



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

It is an honor to begin my second year as Treasurer of the Commonwealth and Chairman of the State Retirement Board. We will continue to apply the same kind of fiscal discipline and sound management practices that will advance our shared goal of protecting retiree benefits for the long term.

As Chairman, I understand the value of protecting and preserving the viability of the state pension system, and I was one of the early advocates of sensible pension reform. It was absolutely essential to enact a plan that will save more than \$5 billion on the state and municipal level over the next 29 years, while protecting the benefits of those already in the system. The new law begins to take effect on February 16th with a majority of the provisions becoming effective April 2nd, and our staff is available to answer any questions you may have concerning the statute's provisions.

February also marks the 100th anniversary of the first Massachusetts State Retirement Board meeting, giving us the chance to reflect on the progress we have made over the years as we look forward to further improvements on the horizon. We have made it our mission to continue to work each and every day to ensure that retirement benefits are protected for the next 100 years and beyond.

I want to encourage anyone with questions about their retirement benefits to take advantage of our SMART Retirement & Beyond seminars. Fostering informed financial consumers has been a hallmark of my administration, and these seminars are a great way to better understand the various options available to our members.

On behalf of the State Retirement Board, thank you for continued service and commitment to the Commonwealth, and I wish you a healthy and productive 2012.

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)

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

www.mass.gov/retirement

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GIC Benefit Statements Mailed in January

Each year the Group Insurance Commission (GIC) mails out an annual Benefit Statement. The statement provides GIC participants with a listing of insurance benefits, including health insurance, life insurance, and long term disability. The State Retirement Board has partnered with the GIC over the past several years to provide our members with a listing of the beneficiaries we have on file for you.

Please be sure to review both sides of the form for accuracy. Check:

- Spelling
- Social Security Numbers
- Date of Birth

Please note when you apply for retirement you will be asked to submit new beneficiary forms based on the retirement options you choose. If you began working for the Commonwealth before the computerization of our records in 1996, it's possible we have your information on file; however, it may not be listed on your statement. You can update your beneficiary information by returning a completed Change of Beneficiary form enclosed with the statement. This form must be signed by both the member and a witness who is not listed as a beneficiary.

Please do not send us corrections to GIC information. They will need to be notified separately. Also, we cannot give any

beneficiary information out over the phone, nor can we make any corrections over the phone. These changes must be made in writing.

If you have any questions regarding this process, please contact our Administration department at 617-367-7770.

SMART Retirement & Beyond Seminar Series - last dates until the Fall!

Have you been thinking about attending a SMART Retirement & Beyond seminar? The remaining dates for this series are now open for registration. Representatives from the State Retirement Board, the Massachusetts Deferred Compensation SMART Plan, and the Group Insurance Commission will be on hand at the following seminars to discuss your retirement benefits, including how to apply, how we calculate your benefits, health insurance options, and ways to benefit from the SMART Plan. Go to our website, mass.gov/retirement, and register today!

March 8, 6:00 to 8:00 p.m., Blinn Hall
Massachusetts Maritime Academy, Bourne

March 15, 6:00 to 8:00 p.m., Campus Center
Middlesex Community College, Bedford

March 22, 6:00 to 8:00 p.m., Campus Center
UMass/Amherst

March 29, 6:00 to 8:00 p.m., Academic Building
Roxbury Community College, Boston

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 invest 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.

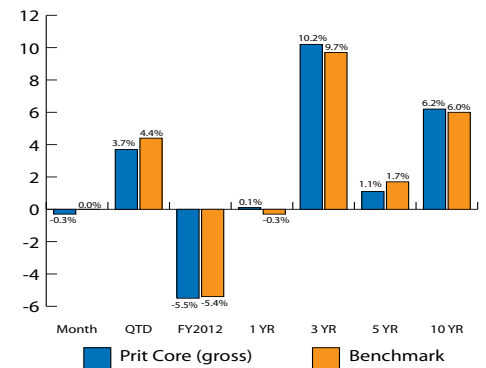
***Pension Reserves Investment Trust (PRIT) FUND ASSETS:**
\$47,080,235,000

***State Employees' Retirement System (SERS) ASSETS:**
\$18,467,044,904

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 12/31/2011

PRIT Core Fund as of 12/31/11



Market Recap – December 31, 2011

Domestic Equity Markets:

Index	Month	QTD	1-Year
S&P 500	1.02%	11.82%	2.11%
DOW Jones Ind.	1.58%	12.78%	8.38%
NASDAQ (Price Chg)	-0.58%	7.86%	-1.80%
Russell 3000	0.23%	14.52%	-2.51%

Reminders

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

Important Dates to Remember:

February

Monday, February 20 | Presidents' Day, Offices Closed
Thursday, February 23 | Retirement Board Meeting*
Friday, February 24 | Board Election Nomination Papers Due

March

Friday, March 16 | Board Election Ballots Issued
Thursday, March 29 | Retirement Board Meeting*

April

Monday, April 16 | Patriots Day, Offices Closed
Friday, April 20 | Board Election Ballots Due
Thursday, April 26 | Retirement Board Meeting*
Thursday, April 26 | Election Results Certified

Nomination Papers Available for Board Election

The State Retirement Board will hold a regularly scheduled election for one of our two elected positions this spring. Members in service (actively employed or on authorized leave of absence) and members retired from service are eligible for nomination as a candidate to fill the unpaid position, which runs for a three-year term ending April 2015. For a complete set of rules, as well as downloadable nomination papers, please see our website, mass.gov/retirement or visit our Boston (1 Ashburton Place, Suite 1219, Boston) or Springfield (436 Dwight Street, #109, Springfield) offices. Completed nomination papers are due in our offices by 5:00 p.m., Friday, February 24th. Ballots will be mailed to all members on or about March 16, 2012 and are due no later than April 20, 2012.

Need a Retirement Form?

Most of our retirement forms are available for download on our website under "Active Employees" > "Key Resources" > "Forms & Publications".



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

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

Understanding Your Benefits: *Pension Reform III Passes, New Law in Effect April 2nd*

On November 18, 2011, Governor Patrick signed into law Chapter 176 of the Acts of 2011, "*An Act Providing for Pension Reform and Benefit Modernization*". This new law makes changes to the way benefits are paid for public employees hired after April 2, 2012, but some provisions of the law will affect current members as well.

■ **Group Classification / Prorate Benefits**

Employees hired after April 2, 2012 will have their service prorated for retirement purposes. Current members who have service in more than one group may elect to have their service prorated. We are currently working with the Public Employees' Retirement Administration Commission (PERAC) to finalize the benefit formula that would be used in these situations.

■ **Service Buyback Interest Rate**

Employees wishing to buy back prior public service will have one year from April 2, 2012 or one year from the date of re-entry, whichever is later, to buy back the service at the regular buyback interest rate, currently 4.125% (half the actuarial assumed interest of 8.25%). After the one year time frame has passed the interest rate will be the full actuarial assumed interest.

■ **Working in Retirement**

Effective April 2, 2012, Retirees working in a state, city, town, municipal, or county job can earn more money. You will continue to be limited to 960 hours per year, but after the first year in retirement, you can earn the difference between the current salary of the position they retired from and your pension plus \$15,000.

■ **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 gender before May 17, 2005 may change their retirement option selection to Option C. The Board must be notified of the request to change retirement options by July 1, 2012. The change would be retroactive to the retirement date, thus the Board must be reimbursed the difference between the Option C benefit and the original benefit chosen. Eligible survivors of deceased retirees may also request this change.



■ **Minimum Pension for 25+ Years of Service**

A minimum retirement allowance of \$15,000 per year is established for members with 25 years or more of creditable service.

■ **Anti-Spiking Provision**

This section provides that the "average rate of regular compensation in any year is not to include amounts that are in excess of 10% of the rate in the 2 preceding years". Salary schedules negotiated in a collective bargaining agreement will not be affected by this provision. This section applies to **any member** retiring on or after April 2, 2012.

CONSIDERING A REFUND?

Please be advised that should you leave state service and take a refund of your contributions you are no longer considered a member of the Massachusetts State Employees' Retirement System (MSERS). Should you re-enter state service you will be subject to the benefits available to new members at that time. If you leave your contributions in the MSERS, you will retain your current benefits.

Employees hired/re-enter state service after April 2, 2012 are subject to:

- Increase in Minimum Retirement Age
- Increase of Highest Salary Average Period
- Elimination of Section 10(2) Termination Retirement Benefit