

RETIREE Connection

Published Bi-Annually for Retired Members
of the State Employees' Retirement System

SPRING/SUMMER 2013 ♦ VOLUME VI ISSUE I

A Message from the Office
of State Treasurer
Steven Grossman

How Are We Doing? *Help Us Serve You Better*

Two years ago the State Retirement Board solicited your feedback by asking you to take part in a member survey. Approximately 2,200 of you took time out of your busy day to provide responses, many of which were used to implement new initiatives at the Board.

One of these initiatives was to shorten wait time when calling the office. We now have a call center specifically for members to direct their questions. This added center, reached through our main line, 617-367-7770 or 800-392-6014 (within MA), has decreased wait time and has allowed our members to obtain answers more quickly.

We are now conducting a follow up survey to see how you think we are doing. Please take a few minutes to complete the attached survey and mail it back to our Boston office at 1 Winter Street, 8th Floor, Boston, MA 02108 or save a stamp and complete the survey online. Simply go to our website, mass.gov/retirement, to access the link.

We strive to offer the best service to you by looking for ways to continuously improve our operations. Please consider taking a few minutes to have your voice heard. ♦



Pat Deal is sworn in by the Secretary of State's office as Treasurer Grossman looks on.

Please join me in congratulating retired state employee Patricia Deal. I recently reappointed Pat to a 3-year term on the State Retirement Board and had the pleasure of participating in her swearing in ceremony. During her tenure Pat has demonstrated an unequivocal commitment to carrying out the Board's mission and I am delighted to continue to serve alongside her.

The Board's mission is to maintain the successful administration of our defined benefit pension system for the members of the State Employees' Retirement System. I personally look forward to seeing the results of our retiree survey, which we will publish this fall, to see how you think our mission is being fulfilled.

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 two years ago to address that need and we recently solicited applications for senior citizen grants. The grants provide funding to tax-exempt organizations to educate senior citizens in financial matters and will be announced soon.

If you have any comments or suggestions regarding this newsletter please contact us. Thank you for your service to the Commonwealth.

Steven Grossman
Treasurer & Receiver General

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State Board of Retirement

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New!

Boston Office

1 Winter Street
8th Floor
Boston, MA 02108
Tel: 617-367-7770
Toll Free: 1-800-392-6014

Regional Office

436 Dwight Street #109A
Springfield, MA 01103
Tel: 413-730-6135
Fax: 413-730-6139

To bypass customer service and dial a Boston or Springfield extension directly, please call 617-367-9333 plus the extension.

Related Agencies

SMART Plan Service Center
1-877-457-1900

Group Insurance Commission

617-727-2310, Ext. 6

Remaining 2013 Dates for Direct Deposit

Tuesday	4/30
Friday	5/31
Friday	6/28
Wednesday	7/31
Friday	8/30
Monday	9/30
Thursday	10/31
Friday	11/29
Tuesday	12/31

Understanding Your Benefits

Changes to Rules for Working After Retirement

In most cases, if you retire and then go work in the private sector you will not have any income restrictions (income limits do apply for disability retirees). However, there are restrictions for working in the public sector in Massachusetts. Public Sector refers to any state, city, town, county or municipal employment within Massachusetts. The State Retirement Board recently updated its policies to address this issue. Current law allows a member to work a maximum of 960 hours per year or the difference between the current salary of the position you retired from and your pension. With recent legislation, after you have been retired a full calendar year, you can also earn an additional \$15,000 above the dollar amount maximum but you are still limited to 960 hours per year.

These guidelines work for most retirees. For example, if a member retires with an annual pension of \$25,000 per year and the current salary of the position they retired from is paying \$45,000, then that member can earn up to \$20,000 per calendar year in the public sector or, if they have been retired at least a full calendar year, they can earn up to \$35,000 (\$20,000 plus an additional \$15,000).

But what if a member has been in a position a long time, earns raises along the way and a person brought in to replace them starts at a lower salary for the position? For example, a member retires from their job at their maximum benefit of 80% with a \$60,000 salary average. The maximum pension benefit they would receive would be \$48,000. If their replacement comes in at a starting salary of \$40,000, the member would not be able to work in the public sector in Massachusetts, using the existing formula. Also, if a member retires because their job is eliminated, there is no “current salary” to compare their pension benefit to.

The new Post Retirement Earnings Policy will address these issues when determining the salary being paid for a member not covered by a collective bargaining agreement. When appropriate, Board staff, at their discretion, will calculate the post-retirement earnings limit using:

- The salary being paid to the member’s successor/replacement where the position is substantially similar to the member’s position; or
- The salary that the retired member received during his/her last year of employment, indexed each year according to the Consumer Price Index, as certified by the Commissioner of Social Security.

Requests will be reviewed on a case by case basis. Go to mass.gov/retirement to view the full policy. ♦



Your Money - Upcoming Changes to Your Monthly Benefit

Some of you may notice changes to your monthly benefit this upcoming June and July due to health insurance benefits and a Cost of Living Adjustment.

