

THE Mentor

News from the Maryland State Retirement and Pension System

SUMMER 2016
VOL. 38 NO. 2



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM



Watch the mail for your benefit statement

HOW MUCH SERVICE CREDIT

have you earned toward retirement? What date will you be eligible to retire? And how much will your estimated benefit be? The answers to these and other questions are contained in your Personal Statement of Benefits (PSB) mailed to your home in September.

As a member of the Maryland State Retirement and Pension System, your PSB provides an up-to-date summary of your retirement account plus projections of future retirement benefits available to you when you become eligible.

The information contained in this year's PSB reflects your account status as of **June 30, 2016**.

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

Answers to frequently asked questions about the PSB are provided on page 4.

Statement reprints are available at sra.maryland.gov. From the homepage, click on **Personalized Statement of Benefits**.

Former Trustee Hamilton rejoins Board as Gov. Hogan appointee

GOVERNOR LAWRENCE J. HOGAN, JR., has appointed David B. Hamilton to serve on the Board of Trustees of the Maryland State Retirement and Pension System.

Trustee Hamilton, who previously served on the Board from 2003 to 2007, began his four-year term on August 1.

The Board of Trustees is responsible for establishing investment and administrative policy and overseeing the management of the Maryland State Retirement Agency.

Trustee Hamilton succeeds departing Trustee David S. Blitzstein, who provided eight years of dedicated service and committed leadership to the \$45 billion defined benefit plan.

David B. Hamilton is the Managing Partner of the Baltimore office of Womble Carlyle Sandridge & Rice, LLP. He helped establish the office in 2007, expanding Womble Carlyle's footprint into Maryland.

Mr. Hamilton practices in the firm's Antitrust and Business Litigation Practice Groups, with experience in antitrust, class action, trade secrets, RICO, mergers and acquisitions, shareholder and partnerships disputes, franchise and other business competition claims. He has vast experience working on complex disputes with many of the cases arising

from health care, technology, banking and real estate matters. He has handled numerous cases involving multiple parties in large complex matters and has litigated cases in state and federal courts throughout the United States.

Prior to joining Womble Carlyle, Mr. Hamilton was a Principal at Ober Kaler in Baltimore and co-chaired the litigation department and chaired the government relations practice group. He focused on business litigation and complex commercial disputes. Mr. Hamilton has been named as a Maryland Super Lawyer in civil litigation/defense since 2007 also in antitrust and in business litigation. He was recently selected by his peers for inclusion in The Best Lawyers in



Trustee David B. Hamilton is a Gubernatorial appointee to the Maryland State Retirement and Pension System Board.

See Hamilton, page 2

Board of Trustees election slated for 2017

MEMBERS AND RETIREES

of the Maryland State Retirement and Pension System will elect two active representatives to the system's Board of Trustees in an election slated for the spring/summer of 2017.

Candidates for these Board seats must be active members of either the Employees' or Teachers' Systems. Incumbent Trustees James A. Bush, Jr., and Kenneth B. Haines represent active members of these systems, respectively.

The Employees' Systems include the Correctional Officers' Re-

tirement System, Employees' Retirement and Pension Systems, Judges' Retirement System, Legislative Pension Plan, Local Fire and Police System and Law Enforcement Officers' Pension System. The Teachers' Systems include the Teachers' Retirement and Pension Systems.

The two successful candidates will serve terms in office from August 1, 2017, through July 31, 2021.

To have their names entered on election ballots, aspiring candidates must obtain the signatures and dates of birth of 500 persons who are eligible to vote in the election. Official

nomination petitions may be obtained starting on September 1, 2016, through December 2, 2016, by calling Megan Myers, Director of Special Projects, at 410-625-5608 or toll-free at 1-800-492-5909. All completed petitions must be returned to the Maryland State Retirement Agency by 4:30 p.m. EST on January 31, 2017.

Both active members and retirees of the respective plans will be eligible to vote. Election materials, including candidate biographies, will be mailed in May of 2017 to all eligible voters.

Legislative update

FOUR BILLS OF SPECIAL INTEREST

to members of the Maryland State Retirement and Pension System were enacted during the 2016 session of the Maryland General Assembly and signed into law by Governor Lawrence J. Hogan, Jr.

Chapter 188 of 2016:

Employees' and Teachers' Pension Systems – Reformed Contributory Pension Benefit – Eligibility Service Clarifications

Synopsis: Removes the sunset of June 30, 2016, by which individuals who were subject to the Alternate Contributory Pension System in the Employees' or Teachers' Pension Systems before separating from employment must resume employment in order to resume participation in the ACPS provided the new employer participates in the ACPS.

Chapter 211 of 2016:

Correctional Officers' Retirement

System – Clifton T. Perkins Maximum Security Guards – Vested Allowances

Synopsis: Changes the normal retirement age to age 55 for maximum security attendants at Clifton T. Perkins Hospital Center who are members of the Correctional Officers' Retirement System on or after July 1, 2016.

Chapters 218 and 219 of 2016: Correctional Officers' Retirement System – Membership – Correctional Case Management Specialist

Synopsis: Requires that all individuals who are employed as correctional case management specialists become members of the Correctional Officers' Retirement System and not the Employees' Retirement or Pension Systems.

Chapter 12 of 2016:

Harford County Deputy Sheriff Patrick Dailey Benefits Memorial Act

Synopsis: Increases the maximum age from 18 years to 26 years during

which minor children will be eligible to receive a line of duty death benefit on behalf of a deceased parent who was a member of the Law Enforcement Officers' Pension System and was killed in the line of duty.

