

THE Mentor

News from the Maryland State Retirement and Pension System

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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



Watch your mail for your *Personal Statement of Benefits* See page 2

Board votes to reduce expected investment rate of return

THE MARYLAND STATE RETIREMENT AGENCY'S INVESTMENT TARGET will be reduced to 7.55% incrementally over the next four years to more accurately reflect the pension fund's expected long-term future investment gains. Currently set at 7.75%, the assumed rate will be lowered 0.05% each fiscal year beginning with the July 2013 actuarial valuation of the system for a total reduction of 0.2%.

"This decision to lower the assumed rate of return was made after careful analysis by the board, with significant input from the system's actuary and investment consultant," said State Treasurer Nancy K. Kopp, Chair of the Board

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Changes for board of trustees

Trustees Bush, Haines elected; Sheila Hill concludes service; Herman is new trustee



James A. Bush, Jr. Kenneth B Haines Linda A. Herman Sheila Hill

JAMES A. BUSH, JR., a budget analyst with the Maryland Transit Administration, was elected this spring by members and retirees of the Employees' Systems to serve on the Maryland State Retirement and Pension System Board of Trustees.

Trustee Bush previously served as a trustee of the Baltimore City Employees Retirement System and the Baltimore City Elected Official Retirement System for 10 years, the last three as board chairman. He then was employed as a financial advisor with Merrill Lynch. Mr. Bush holds degrees in business/finance and chemistry from the University of Baltimore and Loyola University, respectively.

Trustee Hill concludes decade of service

Trustee Bush replaces retiring board member Sheila Hill. First

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Trustee Herman to represent county govts.

GOVERNOR MARTIN O'MALLEY has appointed Linda Herman, Executive Director of the Montgomery County Employee Retirement Plans (MCERP), to a newly-created 15th seat on the Board of Trustees of the Maryland State Retirement and Pension System. The board was expanded to include an additional trustee to rep-

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Annual benefits statements to be mailed in early September

A VALUABLE TOOL FOR RETIREMENT PLANNING will arrive soon in your mailbox.

Your Personal Statement of Benefits (PSB) provides an up-to-date summary of your retirement account, including your years and months of service and contributions paid. Your PSB also includes projections of future retirement benefits available to you when you become eligible.

As an active member of the Maryland State Retirement and Pension System, you receive a PSB by mail to your home. The information contained in this year's PSB reflects your account status as of June 30, 2013.

Statements will not be issued for members who have failed to submit enrollment forms or for those members not on payroll by June 30.

Answers to frequently asked questions about the PSB are provided here.

Q. Where are my future retirement benefits shown?

A. Your estimated future retirement benefits can be found on page four of your PSB. Remember, the projected amounts shown are estimates only.

Q. Why is my enrollment date later than my employment date?

A. Most employees' enrollment date is the first day of the month they started working. A later date may appear if you began work prior to the mid-1970's. Processing requirements at that time caused a one or two month delay between a mem-

ber's first day on the job and the start of retirement contributions from the member's paycheck. In many cases, the service has been corrected in your account.

Q. Why do I have a "deficiency" under contributions?

A. When sufficient retirement deductions are not made during any pay period, the word "deficiency" appears. The deficiency equals the amount of the missing contribution, plus interest applied at the end of each fiscal year.

To repay a contribution deficiency, contact the retirement agency and request to be billed for this amount. Payment made before the end of the fiscal year carries no interest for that year. If a contribution deficiency exists when you retire, the benefit paid will be actuarially reduced.

Q. How do I change beneficiaries?

A. To change beneficiaries, contact your personnel office or go to the retirement agency Website at sra.maryland.gov and obtain Form 4, *Designation of Beneficiary*. Submit the completed form to the retirement agency. It is vital to keep beneficiary choices up to date, because when a member dies during active membership, survivor benefits are paid to the most-recently designated beneficiary(ies) on file with the Maryland State Retirement Agency.

Q. Where should I file an updated Form 4, *Designation of Beneficiary*?

A. To ensure your changes are made in a timely manner, especially

in time-sensitive situations such as a member's terminal illness, file your Form 4 directly to the retirement agency.

Q. Why isn't early retirement listed?

A. The space under Early Service is left blank for members who reach regular service retirement age before earning the required years of service for early retirement, if applicable.

Q. At retirement, do I receive the vested, early *and* service benefits shown on the back of my PSB?

A. No. Vested, early and service retirement are different benefits. Your benefit is based on your age and years of service when you elect to retire.

Q. What is my Personal Identification Number (PIN)?

A. Your PIN is printed at the bottom of page one of your PSB. Generally, this number is a four digit code consisting of the month and year of your enrollment. For example, if you enrolled in January 2005, your PIN would be 0105. You can use your PIN and Social Security number to access your retirement account information via the retirement agency's automated phone system at any time. Simply call 410-625-5555 or 1-800-492-5909.

