



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**



Steven Grossman

**TREASURER'S MESSAGE**

In our last issue, we asked you to offer comments to the Board by completing an online survey. I am happy to announce that over 600 people responded to that request, providing information that will serve as a point of reference as we develop programs to help ensure you have all the information you need to make the best retirement decisions possible. In short, your survey answers will be used to improve the service we provide.

Moving forward, we are excited about the prospect of enhancing the financial literacy of the citizens of the Commonwealth. I recently joined Governor Patrick as he signed legislation establishing the Financial Literacy Trust Fund, which will be administered by the Treasury and enable us to expand our educational programming around financial literacy across the state. We will be sure to keep you updated on programs that we schedule as part of this initiative in the future. Also, be sure to review the information on our most recent valuation report. Our funding level continues to improve, and the report provides a valuable snapshot of our retirement system.

Should you have any questions, suggestions, or contributions for future newsletters, please do not hesitate to contact us. On behalf of the State Retirement Board, thank you for your service to the Commonwealth.

Steven Grossman  
 Treasurer and Receiver General  
 The Commonwealth of Massachusetts



**STATE BOARD OF RETIREMENT**

**MEMBERS OF THE BOARD**

**Chairman**

Treasurer Steven Grossman

**Elected Members**

Ralph White

Theresa McGoldrick, Esq.

**Appointed Member**

Patricia Deal

**Chosen Member**

Chris S. Condon

**Executive Director**

Nicola Favorito, Esq.

**MAIN OFFICE**

**Address:**

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

**Office Hours:**

8:00 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 Counselor . . . . 2
- Survivor Benefits . . . . . 5
- Buyback . . . . . 6
- Withdrawal/Refund . . . . . 7
- Direct Deposit . . . . . 8

**EMAIL**

SRB@tre.state.ma.us

**WEBSITE**

www.mass.gov/retirement

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# Thank you for Completing Our Survey!

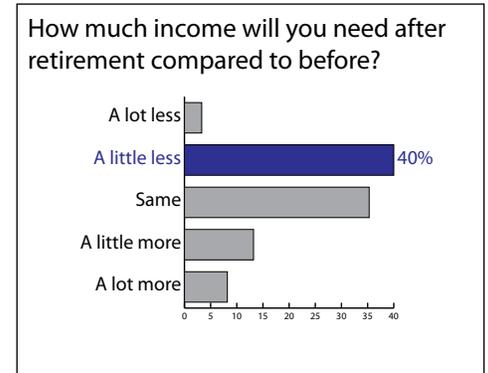
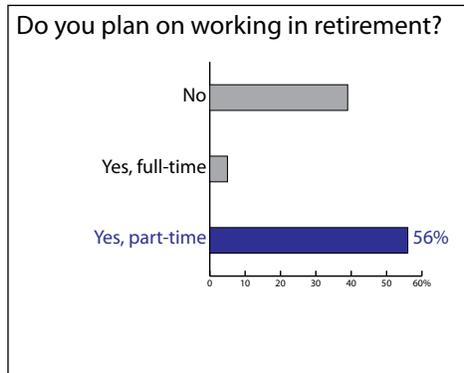
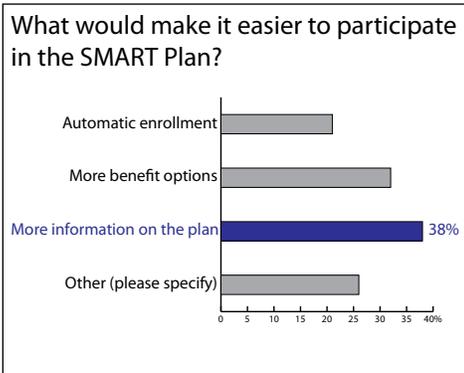


We would like to thank everyone that took the time to complete our online employee survey. We received over 600 responses from active employees. We also received feedback from close to 2200 retirees and survivors in a separate survey.

