

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



Timothy P. Cahill

### Welcome to the Spring 2007 edition of the **Active Member Newsletter**

*As you do spring cleaning in your home this year, remember to get your financial house in order as well.*

*The new Retirement Pension Estimate Calculator is available online at [www.mass.gov/treasury](http://www.mass.gov/treasury). Take a few minutes to estimate your pension under different circumstances and plan for your future.*

*Our **SMART Retirement and Beyond** seminars were filled to capacity this winter. We look forward to scheduling additional seminars later this year. I urge you to take advantage of this free financial education opportunity.*

*This newsletter contains important information about your retirement benefits, the PRIT Fund, and a section on disability benefits. Should you have any questions, comments, suggestions or contributions for future newsletters, please do not hesitate to contact the State Board of Retirement.*

*On behalf of the State Board of Retirement, thank you for your service to the Commonwealth.*

Timothy P. Cahill  
Treasurer and Receiver General  
The Commonwealth of Massachusetts

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### STATE BOARD OF RETIREMENT

#### MEMBERS OF THE BOARD

**Chairman**

Treasurer Timothy P. Cahill

**Elected Members**

Ralph White

Theresa McGoldrick, Esq.

**Appointed Member**

Peter Koutoujian, Sr.

**Chosen Member**

Chris S. Condon

**Executive Director**

Nicola Favorito, Esq.

#### MAIN OFFICE

**Address:**

One Ashburton Place, Room 1219  
Boston, MA 02108-1607

**Office Hours:**

7:45 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)

#### Automated Phone Options

- Retirement Counselor . . . . 1
- Disability . . . . . 2
- Survivor Benefits . . . . . 5
- Buyback . . . . . 6
- Withdrawal/Refund . . . . . 7
- Direct Deposit . . . . . 8

#### EMAIL

SRB@tre.state.ma.us

#### WEB SITE

[www.mass.gov/treasury](http://www.mass.gov/treasury)

## Massachusetts State Employees Retirement System

# How Secure is Your State Pension?



With all the talk about unfunded liabilities and state pension systems not having enough money to guarantee retirement benefits for their current employees, many people have been wondering “Just how secure is my pension?” Good news! The Massachusetts Public Reserves Investment Trust (PRIT) is more secure than ever and on

schedule to be fully funded by the year 2023. Recent analyses has it doing better than the S&P 500 with returns

ally, defined benefit plans provide a more secure retirement than defined contribution plans. Nationally the PRIT

### Good News!

*The Massachusetts Public Reserves Investment Trust (PRIT) is more secure than ever and on schedule to be fully funded by the year 2023.*

better than 16.7% in the past year compared to 15.7% for the S & P 500.

Because the Massachusetts State Employees Retirement system is a defined benefit pension system, benefits are based on years of service and salary history, and are not directly tied to contributions made by its members. Recent comparisons of retirement systems have shown that gener-

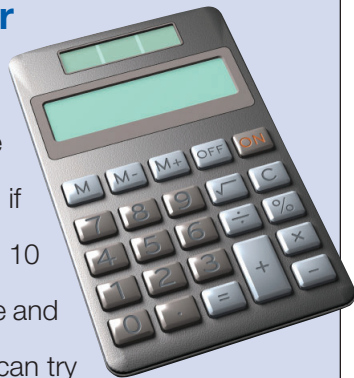
Core Fund is ranked in the Top 3% of Public Funds Nationwide over 1 billion in size—more evidence that the Massachusetts pension system is one of the most secure retirement programs around.

*If you have any questions about the state pension fund or are interested in recent fund activity, log onto [www.mapension.com](http://www.mapension.com).* ■

## Try it out for yourself!

### Retirement Pension Estimate Calculator

Ever wondered what your retirement benefits would be if you retired today? What if you kept working another 10 years? What if you got a raise and got married? Well, now you can try out all these different scenarios on the State Board of Retirement Pension Estimate calculator. Go to our website ([mass.gov/treasury/srb.htm](http://mass.gov/treasury/srb.htm)) and try it out for yourself! ■



## Member Annual Statements

*The 2006 SERS Member Annual Statements will be mailed this month to all active members. Your statement is a vitally useful tool we provide to assist you in planning your retirement.*

*Because the statements are sent to the mailing address that is reported to us on each month's payroll from your employer, it is very important that you keep that address up-to-date.*

*If your address has changed, please notify your personnel office immediately.*

*If you have any questions about your statement, or if you believe any of the information is incorrect, please contact the State Board of Retirement (see PHONE information on page 1).* ■

## PRIM Board Update: February 2007

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, and the assets of county, authority, district, and municipal retirement systems that choose to invest in the Fund. The PRIT Fund was created by the Legislature in December 1983. The nine-member PRIM Board is responsible for the management of the PRIT Fund. The Treasurer and Receiver General of the Commonwealth is a member *ex officio* and serves as the chair. The State Employees' Retirement System also has two representatives on the Board: the members of that Retirement System elect one and one is an Elected Member of the State Employees' Retirement Board.