Because health insurance benefits are paid for a month in advance, you will see any changes to your monthly premium deduction beginning with your June benefit. For more information go to www.mass.gov/gic.

Also, if you have been receiving benefits for a full fiscal year (prior to July 1, 2012) and are otherwise

eligible, you will see a Cost of Living Adjustment beginning with your July benefit payment. A 3% adjustment will be applied to the first \$13,000 of your benefit payment.

Members who started receiving benefits on or after July 1, 2012 are not eligible for the COLA until next fiscal year.

With the 2012 tax filing season ending for many of us, this may be a good time to view your monthly statement at mass.gov/payinfo to review the amount of money you are having withheld for federal tax purposes.

If you decide to adjust your withholding, please complete and submit the W-4P Tax form that may be found at the Forms & Publications link at our website, mass.gov/retirement.

Also, please note, we are not mailing Benefit Verification Forms this year. They are mailed every two years, on even numbered years. We last mailed the forms in April 2012 and they are scheduled to be mailed again in 2014.

Please remember to advise the board of any change of address. ♦

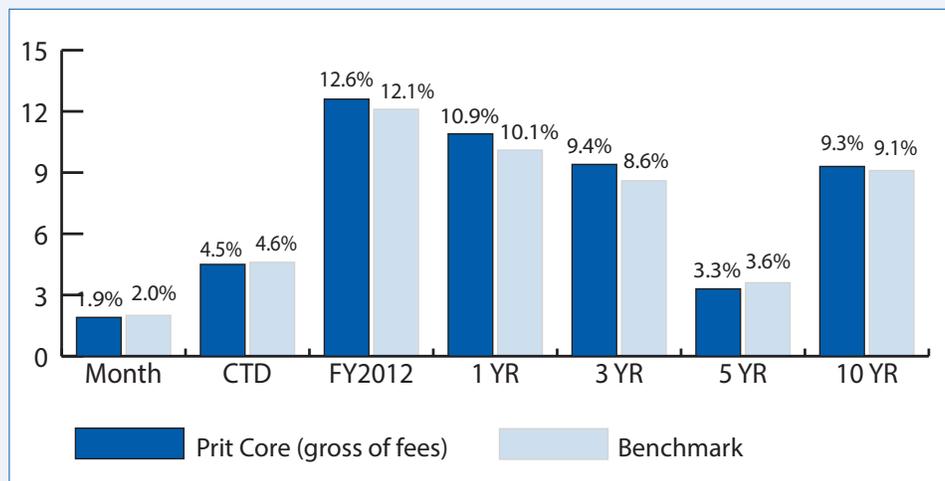
Your State Pension Fund

PRIM Update*

Pension Reserves Investment Trust (PRIT) FUND ASSETS:
\$53,698,629,000

State Employees Retirement System (SERS) ASSETS:
\$20,995,618,633

PRIT Core Fund



**as of 3/31/2013*

Please send your newsletter comments to: MSRBcommunications@tre.state.ma.us or mail to our Boston office. Selected letters may be printed in future issues. Please include your name and address. Letters may be edited for clarity & space.



This Newsletter was printed using soy inks on 100% post-consumer recycled fiber.

100% Green-e certified wind power was used for the printing and binding of this newsletter

You can help too!

If you would like to be added to our email list to receive this newsletter electronically, please contact our office.

You Served the Commonwealth... We Serve You.

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Help us serve you better- Follow Up Survey

Survey Questions (cut out and return to Massachusetts Sate Retirement Board, One Winter Street, Boston, MA 02108) Also available on-line see page 1

1. How long have you been retired?	2. How old are you?	3. Are you Working? Y <input type="checkbox"/> N <input type="checkbox"/>	4. Have you contacted our office in the last 12 months? Y <input type="checkbox"/> N <input type="checkbox"/>
5. Would you be interested in receiving correspondence by email? Y <input type="checkbox"/> N <input type="checkbox"/> <small>Question 7 (Rate Sheet is inside)</small>	6. If you own a computer or table/ smartphone, do you use any of the following: <input type="checkbox"/> Facebook <input type="checkbox"/> Email <input type="checkbox"/> internet <input type="checkbox"/> twitter <input type="checkbox"/> Do not have a computer <small>Check all that apply</small>		
8. What is your annual retirement allowance? <input type="checkbox"/> Less than 20,000 <input type="checkbox"/> 20,000 - 39,999 <input type="checkbox"/> 40,000 - 60,000 <input type="checkbox"/> Over 60,000	9. Do you have another source of retirement income? <input type="checkbox"/> Yes, addtl. Government pension <input type="checkbox"/> Yes, Social Security benefits <input type="checkbox"/> Yes, Private Pension <input type="checkbox"/> No, current pension only		
10. If we were to offer access to your retirement account on-line, what features would be most helpful?	11. If you retired within the last 12 months, how was your retirement experience? (Optional)		

Our thoughts are with the victims of the Boston Marathon. "We continue to work every day as citizens of Massachusetts and as Americans to preserve, protect and enhance our values and priorities."

- Treasurer Grossman