. The maximum pension benefit they would receive would be \$48,000. If their replacement comes in at a starting salary of \$40,000, the member would not be able to work in the public sector in Massachusetts, using the existing formula. Also, if a member retires because their job is eliminated, there is no "current salary" to compare their pension benefit to.

The new *Post Retirement Earnings Policy* will address these issues when determining the salary being paid for a member not covered by a collective bargaining agreement. When appropriate, Board staff, at their discretion, will calculate the post-retirement earnings limit using:

- The salary being paid to the member's successor/ replacement where the position is substantially similar to the member's position; or
- The salary that the retired member received during his/her last year of employment, indexed each year according to the Consumer Price Index, as certified by the Commissioner of Social Security.

**Requests will be reviewed on a case by case basis. Go to [mass.gov/retirement](http://mass.gov/retirement) to view the full policy.**

<sup>1</sup> Income limits apply for Disability retirees.

<sup>2</sup> Public Sector refers to any state, city, town, county or municipal employment within Massachusetts.