### Market Recap – February 2007

#### DOMESTIC EQUITY MARKETS:

Index	Month	4th QTR
S&P 500 (ex-tob.)	-1.93%	6.61%
DOW	-2.52%	7.39%
NASDAQ	-1.94%	6.95%
Wilshire 5000	-1.58%	7.20%
Russell 2500	-0.14%	8.70%

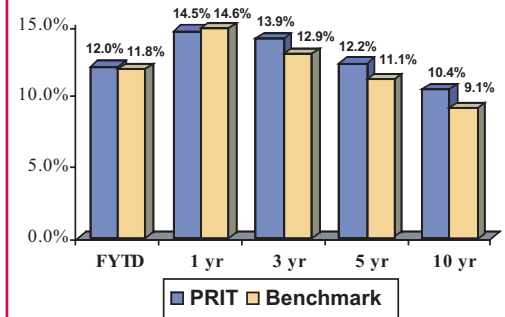
#### INTERNATIONAL & EMERGING MARKETS EQUITIES:

Index	Month	3rd QTR
MSCI EAFE	0.81%	10.35%
MSCI EMF (net)	-0.58%	17.64%

#### FIXED INCOME & HIGH YIELD MARKETS:

Index	Month	3rd QTR
LB Aggregate	1.53%	1.24%
ML HY Master II	1.36%	4.21%
TIPS	2.13%	-1.30%

PRIT Core Fund as of 2/28/07



The PRIT Core Fund ended February 2007 with \$47.6 billion, up \$900 million from the end of 2006, net of redemptions. For the month of February the PRIT Core Fund returned 0.20% just ahead of the policy benchmark return of 0.07%. For one-year through February, the PRIT Core Fund returned 14.46% just under the policy benchmark return of 14.63% by 17 basis points.

For more information about PRIM Board, please visit their website at [www.mapension.com](http://www.mapension.com) ■

## Smart Retirement & Beyond

### State Employees Are Interested In Retirement...

That's the conclusion we've reached based on the popularity of the **Smart Retirement & Beyond** seminars.

All seminars scheduled this past winter and early spring were booked to capacity with over 1,700 people registering

for these evening sessions held across the state. The seminars were a collaboration

of the State Board of Retirement, the ING Smart Plan (the state's deferred compensation plan administrator), and the Treasurer's Financial Education department. Representatives from the Social Security Administration also attended these seminars to answer questions about social security. Eleven seminars in all were scheduled between October and April giving active employees a better understanding of their retirement benefits. You can log on to our website for more information or stop by either one of our offices for a one-on-one consultation with one of our retirement counselors. ■



## Frequently Asked Questions

There are two types of disability for which public employees may be retired:  
**Accidental & Ordinary.**

### **ORDINARY DISABILITY:**

#### **What is the difference between ordinary disability retirement and accidental disability retirement?**

Ordinary disability is due to a non-job related illness or incapacitation, *accidental* disability is job related.

#### **Can I be examined by my own doctor?**

While we encourage you to go to your own doctor for treatment for your disability, you must be examined by an independent medical panel selected by the Public Employee Retirement Administration Commission (PERAC) in order to qualify for a disability retirement.

#### **What is the difference between an ordinary disability retirement versus a superannuation retirement?**

Benefits are similar. Non-veteran benefits for ordinary disability are calculated based on age 55 (if under 55) and years of creditable service, or the member's actual age (if over 55) and years of creditable service.

#### **Once approved, can my disability benefits ever be suspended?**

Yes, for example incarceration for a felony or failing to comply with reporting requirements for earned income will cause your benefits to be suspended or forfeited. PERAC can also require a yearly evaluation during the first two years after retirement, and once every three years thereafter. There is a possibility that PERAC could conclude that you should be restored to service and begin working again.

#### **What are essential duties?**

Essential duties are those duties or functions of a job or position which must be performed by an employee to accomplish the principal object(s) of the job or position.

#### **Can I appeal if the board denies my request for a disability retirement?**

Decisions by the State Board of Retirement may be appealed to the Contributory Retirement Appeal Board (CRAB). Appeals must be filed within 15 days of notification of the board action.

*Accidental Disability Frequently Asked Questions were covered in our last newsletter edition.*

## Reminder

### **Are Your GIC Benefits Records Up-to-date?**

In January, the GIC (Group Insurance Commission) sent you out an overview of your benefits to help you keep your records up-to-date. If any of the information was incorrect regarding your SRB beneficiary selection, please fill out and return the enclosed blue and white envelope you received with your packet. ■

### **Please Notify your Human Resources Coordinator of any Change of Address**

#### **Important Dates to Remember**

<b>April 2007</b>		Monday, April 16		Patriots Day
<b>May 2007</b>		Monday, May 28		Memorial Day
<b>July 2007</b>		Wednesday, July 4		Independence Day