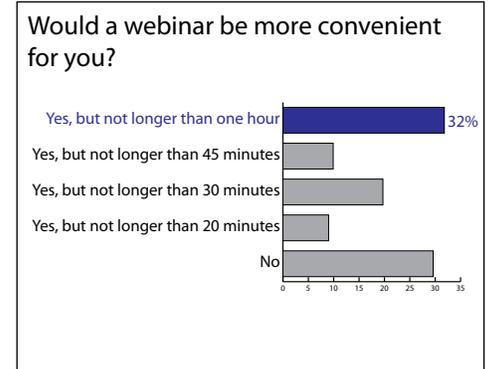
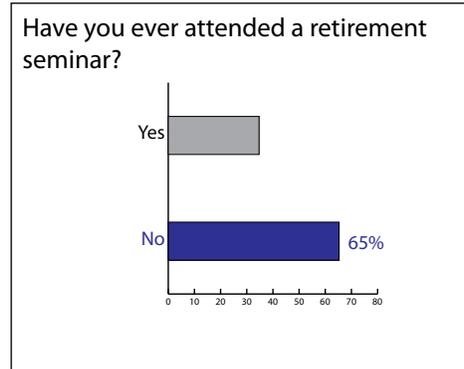
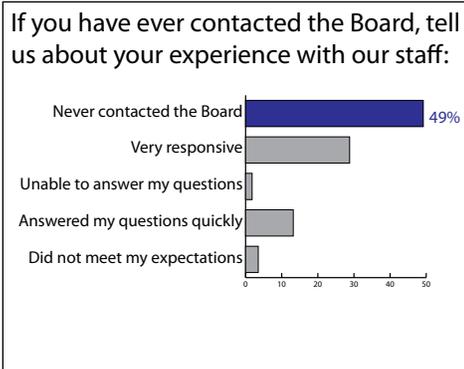
Most survey respondents were vested with at least 10 years of creditable service, with the majority (34%) having between 21 and 30 years of service. Expected retirement age for most respondents (33%) is between the ages of 61-64 years, with a small percentage (5%) expecting to retire after age 70. Additionally, 70% of respondents participate in another retirement plan.

Full results are available on our website. Below is a summary of the responses.

## Income in Retirement:



## Connecting with the Board:



## What's Important to You:

	Not Important	Not Very Important	Somewhat Important	Very Important	Extremely Important
In Person Counseling	5%	5%	26%	✓ 33%	31%
Web access to my retirement account	4%	4%	18%	35%	✓ 39%
Longer Office Hours	17%	✓ 37%	32%	10%	4%
Retirement Seminars	4%	11%	✓ 39%	31%	15%
Retirement Application Online	7%	16%	✓ 31%	28%	18%
Seminars with Social Security, the SMART Plan and the GIC	3%	7%	23%	✓ 36%	31%

# PRIM Board Update:

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 has two representatives on the Board: one is elected by the members of the Retirement System and one is an Elected Member of the State Retirement Board.

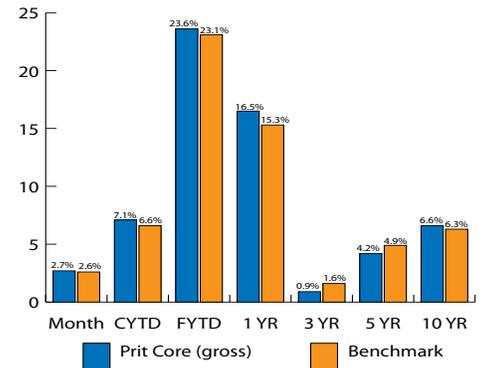
**\*Pension Reserves Investment Trust (PRIT) FUND ASSETS:**  
\$51,176,728,000

**\*State Employees' Retirement System (SERS) ASSETS:**  
\$20,191,539,922

Due to limited space, we can only provide a condensed version of fund updates. For full quarterly updates and more detailed information on the Pension Reserves Investment Management (PRIM) Board go to [www.mapension.com](http://www.mapension.com).

\*As of 4/30/2011

PRIT Core Fund as of 4/30/11



### Market Recap – March 31, 2011

#### Domestic Equity Markets:

Index	Month	CYTD	1-Year
S&P 500	2.96%	9.06%	17.22%
DOW	3.98%	10.65%	16.37%
NASDAQ (Price Chg)	3.32%	8.32%	16.75%
Russell 3000	2.98%	9.55%	18.35%

## Reminders

Please notify your Human Resources coordinator of any change of address.