Hamilton, from page 1

America® 2017 as the Baltimore Government Relations Practice Lawyer of the Year. He was also nominated in the fields of Commercial Litigation, Litigation – Antitrust and Litigation – Mergers and Acquisitions.

Recently, Gov. Hogan appointed Mr. Hamilton to the Appellate Judicial Nominating Commission.

Mr. Hamilton received his J.D. from the University of Maryland School of Law and holds Bachelor's and Master's degrees in political science from Duquesne University.

To avoid delays, notarize properly

AN IMPROPERLY NOTARIZED FORM can stop your retirement application in its tracks. To help ensure prompt processing of forms like the Maryland State Retirement Agency *Designation of Beneficiary* (Form 4) or *Application for Service or Disability Retirement* (Form 13-23), make sure the documents are properly notarized. A form not properly notarized is not valid and will be returned.

Notary checklist

- The name of the person appearing before the notary public must be entered in the notary section.
- The date the form is notarized must be the same date the form is signed by the member.
- No cross-outs or changes may be made to the form.
- Faxed copies are acceptable if notary seal is clearly visible.
- Form must be signed in the presence of the notary or the form is not valid.

This illustration shows errors commonly found on forms submitted to the Maryland State Retirement Agency. A form with one or more of these errors would be returned to the member, possibly delaying services.

Stop!
Dates do not match.

Signature: John Member Date: July 18, 2016

This form must be signed and notarized in order to be valid.

State of Maryland County of Garrett (or City of Baltimore)
On this 20 day of July, 20 16, before me, the undersigned officer,

personally appeared _____, known to me
NAME OF PERSON WHOSE SIGNATURE IS BEING ACKNOWLEDGED *

(or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that (he/she) executed the same for the purposes therein contained. In witness whereof I hereunto set my hand and official seal.

Signature of Notary Public: Jane Citizen
Printed Name of Notary Public: Jane Citizen My Commission Expires 1/1/19

* IMPORTANT: If the name of the individual whose signature is being acknowledged is not filled in, this form will be INVALID and have no legal effect.

Stop! Name is missing. **Stop!** Seal is not visible.

This illustration shows a form properly notarized for submission to the Maryland State Retirement Agency.

Go!

Signature: John Member Date: July 18, 2016

This form must be signed and notarized in order to be valid.

State of Maryland County of Garrett (or City of Baltimore)
On this 18 day of July, 20 16, before me, the undersigned officer,

personally appeared John Member, known to me
NAME OF PERSON WHOSE SIGNATURE IS BEING ACKNOWLEDGED *

(or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that (he/she) executed the same for the purposes therein contained. In witness whereof I hereunto set my hand and official seal.

Signature of Notary Public: Jane Citizen
Printed Name of Notary Public: Jane Citizen My Commission Expires 1/1/19

* IMPORTANT: If the name of the individual whose signature is being acknowledged is not filled in, this form will be INVALID and have no legal effect.

PERFECT!

Your Personal Statement of Benefits

YOUR ANNUAL Personal Statement of Benefits (PSB) will be mailed to your home in September. The statement provides a summary of your retirement account and projections of future benefits. Frequently asked questions about the PSB are answered 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. Many 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 member'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, 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 Maryland State 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.



Your beneficiaries are listed at the bottom of page two of your benefit statement

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.

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. The form is not valid unless received by the Retirement Agency.

Q. Why isn't early retirement listed?

A. The space under Early Service is left blank for members who reach reg-

ular 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 September 1998, your PIN would be 0998. 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.

See Statement, page 5

Statement, from page 4

Q. Why isn't my military credit listed?

A. It's up to each eligible member to claim military service. Military service 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 Maryland State Retirement and Pension System 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. 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 described in the estimate that are not included on your PSB.

FY '16 investment returns noted

THE BOARD OF TRUSTEES of the Maryland State Retirement and Pension System announced that net earnings after fees on the \$45.5 billion investment portfolio were 1.16% for the fiscal year ending June 30, 2016. While performing better than several other major funds, this year's return was significantly below the plan's long-term actuarial target of 7.55%.

"FY 2016 was a second difficult year for investors," said Andrew C. Palmer, CFA, Chief Investment Officer of the Maryland State Retirement Agency. "Unlike FY 2015 where asset returns were broadly low, FY 2016 had returns that were low on average but displayed much larger variability among asset classes. MSRA's balanced asset allocation helped us earn modest positive returns."

"While this is a very disappointing one-year return," noted State Treasurer Nancy K. Kopp, Chairman of the System's Board of Trustees, "it's important to remember that we are long-term investors, meaning we should not be distracted by a single-year's performance, whether the earnings are high or low. Over the last 30 years, including both good years and bad, the fund has earned an average return of 8%."

Performance by asset class

Asset Class	Allocation	Return
Public Equity	37.4%	-4.31%
Private Equity	9.2%	9.94%
Rate Sensitive	22.7%	9.34%
Credit/Debt	9.4%	2.23%
Real Assets	12.7%	-1.66%
Absolute Return	8.6%	-3.01%
Total	100%	1.16%

Q. What if I have other questions about 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 ar-

rived at your conclusion. Address your correspondence to: Maryland State Retirement and Pension System, 120 East Baltimore Street, Baltimore, Maryland 21202-6700.

The Mentor is published by the Maryland State Retirement Agency
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TDD/TTY 410-625-5535
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