Q. Why isn't my military credit listed?

A. It's up to each eligible member to claim military service. Military serv-

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elected in 2004, Trustee Hill has served as chairman of the board's corporate governance committee and as a member of the administrative and investment committees. During her decade on the board, Ms. Hill became known for her dedicated service on behalf of the stakeholders of the system.

Trustee Haines unchallenged

As the only educator to collect the required nominations to qualify as a candidate for the spring board election, Trustee Kenneth B. Haines was elected to serve as representative of the Teachers' Systems. As reported in the spring *Mentor* newsletter, Mr. Haines has served on the board since January 2012. Previously a foreign language instructor at Northwestern High School in Hyattsville, Trustee Haines now serves as president of the Prince George's County Educators' Association (PGCEA), the bargaining unit for the county's 9,000 professional educators.

Trustees Bush and Haines began their new terms August 1.

The board of trustees, which is responsible for establishing investment and administrative policy and overseeing the management of the Maryland State Retirement Agency, meets each month at the system's administrative offices in Baltimore. Full meeting minutes, trustee biographies and photos are available online at sra.maryland.gov.

Herman, from page 1

represent the interests of county governments as a result of legislation passed during the 2013 General Assembly session. House Bill 390 (Chapter 535) and Senate Bill 741 (Chapter 534) require that the new trustee possess at least 10 years of experience in financial management and oversight of county government budgets.

Ms. Herman has served as Executive Director of MCERP since her appointment to that position in April 2004. Prior to that, Ms. Herman had served the MCERP for five years as Senior Investment Officer, managing the investment programs for the county's defined benefit, defined contribution and deferred compensation plans.

Prior to joining Montgomery County, Ms. Herman worked for 26 years for the Washington Suburban Sanitary Commission (WSSC), including seven years as Manager of Retirement and Investments. In that position, she was responsible for overseeing the administration and investment programs for the WSSC's pension plan and its \$1.5 billion short-term cash investment portfolio.

Ms. Herman holds a Bachelor of Science degree in accounting from the University of Maryland. She is a resident of Bethesda.

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ice is not automatically credited to your account. File a Form 43, *Claim of Retirement Credit for Military Service*, to apply for military credit. If you serve in the U.S. Armed Forces or National Guard during your SRPS membership, you may claim military credit immediately under certain conditions. If your military duty preceded SRPS membership, you must have 10 years of retirement credit before claiming military service.

Q. I changed my beneficiaries/applied for military credit/changed my address on July 15 but this change isn't reflected on my PSB. Why not?

A. Your PSB is a reflection of your account as of June 30. The changes

you made after that date will appear on the next PSB.

Q. What about part-time employment?

A. Service credit may be overstated on the PSB if you worked part time during your membership. This is especially likely if you transferred from a Retirement System to a Pension System. The PSB assumes all future service as full time, so if you are working part time now, your benefits may be overstated.

Q. Do I need an estimate of retirement allowance since I have the PSB?

A. The PSB is not intended to

serve as a substitute for an official estimate. There are other options for beneficiary coverage available through the estimate that are not included on your PSB.

Q. What if I have other questions concerning my PSB?

A. If something on your PSB doesn't seem correct, note the discrepancy, send a photocopy of your statement and indicate how you arrived at your conclusion. Address your correspondence to: Maryland State Retirement and Pension System, 120 East Baltimore Street, Baltimore, Maryland 21202-6700. If you prefer, call a retirement benefits specialist at 410-625-5555 or 1-800-492-5909.

Meet with a retirement specialist near you

RECEIVE EXPERT RETIREMENT COUNSELING without traveling to Baltimore! You may schedule an appointment at a location near you by calling 410-625-5555 or toll-free 1-800-492-5909. You also can set appointments online at sra.maryland.gov. From the homepage, click on **New: Online Appointment Scheduling**. Don't forget to bring your latest Personal Statement of Benefits or retirement estimate. Specialists cannot provide these. As this schedule was released in August, some dates may be filled, so please call to confirm availability.

Allegany County

Allegany College of Maryland
College Center Bldg. Room CC 150
12401 Willowbrook Rd., Cumberland
Sept. 17, Nov. 5, Apr. 22, May 6

Anne Arundel County

Goldstein Treasury Bldg. Room 212
80 Calvert St., Annapolis
Sept. 13, Oct. 18, Nov. 15, Dec. 20,
Jan. 17, Mar. 7, Apr. 18, May 16

Baltimore County

State Highway Administration
320 W. Warren Rd., Hunt Valley
Admin. Conference Room 135
Sept. 11, Oct. 16, Nov. 13, Dec. 18,
Jan. 15, Feb. 19, Mar. 12, Apr. 30

Calvert County

Board of Education
1305 Dares Beach Rd.
Prince Frederick
Human Resources Conf. Room
Sept. 10, Nov. 12, Jan. 28, Mar. 13,
May 13

Carroll County

County Office Building, Room 100
225 N. Center St., Westminster
Oct. 3, Nov. 14, Jan. 9, Apr. 10, May
15

