

Spring 4-1-2010

# Maine PERSperspective, Spring 2010

Maine Public Employees Retirement System

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## Recommended Citation

Maine Public Employees Retirement System, "Maine PERSperspective, Spring 2010" (2010). *Public Employees Retirement System Documents*. Paper 28.

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## Rules Changing for Optional Members

Do you have optional MainePERS membership? If you are not sure, contact your employer or email us at [Retirement.Services@mainepers.org](mailto:Retirement.Services@mainepers.org) because there are important changes coming you need to know.

New legislation changes the rules for optional membership beginning this July. MainePERS must implement this change to comply with state law and federal IRS law **effective July 12, 2010**.

Employees with optional membership will have only one opportunity to join/not to join the System when the new law takes effect. Your employer will ask you to complete a form indicating if you would like to continue as a member.

The new law removes all opportunities for delayed membership and re-joins, and restricts the ability to purchase service associated with those periods. Your status as an optional member, or non-member, of MainePERS on the effective date of the legislation will be your status during all periods of employment with that employer.

**Important to Know:** If you do not make a decision before the effective date of the new legislation, you will have waived your right to change your membership status in the future with the same employer. Employees who are members of the MainePERS defined benefit plan on the effective date of the legislation can only suspend membership if they terminate employment.

## Taking a Refund of Your MainePERS Contributions

### Do you have all of the facts?

Understanding how your retirement benefits work is important when you leave a MainePERS covered employer. Leaving employment before you're eligible to retire creates some options for you, depending on whether or not you have worked long enough to be vested in the retirement plan.

As a vested member of MainePERS (five years of service credit), you are eligible to receive a lifetime monthly benefit based on your years of service, beginning the first month following your 60/62 birthday.

If you have not worked long enough to be vested, you can leave your contributions on account with MainePERS. This allows you to return to employment with a MainePERS employer and have the contributions and service credit you left continue to count towards your vesting requirement.

Vested or not, you have the option to withdraw from membership and take a refund of your retirement contributions after you've left MainePERS employment.

#### Inside this issue:

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- Refunding Your Contributions
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- Considering Retirement in 2010
- MainePERS Retirement Sessions

*and more!*

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## MainePERSpective

Published by Maine Public Employees  
Retirement System (MainePERS).

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Editor: Robert L. Drury

## Message from the Executive Director

What a difference a year makes! Just a little over one year ago the financial markets were at an all-time low, the Consumer Price Index was negative, and the economic outlook was grim. While we still experience market uncertainty from time to time, our pension assets have been regaining some of the losses we experienced.



Rebuilding our assets wasn't the only growth MainePERS experienced this year. The challenges our members and employers are facing caused us to examine our services to see how we could help. Stretching our imaginations for improvements in our services to you, we:

- Expanded member and employer education programs statewide;
- Implemented a new retiree benefit payment system;
- Increased our capacity to respond to phone inquiries in "real time," rather than by mail;
- Simplified the standards for early retirees who return to work;
- Streamlined disability application materials and process.

The cost-of-living adjustment (COLA) was a focus of our efforts as we supported the Legislature to assure that a negative Consumer Price Index (CPI) would not result in a negative COLA for you. The Legislature changed the existing law that requires a reduction of retirees' current benefits when there is a negative CPI to a law that allows for no reduction in a year with a negative CPI as long as the amount not reduced is recovered from following positive CPIs. Please see past issues, or our website, for a more complete explanation.

MainePERS also worked with the Legislature to successfully update Maine laws to incorporate all applicable Internal Revenue Service regulations – a project every public pension plan in the country is being required to complete.

Two pieces of 2009 legislation also kept us busy for a good part of the last twelve months. The first was a law encouraging more transparency of our operations, especially in our disability services. This is a complex service we provide to our employers and members. Working with stakeholders throughout the year, we have identified improvements in many of our communications and services. We plan to continue the effort of increasing our transparency throughout the upcoming twelve months.

Finally, MainePERS supported the work of a Task Force assigned the job of designing a unified retirement and health plan for new employees hired on or after January 1, 2011. The Task Force finished and submitted its work to the Legislature in March. The informative report about the current system and alternatives for future employees that the Legislature can study further can be found on our website.

We finished up this busy last year hoping we provided meaningful service and information to you, and very much look forward to continuing to serve you.

**Refunding Your Contributions** *continued from page 1*

Refunds are based on the money you contributed and any accumulated interest your money has earned. Refunds do not include the money your employer has paid on your behalf. You may apply for a refund at any time after you leave. There is no time limit.

**Important note:** Taking a refund removes you from membership in MainePERS. You waive all rights to your MainePERS benefits. Be sure you have all of the facts to make an informed decision! We are happy to assist you with information about your options. Call us at (800) 451-9800 or send us an e-mail at [Retirement.Services@mainepers.org](mailto:Retirement.Services@mainepers.org).

### Furlough Information

Furlough days can affect your retirement benefit, but new legislation provides you some assistance.

Your retirement benefit depends in part on your Average Final Compensation, or your highest three years of earnings. If furlough days fall into your "high three" year earnings, your retirement benefit will be lower because your Average Final Compensation will be lower.

**Good News!** New legislation helps you with this problem by allowing you to pay retirement contributions on earnings lost from days off without pay in 2010 or 2011 so that your benefit is not decreased. MainePERS will be able to tell you when you retire whether furlough days affect your "high three" years and whether paying the additional contributions will benefit you. For more information contact [Retirement.Services@mainepers.org](mailto:Retirement.Services@mainepers.org).



