

THE Mentor

News from the Maryland State Retirement and Pension System

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MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



To retire in the next 12 months, request a benefit estimate *now*

IF YOU ARE PLANNING TO RETIRE WITHIN THE NEXT 12 MONTHS, now is the time to request an estimate of benefits.

Obtaining a benefit estimate before retirement is not required, but it is strongly recommended for financial planning purposes.

Members of the Employees', Teachers' and Correctional Officers' Systems should complete and submit to the Maryland State Retirement Agency an *Application for an Estimate of Service Retirement Allowance* (Form 9.) State Police should submit Form 10 and members of the Law Enforcement Officers' Pension System use Form 97. Forms are available online at sra.maryland.gov or from your employer's personnel department.

Please allow 10 to 12 weeks to process your estimate.

You must be within 12 months of retirement eligibility to request an estimate. For members more than 12 months from retirement eligibility, the retirement agency provides printable benefit worksheets and online benefit estimators.

These resources, which provide estimates only, are available online at sra.maryland.gov.

Your Board of Trustees works year round to keep your future pension benefit secure

OVERSEEING THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM is a big responsibility. In addition to setting the asset allocation policy for the system's \$43 billion investment fund, benefit payments totalling more than \$250 million also must be issued each month to more than 140,000 retirees. These duties and many others are the commission of the system's Board of Trustees.

The board is responsible for the management, general administration and proper operation of the pension system and includes the following 15 trustees:

- The Secretary of the Department of Budget and Management, State Comptroller and State Treasurer. These members serve on the board *ex officio*, or because of their office in state government.
- Five members elected by members and retirees.
- Seven members appointed by the Governor.

Each member of the board is a fiduciary, and as such must perform his

or her duties solely in the interest of the system's participants.

Investments

Among other responsibilities, the board has the full power to invest the assets of the system. To help guide the investment program, the board has adopted an investment policy manual that enumerates the program's goals, outlines the functions of the Maryland State Retirement Agency's Investment Division, sets the fund's asset allocation policy and enforces the policy governing the selection and removal of investment managers. The board's investment committee meets regularly to review the investment performance of the system.

Benefits Administration

To ensure that members and retirees receive their proper benefits when due, the board approves regulations necessary to ensure effective benefits administration and delivery of member services. The board also renders final approval for disability applications.

See Trustees, page 4

Annual report released for fiscal 2013

THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) for fiscal year 2013 is now available for review online at sra.maryland.gov. A summary of the report is provided here.

To access up-to-date figures throughout the year, the system's investment results are reported quarterly online at sra.maryland.gov. Simply click on **Agency** then, under **Investments**, click **Reports and Updates**.

Statement of Plan Net Assets by System for the Fiscal Year Ended June 30, 2013

<i>Expressed in thousands</i>	Teachers' Retirement and Pension Systems	Employees' Retirement and Pension Systems	Judges' Retirement System	State Police Retirement System	Law Enforcement Officers' Pension System	Total
Cash & Cash Equivalents	\$ 1,211,594	\$ 719,300	\$ 44,504	\$ 66,249	\$ 43,439	\$ 2,085,086
Investments, at Fair Value	25,070,340	13,918,809	343,119	1,208,039	657,437	41,197,744
Other Assets	839,433	537,662	11,734	43,566	22,881	1,455,276
Total Assets	27,121,367	15,175,771	399,357	1,317,854	723,757	44,738,106
Total Liabilities	2,651,742	1,488,897	37,025	129,291	67,934	4,374,889
Total Plan Net Assets	\$ 24,469,625	\$ 13,686,874	\$ 362,332	\$ 1,188,563	\$ 655,823	\$ 40,363,217

Statement of Changes in Plan Net Assets by System for the Fiscal Year Ended June 30, 2013

<i>Expressed in thousands</i>	Teachers' Retirement and Pension Systems	Employees' Retirement and Pension Systems	Judges' Retirement System	State Police Retirement System	Law Enforcement Officers' Pension System	Total
Additions						
Employer Contributions	\$ 981,004	\$ 531,433	\$ 24,062	\$ 51,330	\$ 55,272	\$ 1,643,101
Member Contributions	432,215	260,201	2,452	6,429	9,559	710,856
Investment Income	2,329,791	1,310,508	32,527	113,068	59,901	3,845,795
Total Additions	3,743,010	2,102,142	59,041	170,827	124,732	6,199,752
Deductions						
Benefit Payments	1,741,745	1,027,510	25,964	109,055	46,426	2,950,700
Refunds	20,542	16,977	29	245	488	38,281
Administrative Expenses	13,781	11,701	38	349	411	26,280
Total Deductions	1,776,068	1,056,188	26,031	109,649	47,325	3,015,261
Net System Transfers	1,150	(1,323)	-	1	172	-
Net Change in Plan Net Assets	1,968,092	1,044,631	33,010	61,179	77,579	3,184,491
Net Assets at Beginning of Fiscal Year	22,501,533	12,642,243	329,322	1,127,384	578,244	37,178,726
Net Assets at End of Fiscal Year	\$ 24,469,625	\$ 13,686,874	\$ 362,332	\$ 1,188,563	\$ 655,823	\$ 40,363,217

*Intersystem transfers have been eliminated in this financial statement.

