

THE COMMONWEALTH OF MASSACHUSETTS  
**State Retirement Board**  
 ONE WINTER STREET, 8TH FLOOR, BOSTON, MA 02108

## ACTIVE MEMBER NEWSLETTER

### BOARD MEMBERS

#### Chair

Treasurer Deborah B. Goldberg

#### Elected Members

Ralph White  
 Theresa McGoldrick, Esq.

#### Appointed Member

Patricia Deal

#### Chosen Member

Chris S. Condon

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Paula Daddona

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## Treasurer's Message

Please join me in congratulating elected member Theresa F. McGoldrick, Esq. who was recently reelected to another three-year term on the State Retirement Board. Her new term began in April 2015. During her past and current tenure, Theresa has exhibited a strong commitment to carrying out the Board's mission and I am delighted to continue to serve alongside her.



Deborah B. Goldberg  
 Treasurer and Receiver General

The Board's mission is to maintain the successful administration of our defined benefit pension system for the members of the Massachusetts State Employees' Retirement System. While our pension system may provide members with a secure lifetime benefit, true financial security comes from increased financial literacy education - one of my top priorities. The Financial Literacy Trust Fund was created to address that need and it will help me ensure that financial literacy education is reaching citizens in every corner of the Commonwealth. For more information, follow [@MASSTreasury](https://twitter.com/MASSTreasury) on Twitter.

As always, thank you for your hard work and dedication to our commonwealth and to its people. Please do not hesitate to reach out with any questions, concerns or feedback you may have.

Sincerely,

Deborah B. Goldberg,  
 Treasurer and Receiver General

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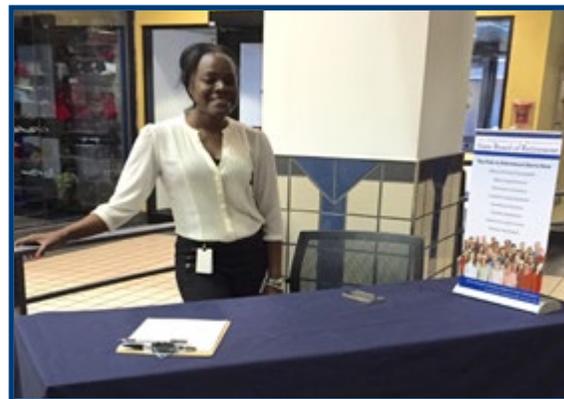
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## Employee Retirement Incentive Program (ERIP) Recap

**O**n May 4, 2015, Governor Baker signed into law ERIP Legislation (Chapter 19 of the Acts of 2015). Members had to satisfy several eligibility requirements including:

- ◀ they must have been employed as of the effective date of the act (Chapter 19 of the Acts of 2015), May 04, 2015, and through the date of retirement, JUNE 30, 2015, by an Executive Department agency, bureau, department, office or division of the commonwealth within or under the control of the governor or a secretary of an executive office, or must be employed by the Office of the Governor.
- ◀ they must have been a member-in-service of the state retirement system and must be classified in Group 1 as of the effective date of the act, May 04, 2015. (Group Classifications were subject to board verification.)
- ◀ they must have had a minimum of 20 years of creditable service at any age, or minimum of 10 years of creditable service and be 55 years of age or older by the effective date of the act, May 04, 2015.



*MSRB staff prepare to greet members arriving at the Board's Boston Office.*

The State Retirement Board was authorized to receive and accept ERIP Applications between May 11, 2015 and June 12, 2015. During this time the Board counseled 5,692 members in walk-in sessions, answered 41,208 phone calls, and received approximately 2,700 applications initially, which were reviewed for retirement eligibility, group classification and agency eligibility.

Though the filing period has passed, the Board's work is not finished. Staff will continue processing ERIP applications in order to get our newly retired members their pension checks as soon as possible. Likewise, the Board will continue to process all standard applications and other requests as usual. The Board would like to extend its thanks to our members for their understanding and patience during these unusual circumstances.

The Board would also like to thank all those who have assisted us during the past several weeks. Specifically we would like to acknowledge the efforts of the Group Insurance Commission, the SMART Plan, and the Human Resources Division / HRAC. Also the Department of Environmental Protection (Winter Street), and the Mass Commission for the Blind (Springfield) for providing additional office space.

**Interested in Learning About Your Benefits?**  
Visit our website [mass.gov/retirement](http://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!

# State Retirement Board Election Update

Incumbent *Theresa F. McGoldrick, Esq.* reelected to another 3-year term

The election for one of the Board’s two elected members took place from February 4, 2015 through March 20, 2015. The role of the board member is to oversee the administration of benefits for the members of the Massachusetts State Employees’ Retirement System (MSERS). This position is without compensation.

Theresa F. McGoldrick, Esq. was reelected to a new three-year term on the State Retirement Board. Her term began April 2015. She received 61% of the total votes cast by the members of the State Retirement System. Overall, 14,204 (10.21%) of the active and retired members of the State Employees’ Retirement System voted, of which 8,992 were by paper and 5,212 by internet.

