



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

Kenneth B. Haines joins SRPS Board

Trustee William D. Brown retires after 14 years of service

THE BOARD OF TRUSTEES OF THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM IN DECEMBER 2011

recognized Kenneth B. Haines—a veteran Prince George's County teacher with experience both in the classroom and as the county teachers' leader on compensation matters—as the board's newest member.



Kenneth B. Haines

The only candidate to successfully collect the required nominations needed to vie for an elected position on the board, Trustee Haines acceded to the board seat formerly held by Trustee William D. Brown, who concluded his board service in December 2011.

See Haines, page 4

Financial report: Investment growth tops 20% in FY 2011

THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM'S PORTFOLIO earned 20.04% on investments in fiscal year 2011, raising assets to \$37.59 billion—an increase of \$5.75 billion over the previous year when the portfolio earned 14.03%.

The investment results, first announced in the summer 2011 *Mentor* newsletter, were detailed in the system's Comprehensive Annual Financial Report released in December.

The year also witnessed Governor Martin O'Malley's introduction and the legislature's passage of comprehensive pension reform



See Growth, page 2

Regional counseling and Pre-Retirement Seminars: two free services available to you

WHETHER YOU'RE NEARING RETIREMENT or just beginning your career, the Maryland State Retirement Agency offers valuable free services to help you plan for the future.

From September to June of each year, retirement benefits specialists from the agency travel monthly to locations across the state to meet one-on-one with

members of the Maryland State Retirement and Pension System. Contact your personnel office or the retirement agency for specific dates and locations. Remember to bring your latest Personal Statement of Benefits or benefit estimate with you to your counseling session. Regional counseling is by appointment only.

See Free services, page 3

Growth, from page 1

of the system to ensure the long-term sustainability and affordability of Maryland's defined benefit pension plans. As a result of these reforms, the General Assembly's actuary

projects that the system will reach approximately 80% funding by fiscal year 2023—three years faster than pre-reform projections—and full funding in fiscal year 2031.

The 2011 annual report, along with reports from previous years, can be reviewed in their entirety online at sra.maryland.gov.

Statement of Plan Net Assets by System for the Fiscal Year Ended June 30, 2011

<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	\$ 1,228,307	\$ 616,862	\$ 31,796	\$ 82,741	\$ 43,016	\$ 2,002,722
Investments, at Fair Value	24,568,009	13,891,864	309,163	1,177,023	573,184	\$ 40,519,243
Other Assets	496,442	345,828	6,519	25,804	13,179	\$ 887,772
Total Assets	26,292,758	14,854,554	347,478	1,285,568	629,379	43,409,737
Total Liabilities	3,527,812	1,993,403	44,517	169,040	82,213	\$ 5,816,985
Total Plan Net Assets	\$ 22,764,946	\$ 12,861,151	\$ 302,961	\$ 1,116,528	\$ 547,166	\$ 37,592,752

Statement of Changes in Plan Net Assets by System for the Fiscal Year Ended June 30, 2011

<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	\$ 919,313	\$ 467,320	\$ 23,854	\$ 44,915	\$ 57,070	\$ 1,512,472
Member Contributions	316,971	197,300	1,813	6,339	5,605	528,028
Investment Income	3,829,451	2,140,796	48,631	168,187	86,272	6,273,337
Total Additions	5,065,735	2,805,416	74,298	219,441	148,947	8,313,837
Deductions						
Benefit Payments	1,525,781	896,041	24,381	97,905	36,284	2,580,392
Refunds	16,476	16,138	-	380	375	33,369
Administrative Expenses	16,536	13,776	46	215	388	30,961
Total Deductions	1,558,793	925,955	24,427	98,500	37,047	2,644,722
Net System Transfers	1,494	(1,613)	-	(12)	131	-
Net Change in Plan Net Assets	3,508,436	1,877,846	49,871	120,929	112,031	5,669,115
Net Assets at Beginning of Fiscal Year	19,256,510	10,983,303	253,090	995,599	435,135	31,923,637
Net Assets at End of Fiscal Year	\$ 22,764,946	\$ 12,861,151	\$ 302,961	\$ 1,116,528	\$ 547,166	\$ 37,592,752

*Intersystem transfers have been eliminated in this financial statement.

