



THE COMMONWEALTH OF MASSACHUSETTS State Board of Retirement

ONE WINTER STREET, BOSTON, MA 02108

N E W S L E T T E R

TREASURER'S MESSAGE



Please join me in congratulating retired state employee Patricia Deal. I recently reappointed Pat to a 3-year term on the State Retirement Board and had the pleasure of participating in her swearing in ceremony. During her tenure Pat has demonstrated an unequivocal commitment to carrying out the Board's mission and I am delighted to continue to serve alongside her.

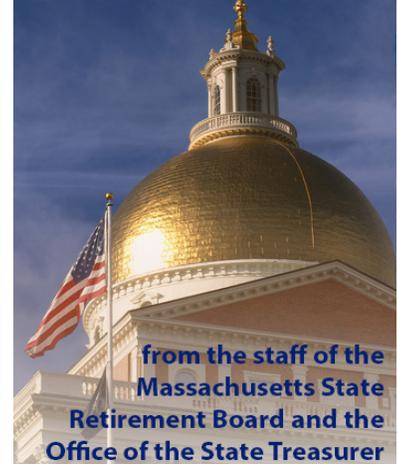
The Board's mission is to maintain the successful administration of our defined benefit pension system for the members of the State Employees' Retirement System. Part of that mission includes educating and informing our members. In collaboration with the Massachusetts Deferred Compensation SMART Plan, during the 2012-2013 SMART Retirement & Beyond seminar series, we were able to educate well over 1,000 members.

I encourage all of you to take the same proactive approach to retirement that many of your colleagues have taken and plan to visit our website or attend a seminar this fall. The better informed you are about your benefits now the more likely you are to make decisions that will positively affect your retirement in the future. Read the article in this issue about your Annual Member Statement, which was mailed last month, to learn more about your benefits.

If you have any comments, questions, or concerns regarding this newsletter please contact our office.

Steven Grossman
Treasurer and Receiver General
The Commonwealth of Massachusetts

BOSTON STRONG



from the staff of the
Massachusetts State
Retirement Board and the
Office of the State Treasurer

MAIN OFFICE

Address:

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

IN THIS ISSUE

1. Treasurer's Message
2. SMART & Beyond seminar recap
3. PRIM Board Update
Reminders/Updates
4. Understanding Your Benefits:
Annual Member Statement

SMART Retirement Seminars Returning Next Fall

Over seven years ago we started our evening educational seminars. Our SMART Retirement & Beyond seminars provide details about the benefits available to members of the Massachusetts State Employees' Retirement System. These seminars are a collaboration between the State Retirement Board and the Deferred Compensation SMART plan. Representatives from the MSRB, SMART Plan and the GIC give an overview of your benefits with information on membership, creditable service, retirement options, saving for retirement, survivor benefits, insurance benefits in retirement, and more.

A common theme heard on our most recent seminar evaluations was that members wished they educated themselves earlier in their career. By presenting to over 1,000 members across the Commonwealth this past year and the possibility to reach even more in the coming 2013-2014 seminar series, our goal is to provide members the opportunity to get this crucial information now. If you are interested in attending a seminar, please check our website in August for the new schedule. Your agency can request a seminar anytime by contacting us at: MSRBcommunications@tre.state.ma.us. You can follow us on Twitter at @massstateret, or like us on Facebook at @mass.state.retirement for instant notification when registration for SMART & Beyond opens. ■

Tax Updates

Now that the 2012 Tax season has ended for many of us, this may be a good time to view your monthly statement at mass.gov/payinfo to review the amount of money you are having withheld for federal tax purposes.

If you decide to adjust your withholding, please contact HR and submit the appropriate tax forms.

QUICK FACTS:

214% → The increase in Buyback requests compared to the same period last year. The State Retirement Board received **3100 buyback applications** between January 1, 2013 and the April 2nd deadline for the mandated interest rate change. Eligible service purchase requests that were postmarked, emailed, faxed, or delivered **by April 2, 2013** will be calculated with regular buyback interest of 4.125%. Please allow Board staff time to process the high volume. Applicants will receive a confirmation by mail.

MEMBERS OF THE STATE RETIREMENT BOARD

Chairman

Treasurer Steven Grossman

Elected Members

Ralph White
Theresa McGoldrick, Esq.

Appointed Member

Patricia Deal

Chosen Member

Chris S. Condon

Executive Director

Deputy Treasurer Nicola Favorito, Esq.

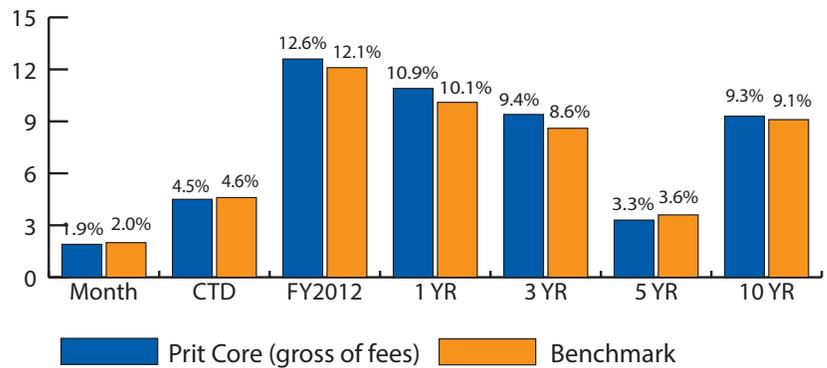
Deputy Director

Marianne Gebert

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 March 31, 2013



Domestic Equity Markets:

Index	Month	CYTD	1-Year
S&P 500	3.75%	10.61%	13.96%
DOW Jones Ind.	3.86%	11.93%	13.37%
NASDAQ (Price Chg)	3.40%	8.21%	5.69%
Russell 2500	4.43%	12.85%	17.73%

Pension Reserves Investment Trust (PRIT) FUND ASSETS:
\$53,698,629,000

State Employees' Retirement System (SERS) ASSETS:
\$20,995,618,633

Full quarterly updates are available on the PRIM Board website at www.mapension.com.

Reminders

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

Important Dates to Remember:

May

Monday, May 27th | Memorial Day, Offices Closed
Thursday, May 30th | Retirement Board Meeting*

June

Thursday, June 27 | Retirement Board Meeting*

Our New Boston Address:

Our Boston office moved as of last November to Downtown Crossing inside the Corner Mall building, One Winter Street, 8th Floor. Walk-in hours are Monday through Friday between 10:00 a.m. and 3:00 p.m. No appointment necessary.

Get the Scoop!

The latest retirement information is always available on our website, mass.gov/retirement. Download the most up-to-date forms, subscribe to our news and updates, like our Facebook page or follow us on twitter to hear the latest in state retirement news. Staying connected is just a click away!

Have comments or suggestions? Want to request a seminar? Send an email to MSRBcommunications@tre.state.ma.us.

Payroll & HR staff - get on our employer e-news list by sending an email to Robert Soohoo at rsoohoo@tre.state.ma.us.



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



Follow us on Twitter @[masstateret](https://twitter.com/masstateret)

* Board meetings are held at our Boston office, One Winter Street, 8th Floor, Boston, MA.

Understanding Your Benefits: *Your Annual MSERS Member Statement*

If you are an active member of the Massachusetts State Employees' Retirement System ("MSERS") you should have received your Annual Statement in the mail over the past few weeks. Your Annual Statement provides the balance in your annuity savings account as of December 31, 2012. Members who entered state service January 1, 2013 or later will not receive a statement this year.

The annual statement reflects the balance of your accumulated retirement contributions plus any interest your account has accrued as of the end of 2012. As Massachusetts state employees, we make contributions to the MSERS rather than to social security. After 10 years of full-time creditable service you are vested in the system and eligible for a pension once you meet the minimum age requirement. Your potential benefits are further determined based on your membership date. See pages 20-25 of the MSERS Benefit Guide for information on how to calculate your benefits.

Frequently asked questions:

Can I opt out of the system and stop making contributions?

No, membership and contributions are mandatory for anyone employed with the Commonwealth at least half-time.

Why does my co-worker pay less than I do if we both earn the same salary?

Contributions are based on a percentage of your salary and that rate is dependent on when you joined the system.

If you joined the system: You pay (percentage of your salary):

- Prior to January 1, 1975 5%
- January 1, 1975 to
December 31, 1983 7%
- January 1, 1984 to
June 30, 1996 8%
- July 1, 1996 or later 9%
- State Police after
July 1, 1996 12%

In addition to the percentages listed above, anyone who entered the system January 1, 1979 or later will pay an extra 2% for any salary they earn above \$30,000.00.

Can I withdraw from my account?

You can only withdraw from your account if you leave state service.

Can I take a loan from the funds in my account?

You cannot take a loan from your account.

What happens to this account if I leave my job but don't retire?

You have a couple of options. You can take a refund of your account or roll it over to an eligible retirement account, or you can leave the funds on account with the Board. If you take a direct refund we have to deduct 20% for federal taxes and you may be assessed a 10% IRS penalty for early withdrawal. You can avoid the taxes and penalties with a rollover. If you leave your funds here, your account will earn interest for up to two years after your last date on the payroll. Accounts stop earning interest after two years. Leaving your funds on account with the Board preserves your current membership rights.

Can I get credit for my service if I get a job working in city government?

If you leave state service and get a job working in the public sector in Massachusetts, i.e. working for city, town, municipal or county government, your contributions and service credit will be transferred to your new retirement system.

Who gets this money if I die?

If you are an active or inactive member of the MSERS with funds on account, your beneficiaries on file will receive a refund or rollover of your account at the time of your death (M.G.L. c.32, §11(2)). However, if you have a beneficiary who is eligible for a lifetime pension benefit, such as a spouse, that individual will receive the pension instead [M.G.L. c.32 §12(2)(d)]. Beneficiaries of retired members who chose Option B will receive the remaining balance of the account, if any.

What type of account is this?

Your annuity savings fund is considered a 401(a) retirement plan under Code section 414(d) of the Internal Revenue Code.

Why is the interest rate so low?

The interest rate is set in accordance with the provisions of M.G.L. c. 32, §22(6)(b) and is obtained from the average rates paid on individual savings accounts by a representative sample of no less than 10 financial institutions. The Public Employee Retirement Administration Commission sets the rate in consultation with the Commissioner of Banks. Anyone who voluntarily leaves state service with less than 10 years of creditable service will receive 3% interest on their contributions. ■