Cecil County

Rising Sun High School
100 Tiger Dr., North East
Career Center
Oct. 9, Mar. 19

Charles County

Board of Education, Central Office
Building
5980 Radio Station Rd., La Plata
Conference Room 160
Oct. 8, Nov. 19, Jan. 14, Mar. 18

Dorchester County

Eastern Shore Hospital Center

5262 Woods Rd., Cambridge
Room 717
Oct. 22, Dec. 10, Feb. 11, Apr. 15

Frederick County

Frederick Community College
7932 Opossumtown Pike, Frederick
Call for room numbers
Sept. 6, Nov. 8, Dec. 6, Mar. 14,
Apr. 4

Garrett County

Garrett College
687 Mosser Rd., McHenry
Continuing Ed. Bldg., Room 209
Sept. 18, Nov. 6, Apr. 23, May 7

Harford County

Harford County Human Resources
Department, 112 Hayes St., Bel Air
Conference Room
Sept. 23, Oct. 24, Jan. 23, Feb. 20,
Mar. 20, Apr. 17

Howard County

Howard Community College
10901 Little Patuxent Pkwy.
Columbia, Room DH-330
Oct. 17, Nov. 21, Jan. 30, Mar. 27,
Apr. 24, May 29

Kent County

State Highway Admin., Room 111
615 Morgnec Rd., Chestertown
Oct. 10

Montgomery County

Board of Education
45 W. Gude Dr., Rockville
Employee and Retiree Service Cen-
ter, Suite 1200
Call for room numbers
Sept. 12, Oct. 15, Dec. 4, Jan. 8,
Feb. 5, Mar. 5, May 20

Prince George's County

State Highway Administration
9300 Kenilworth Ave., Greenbelt

Right-of-Way Conference Room
Oct. 2, Dec. 5, Feb. 6, Apr. 9, May
14

Queen Anne's County

Chesapeake College
1000 College Circle, Wye Mills
Room EDC-19
Sept. 20, Nov. 22, Feb. 7, Apr. 11

Somerset County

Princess Anne Town Hall
30489 Broad St., Princess Anne
Sept. 26, Jan. 16

St. Mary's County

Board of Education
23160 Moakley St., Leonardtown
Human Resources Conf. Room
Oct. 25

NEW LOCATION!

Talbot County

County Government Building
215 Bay St., Easton
Conference Room 3
Sept. 25, Jan. 22

Washington County

Board of Education
820 Commonwealth Ave., Hager-
stown, HR Conference Room
Sept. 24, Oct. 29, Dec. 17, Feb. 14,
Mar. 25, May 22

Wicomico County

W. Paul Martin District Court Multi-
Service Center
201 Baptist Street, Salisbury
First Floor Conference Room
Oct. 23, Dec. 11, Feb. 12, Apr. 16,
May 21

Worcester County

Worcester County Govt. Center
1 West Market Street, Snow Hill
Training Room B, Third Floor
Sept. 27

Trustee election slated for Md. State Police Retirement System

Nominations due by January 31, 2014

ACTIVE MEMBERS AND RETIREES OF THE STATE POLICE RETIREMENT SYSTEM

will elect a representative to the Board of Trustees of the Maryland State Retirement and Pension System in an election slated for spring/summer 2014.

Candidates for this board seat must be active members or retirees of the State Police Retirement System. The term of office for the successful candidate will be August 1, 2014 through July 31, 2018. Using an official nomination petition, potential candidates must obtain the sig-



natures and dates of birth of 100 persons who are eligible to vote in this election. Petitions must be returned to the State Retirement Agency by 4:30 p.m. EST on January 31, 2014. These documents may be requested by calling Megan Myers, director of special projects, at 410-625-5608 or toll free at 1-800-492-5909.

For more information on the Board of Trustees, including member biographies, photos and committee assignments, log onto the State Retirement Agency Website at sra.maryland.gov and click on **Agency**.

Online appointment scheduling is quick and convenient

MEMBERS AND RETIREES

wishing to sit down with a highly-trained retirement benefits specialist can now choose their own meeting date and time using the Maryland State Retirement Agency's new appointment scheduling Website.

Simply click on **New: Online Appointment Scheduling** from the Maryland State Retirement Agency homepage at sra.maryland.gov.

Members may discuss topics such as the steps to retirement, benefit payment options, purchasing service, filing for disability retirement or changing beneficiaries. Retirees can change their tax withholding, direct deposit or beneficiaries on file.

Counseling sessions may be slated in Baltimore or at regional locations across the state. See page 4 for regional counseling locations and dates.

Funding, from page 1

of Trustees of the Maryland State Retirement and Pension System. "On the basis of its assessment of the long-term expectations for the financial markets, the lowered assumed rate was adopted as a more accurate estimation of investment

gains in the long run."

Given current and expected economic and investment environments, including a long-term inflation expectation estimated at 2.8% annually rather than the past assumption of 3%, the lowered as-

sumed rates will provide a more realistic investment target. Changes to this rate will not affect retirees' benefit amounts or the system's ability to pay future benefits.

The 7.75% rate has been in place since 2003.

The Mentor is published by the Maryland State Retirement Agency
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