*The election results are as follows:*

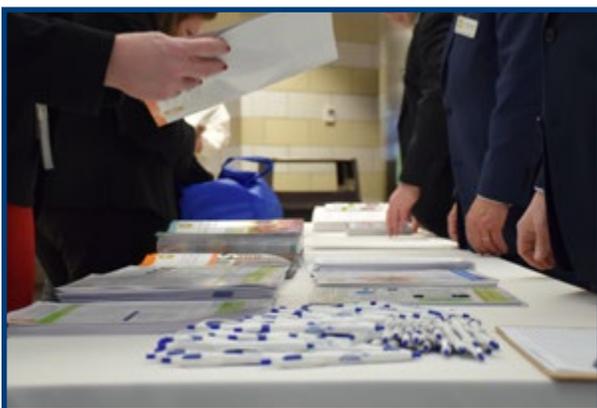
<b>Theresa F. McGoldrick, Esq. (incumbent)</b>	<b>8,695</b>	<b>61.22%</b>
Thomas Mullane	2,756	19.40%
Victoria J. Cushman	972	6.84%
Sean Cashman	803	5.65%
David M. Guiney	518	3.65%
Gary D. Kellenberger RN-BC	460	3.24%
	<b>14,204</b>	<b>100%</b>



*Theresa F. McGoldrick, Esq.*

Ms. McGoldrick is an attorney for the Massachusetts Department of Revenue, Child Support Enforcement Division. She currently serves as President of SEIU/NAGE Unit 6, representing over 3,500 members statewide. Ms. McGoldrick was first elected to the Board in 2004. She serves on the Board with appointed member Patricia Deal, elected member Ralph White, chosen member Chris Condon, and Treasurer Deborah B. Goldberg, Chair. The Board thanks all members who participated in this election.

## SMART Retirement & Beyond Spring Seminars Recap



*MSRB staff and SMART Plan representatives distribute seminar materials to members.*

The 2015 Spring SMART Retirement & Beyond seminar series included nine venues and began on February 26th with an evening seminar at North Shore Community College and concluded on May 13th with a daytime seminar at the Massachusetts State House. Over 2,700 people attended these retirement planning seminars, which are held exclusively for Massachusetts State Employees.

Each seminar is approximately two hours and is kicked off with a retirement presentation from the MSRB. Then, representatives from the Group Insurance Commission (GIC), The Deferred Compensation SMART Plan, and the Social Security Administration follow each with their own presentation.

## SMART Retirement & Beyond Spring Seminars Recap, *continued*



Paula Daddona, Communications and Outreach Manager, presents the Retirement Board's program.

Whether a member is just beginning their career with the state or a year away from retirement, these seminars are very beneficial. Eligible members learn about the features and latest updates pertaining to their pension benefit, GIC health care, the benefits of investing in the Massachusetts Deferred Compensation SMART Plan, and potential Social Security benefits.

Currently, MSRB staff is in the process of developing our 2015 fall schedule. We expect the schedule to be posted on the MSRB website ([www.mass.gov/retirement](http://www.mass.gov/retirement)) in late August so be sure to watch for it. We hope that you will join us at one of our Fall SMART Retirement & Beyond seminars.

### *Request a Retirement Seminar!*

The MSRB always welcomes seminar requests and we do our best to accommodate them. If your agency would like to host a retirement seminar, please have your human resources office contact us.

Seminar requests should be sent to Paula Daddona, [pdaddona@tre.state.ma.us](mailto:pdaddona@tre.state.ma.us). If possible, please include the date and time you would like to host a seminar along with the specific location and estimated number of attendees. We will work with your office to coordinate the best date and time.

## GIC Rate Changes Take Effect on July 1, 2015

**G**roup Insurance Commission's (GIC) health and dental rates will change effective July 1, 2015. Because health and dental insurance premiums are paid one month in advance you will see a change in June's deductions if your GIC premiums are withheld from your paycheck. If you have further questions regarding the contribution rate, or other health insurance matters, please contact the contact GIC at (617) 727-2310, Ext. 1 or 6.



**MSRB ID NUMBER: What's yours?**  
Your Massachusetts State Retirement Board ("MSRB") ID number is your unique six digit retirement account code. For security purposes, it is used instead of your social security number and it is printed on all correspondence you receive from the Board. (Please note: it is NOT the same as your Employee ID number.) You can easily locate it on your Active Members' 2014 Annual Statement in the top right corner. For more information about Annual Statements visit our Active Members' 2014 Annual Statements [web page](#).

# Understanding Your Benefits:

## 2015\* State Retirement System Actuarial Valuation Report Highlights

Every January the Public Employee Retirement Administration Commission (PERAC) publishes a valuation report of the Massachusetts State Employees' Retirement System. The report provides demographic, financial and funding information about the plan as of each January 1st. Some highlights from the 2015 report are summarized below. The full report is available on the MSRB website as a downloadable pdf. To access it go to [mass.gov/retirement](http://mass.gov/retirement) > click on the "All Forms & Publications" link > then scroll to the bottom of the page and look under the "Board Publications" section. The report title/link name is [2015 State Retirement System Actuarial Valuation Report](#). Additionally, the full report, along with other retirement systems valuation reports, can be found on PERAC's website, [mass.gov/perac](http://mass.gov/perac).