Actuarial Funded Status for the Fiscal Year Ended June 30, 2013

<i>Expressed in thousands</i>	Teachers' Retirement and Pension Systems	Employees' Retirement and Pension Systems	Judges' Retirement System	State Police Retirement System	Law Enforcement Officers' Pension System	Municipal Correctional Officers' Retirement System	Total
Actuarial Accrued Liability	35,530,441	21,046,733	438,836	1,882,501	1,143,154	18,426	60,060,091
Actuarial Value of Assets	23,845,618	13,326,586	354,900	1,164,217	642,678	16,971	39,350,969
Unfunded Actuarial Accrued Liability	11,684,823	7,720,147	83,937	718,284	500,476	1,456	20,709,122
Funded Ratio	67.1%	63.3%	80.9%	61.8%	56.2%	92.1%	65.5%

Web-based tools, one-on-one counseling and Pre-Retirement Seminars can help you prepare for retirement

ONLINE OR IN PERSON, VALUABLE INFORMATION ON PLANNING FOR RETIREMENT is available to you as a member of the Maryland State Retirement and Pension System.

Online presentations

Whether you want to review your retirement payment options, get the most from your Personal Statement of Benefits, learn how your plan works or apply for disability retirement, the Maryland State Retirement Agency's online presentations can guide you step by step with just a click of your mouse.

Conveniently located on both YouTube and Vimeo, the presentations are narrated by the agency's highly-trained retirement benefits specialists. You can watch on your own time and no registration is needed.

To access the presentations, simply visit the retirement agency Website at sra.maryland.gov and, in the bottom-left corner of the home-

sra.maryland.gov



page, click on the YouTube or Vimeo icons.

One-on-one counseling

If you prefer a face-to-face meeting, the retirement agency also offers free counseling to help you plan for the future. To meet with a retirement benefits specialist in the retirement agency's Baltimore office, simply visit sra.maryland.gov and click on **Schedule an Appointment**. Appointments also may be requested by calling 410-625-5555 or 1-800-492-5909.

Remember to bring your latest Personal Statement of Benefits or

benefit estimate with you to your counseling session.

Pre-Retirement Seminars

For members within eight years of retirement, the agency also conducts day-long Pre-Retirement Seminars providing a wealth of information for prospective retirees. Your spouse is welcome to attend, and sign language interpreters can be provided upon request. Contact your personnel office for information on upcoming seminars. Registration forms for Pre-Retirement Seminars are available online at sra.maryland.gov.

Ensure your retirement forms are completed, filed properly

MARYLAND STATE RETIREMENT AGENCY FORMS such as *Designation of Beneficiary* (Form 4), *Statement of Disability* (Form 20) and *Election to Transfer Service* (Form 37) are not effective until they are received in retirement agency offices in Baltimore.

A completed form received by your employer, *but not forwarded to the retirement agency*, is not valid.

Please also be aware that some retirement agency forms require you to sign or have the form notarized, as indicated in the form's printed instructions. Forms submitted without the necessary signature or notarization are not valid and will be returned for completion.

Richard Norman to represent State Police on board

RETIRED MARYLAND STATE TROOPER RICHARD E. NORMAN

will join the Board of Trustees of the Maryland State Retirement and Pension System as State Police representative August 1.

Trustee-elect Norman, a Certified Public Accountant who currently serves as director of administration and finance for the Comptroller of Maryland, will succeed Trustee Morris L. Krome, who will retire from the board this summer after 16 years of dedicated service.

As the only candidate to collect and submit the nominations required to have his name included on the ballot, Mr. Norman is considered under Maryland Code to be nominated to serve on the board. No election will be conducted.

Trustee-elect Norman retired at the rank of captain from the Maryland State Police after a 28 year law enforcement career. After joining the force in 1977, Mr. Norman worked two years as a uniformed road patrol officer. He then served 18 years as a criminal investigator specializing in narcotics, white collar crime and child abuse. He also served as assistant commander of the Rockville Barrack for three years.

After earning his CPA, Mr. Norman served six years as commander of the MSP Budget and Finance Section. Following his retirement from the MSP in 2005, Mr. Norman served eight years as director of administra-

tion for the Office of Administrative Hearings before accepting his current position at the comptroller's office.

Mr. Norman holds a Bachelor of Arts degree from Loyola College and is an associate member of the Associa-

tion of Certified Fraud Examiners. He served as treasurer of the Maryland Troopers Association and is a community volunteer. A married father of three, he resides in Carroll County.

Trustees, from page 1

Agency Operations

In guiding retirement agency operations, the board sets a long-range strategic plan and annual business plan. The board approves an annual operating budget for submission to the Governor and oversees the retirement agency's use of effective technology and information systems.

Finance, Actuarial and Accounting Practices

The board works with the system's actuary to approve the system's annual actuarial valuation and employer contribution rates. The board also reviews the system's Comprehensive Annual Financial Report (CAFR), oversees the retirement agency's internal and external audit functions and ensures adequate safeguards for system assets.

The full Board of Trustees convenes monthly and multiple committees of the board meet throughout the year. Meetings are open to the public.

Detailed information on the Board of Trustees, its members and policies governing the panel's operation is available on the Maryland State Retirement Agency Website at sra.maryland.gov. Simply click on **Agency** then **Board of Trustees**.



Following a recent meeting of the Board of Trustees of the Maryland State Retirement and Pension System, Vice Chairman Peter Franchot and Chairman Nancy K. Kopp honored Maryland State Retirement Agency employee Victoria Willard, center, on her retirement after 30 years of service to the system.

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