Actuarial Funded Status for the Fiscal Year Ended June 30, 2011

<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	32,985,145	19,722,264	433,240	1,759,676	1,002,708	14,511	55,917,543
Actuarial Value of Assets	21,868,875	12,387,810	293,801	1,090,383	526,807	9,980	36,177,656
Unfunded Actuarial Accrued Liability	11,116,270	7,334,453	139,439	669,293	475,900	4,531	19,739,887
Funded Ratio	66.3%	62.8%	67.8%	61.9%	52.5%	68.8%	64.7%

Of interest to military veterans

DID YOU SERVE IN THE US MILITARY?

If so, and you meet the eligibility requirements, you may be credited for special extra earnings for Social Security. For more information, call the Social Security Administration at 1-800-772-1213 or go to www.ssa.gov/retire2/military.htm

Any questions about Social Security benefits should be directed to the Social Security Administration.

A note on forms

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 a member 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.



The Maryland State House is the oldest state capitol still in continuous legislative use and is the only state house ever to have served as the nation's capitol. Photo courtesy of Maryland Office of Tourism.

Maryland state employee open enrollment coming soon

DO NOT MISS THE ONCE-A-YEAR OPPORTUNITY

to make changes to your health benefits. The State of Maryland 2012-2013 Open Enrollment is right around the corner! Look for your Maryland State Open Enrollment Packet in March 2012 at work. For more information, contact the State of Maryland Employee Benefits Division at 410-767-4775 or toll-free at 1-800-30-STATE. Or, go to www.dbm.maryland.gov/benefits for the latest health benefit updates.



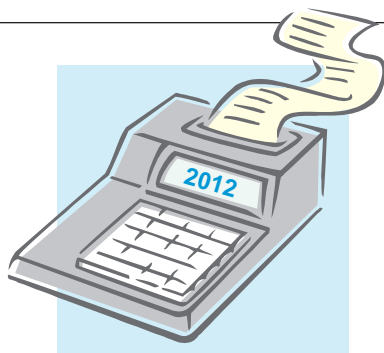
Note: Maryland State Retirement Agency staff cannot answer questions about health benefits. Please direct questions to the Department of Budget and Management using the contact information provided here.

Free services, from page 1

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.

A schedule of regional counseling dates and locations and registration forms for Pre-Retirement Seminars also are available online at sra.maryland.gov.



Retiring this year? Apply for an estimate now

IF YOU ARE PLANNING TO RETIRE IN JULY 2012 now is the time to request an estimate of benefits. For members of the Employees', Teachers' and Correctional Officers' Systems, 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. Necessary forms are available online at sra.maryland.gov or from your employer's personnel department.

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.

Has your address changed?

ANNUAL BENEFITS STATEMENTS, trustee election ballots and other important announcements are mailed directly to members of the Maryland State Retirement and Pension System. That's why it is important to keep your address up to date with the Maryland State Retirement Agency.

Have you moved since you first enrolled in the system? If so, please inform your employer of your new address. Your mailing address in retirement agency files will be updated automatically at the next pay cycle.

If you leave employment before retirement, you should submit your change of address directly to the retirement agency.



Haines, from page 1

Mr. Haines is president of the Prince George's County Educators' Association, a bargaining agent with 9,000 members. For each of the last five negotiated agreements since 1998, he has been responsible for the cost-analysis of salary proposals during negotiations with the county school system.

Trustee Brown represented the interests of members and retirees of the Teachers' Retirement and Pension Systems, who elected him to four terms in office beginning in 1997. During his 14 years of dedicated board service, Mr. Brown was chairman of both the administrative and audit committees, vice chair of the investment committee and member of the corporate gover-

nance subcommittee. Upon retirement from a 30-year teaching career, Mr. Brown became ineligible for his board seat, which by law must be held by an active teacher. At his final meeting, the board thanked Mr. Brown for his "commitment to public service, sound judgment, diligent effort and persistent energy."

The 14-member board, which is responsible for establishing investment and administrative policy and overseeing the management of the system, meets each month at the system's administrative offices in Baltimore. Full meeting minutes are available at sra.maryland.gov the month following the meeting.

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