### Important Dates to Remember:

#### May

Thursday, May 26 | Board Meeting  
Monday, May 30 | Memorial Day, Office Closed

#### June

Thursday, June 30 | Board Meeting

#### July

Monday, July 4 | Independence Day, Office Closed  
Thursday, July 28 | Board Meeting

### Retirement Seminars

Interested in learning more about your retirement benefits? We are happy to come to you! If your agency would like to host a retirement seminar, please have your human resources office contact us.

Requests for seminars can be sent to Natacha Dunker, [ndunker@tre.state.ma.us](mailto:ndunker@tre.state.ma.us). We ask that you send the request by email and we will work with your office to find the best date and time for your agency.

### PRIM Election Results

Paul Shanley was re-elected as the State Employees' Retirement System representative to the PRIM Board. He will serve a three-year term beginning July 1. The PRIM Board is charged with the general supervision of the Pension Reserves Investment Trust (PRIT) Fund. Full election results can be found at [www.mapension.com](http://www.mapension.com).



Look for this icon on our website to calculate an estimate of your pension benefits

# Understanding Your Benefits: *State Retirement System Valuation Report*

Every January the Public Employee Retirement Administration Commission publishes a valuation report of the State Employees' Retirement System. The report provides information on how the actuarial funding valuation is calculated with data on our membership and liabilities. Some of the information in the report is summarized here but the full report, as well as valuation reports for other retirement systems, can be found on PERAC's website, [mass.gov/PERAC](http://mass.gov/PERAC). Data is as of January 1, 2011.

## State Employees at a Glance:

**86,586** total number of state employees

**47.3** average age

**13.3** average years of creditable service

**\$55,531** average annual salary

## State Retirees and Survivors at a Glance:

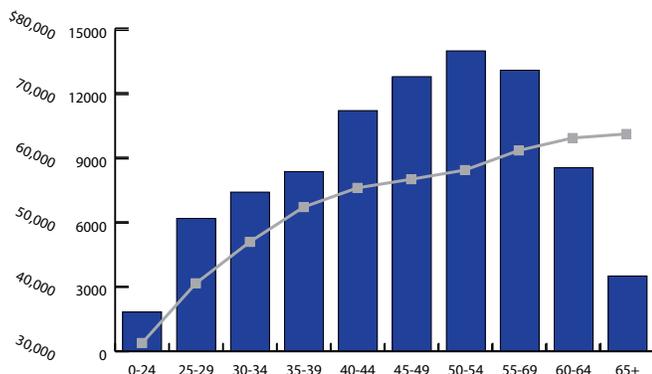
**53,627** total number of retirees and survivors

**71.7** average age

**\$1.4 billion** total benefits paid

**\$26,363** average annual benefit

## Number of Employees and Average Salary by Age Group



The largest number of employees is in the 50-54 age range with an average salary of \$58,245, and the highest average salary is for the over 65 age range, but with only 3,484 employees in that group.

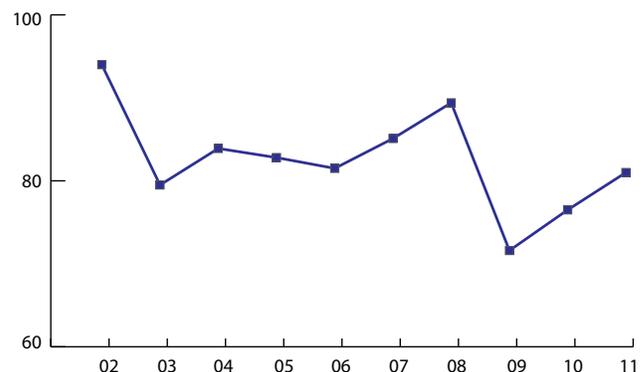
## Funding Level (in thousands)

Total Actuarial Liability of MSERS: **\$26,242,776**

Actuarial Value of MSERS Assets: **\$21,244,900**

Unfunded Actuarial Liability: **\$4,997,876**

## 10 Year History of Funding Level:



## Funding Schedule

### June 30, 2025

The pension fund must be fully funded by June 30, 2025. Included in the current Pension Reform bill is an extension of the funding schedule to 2040.

## What is Unfunded Actuarial Liability Anyway?

When the estimated cost of future benefits the Commonwealth is expected to pay in retirement benefits is larger than the estimated future value of current assets this results in an unfunded actuarial liability. The Commonwealth currently makes annual payments to the PRIT fund and is mandated by law to bring the unfunded actuarial liability to Zero by the year 2025.