### State Employees at a Glance:

Total number of state employees	88,508
Average age	47.3
Average years of creditable service	13.2
Average annual salary	\$63,180

### State Retirees and Survivors at a Glance:

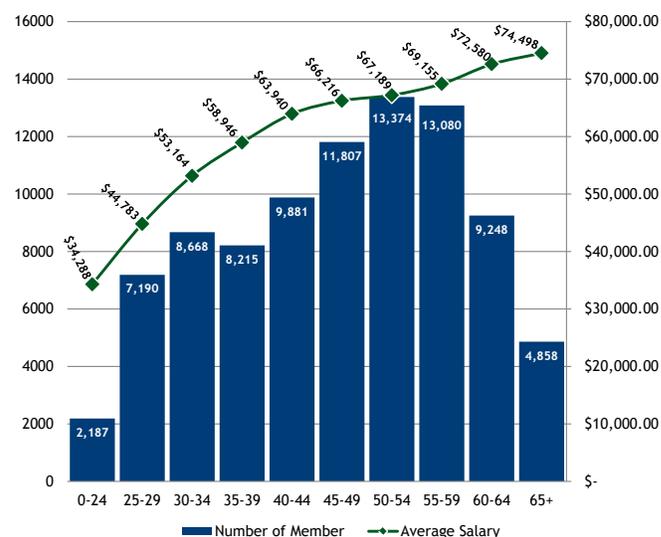
Total number of retirees and survivors	57,774
Average age	71.9
Total benefits paid	\$1.781 Billion
Average annual benefit	\$30,819

### Funding Level (in thousands)

Total actuarial liability of MSERS	\$33,679,150
Actuarial value of MSERS Assets	\$22,720,160
Unfunded actuarial liability*	\$10,958,990
MSERS funded ratio	67.5%



*Number of Employees and Average Salary by Age Group*



The largest number of employees is in the 50-54 age range with an average salary of \$67,189. Members in the 65+ age range have the highest average salary of \$74,498.

### \*Unfunded Actuarial Liability Explained:

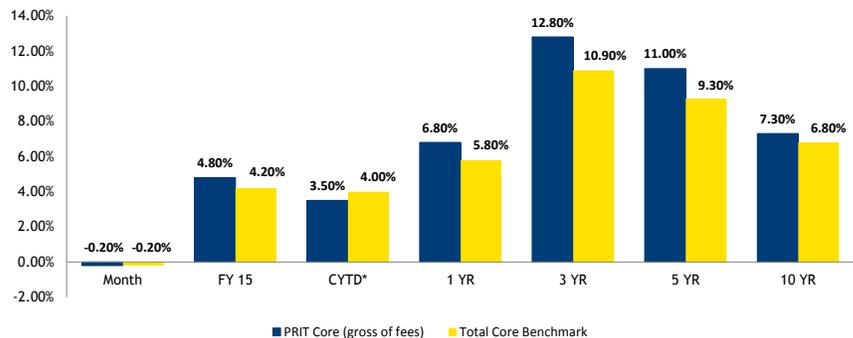
Unfunded actuarial liability is when the estimated cost of future benefits the Commonwealth is expected to pay in retirement benefits is larger than the estimated future value of current assets. The commonwealth currently makes annual payments to the PRIT fund and is mandated by M.G.L., Chapter 32 to bring the unfunded actuarial liability to zero by June 30th, 2040.

\*This valuation was based on member data as of December 31, 2014.

# 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 May 30th, 2015



## Domestic Equity Markets

Index	Month	CYTD*	1-Year
S&P 500	1.29%	3.23%	11.81%
Russell 2000 Growth	3.67%	7.30%	17.73%
Russell 2000 Value	0.83%	0.63%	5.10%
Russell 2500 Growth	3.08%	8.45%	17.55%
Russell 2500	2.14%	5.54%	11.76%

\*Cost Year-to-Date

Pension Reserves Investment Trust (PRIT) Fund Assets:

» **\$62,023,658,000**

State Employees' Retirement System (SERS) Assets:

» **\$24,088,691,071**

PRIT Fund updates are courtesy of PRIM. 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](http://www.mapension.com)

## Reminders

### Important Dates to Remember:

#### July

Thursday, **30th** - Retirement Board Meeting\*

#### August

Thursday, **27th** - Retirement Board Meeting\*

#### September

Thursday, **24th** - Retirement Board Meeting\*

### Have You Recently Moved?

Be sure to provide your new address to your Human Resources department so that they update your employee file.

### Has Your Email Address Changed?

Be sure to notify your Human Resources and/or Network Administrator (IT) department so that they can update your electronic profile. Please note: MSRBC staff is not able to update active members individual state email addresses. Thank you!

Need a Form or a MSRBC Publication?  
Our most current forms and publications are available for download on our website:

[Key Resources > All Forms and Publications](#)

\*Unless otherwise noted, meetings are held at:  
One Winter St, 8th Floor, Boston, MA



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