### A Healthy You

Whether you are still working or retired, feeling healthy is important for the happy life you want to live. There are lots of things you can do to feel healthy everyday - here are just a few:

**Waking up relaxed** – Rising just a few minutes earlier each day gives you time to watch the sun rise, enjoy a cup of coffee or tea, and take a few peaceful minutes to get ready for your day.

**Breakfast** – Starting your day with a healthy breakfast gives you strength and endurance throughout the day you just kicked off with a relaxing start.

**Exercise** - Exercise releases endorphins, helping your body combat disease and lifting your spirit throughout the day.

### Practical Tips for Protecting Online Privacy

MainePERS keeps your security and privacy in mind at all times. In order to safeguard confidential information, we ask that you not send Social Security Numbers or account numbers in your e-mail communications to us. In these days of potential Internet fraud, it pays to be smart about protecting your privacy. Here are some online safety tips to help you protect your personal information, secure your computer and minimize your chance of fraud.

- Unless it's to a trusted source, never give out personal information such as your name, address, telephone number or Social Security number.
- Don't automatically consent to the collection, use or storage of your personal information.
- Make sure that online forms are secure, and clear your memory cache after browsing.
- Find and read the privacy policies of the Web sites you use - they should be clearly stated.
- Use virus-scanning software, and make sure it's always up to date.
- Maintain separate e-mail accounts for personal and business use.



Source: Media Awareness Network



The MainePERS website ([www.mainebers.org](http://www.mainebers.org)) makes it easy for employers, members and retirees to find information. One popular area of our site is **FORMS**. Categories include Retirement Benefits, Retiree Information, Group Life Insurance, Survivor Benefits, Disability Benefits, Direct Deposit and other Membership forms. There is also a dedicated page for forms commonly used by employers.



Forms may be downloaded or there is "Request Forms" option which creates an e-mail for ordering hardcopies. To download these forms online you will need Adobe Reader®. If you do not have Reader, you can get it free by visiting [www.adobe.com/products/reader](http://www.adobe.com/products/reader).

**TIP!** Many of the primary forms on our site are fillable, meaning when they are opened in Adobe Reader®, you can type information directly in the blank fields and check boxes. Currently, we do not have electronic submission, so after completion you would need to print your form and mail it to us.

We welcome your ideas for other information you would like to see on our website. Please send comments and suggestions to [Communication@mainepers.org](mailto:Communication@mainepers.org).

#### Question:

How many people does MainePERS issue retirement benefits to each month ?

#### Answer:

About 35,000 individuals receive a benefit payment from MainePERS every month.

As of June 30, 2009:

Service Retirees	24,948
Beneficiary of Service Retirees	6,417
Disability Benefit Recipients	1,492
Pre-Retirement Death Benefits Recipients	2,137
<b>Total Benefit Recipients</b>	<b>34,994</b>

## Continuing Group Life Insurance Coverage for Adult Children

Group life insurance coverage for dependent children ends when the child turns age 19, or age 22 if the child is a full-time student. There is an exception for adult children who have a condition that exists prior to those ages, that results in permanent physical or mental disability. To learn more about how to extend coverage for dependent children, contact our Survivor Services unit at 1-800-451-9800 or via e-mail at [Survivor.Services@mainepers.org](mailto:Survivor.Services@mainepers.org).

We need your help to make sure that we continue to maintain a current address for you on file. Please notify us when your address changes by completing the Member/Benefit Recipient Data Update form.

The form is available in the Forms section of our website or through your employer.



#### Buzzworthy Plants That Attract Bees

*It isn't difficult to make your yard, garden or even patio space a haven for beneficial bees. You'll be helping these important insects, as well as bringing more nature to your back door.*

*The greater the plant diversity, the more bees you will attract and support. Always try to choose as many native plants as possible, and consult with nursery staff or other experts to find vegetation that will thrive in your specific conditions.*

For a list of tried-and-true bee attractors, visit [www.thedailygreen.com/going-green/tips/bee-friendly-plants](http://www.thedailygreen.com/going-green/tips/bee-friendly-plants).

## Considering Retirement in 2010?

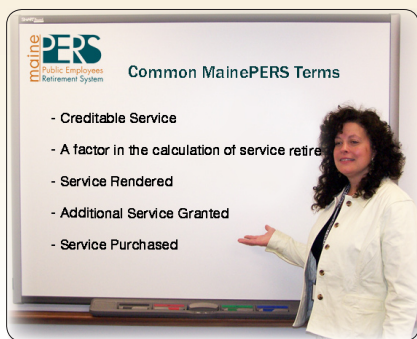
If you are planning to retire in 2010, now is the time to make sure you have everything you need to make your decisions, and for us to process your application in time to meet your retirement date. MainePERS urges members to start the retirement process six months - to a year in advance. Here's how the retirement process works:



- ☑ If you are within a year of eligibility, start planning. Contact us to request an estimate of service retirement benefits. Provide your full name, current mailing address, phone number, date of birth, planned retirement date and your prospective beneficiary's name and date of birth. The amount of your benefit is based, in part, on the age of your beneficiary.
- ☑ If you received an estimate more than a year ago, call us for a new one. MainePERS can update your estimate annually until you retire.
- ☑ When you decide to retire, call us for a Service Retirement Application. If you are certain of your decision to retire, you may request an application at the time you request an estimate. The application contains information MainePERS needs to process your retirement benefit.
- ☑ If you have questions about completing your application, we recommend you attend one of the small Group Retirement Sessions held at MainePERS. You can find the schedule of sessions on our website. If you want to attend a session, contact our office to register. Staff is also available to provide assistance at our toll-free number: 1-800-451-9800.
- ☑ When we receive your completed application, MainePERS will contact your employer for confirmation of your termination date and final payroll information.
- ☑ MainePERS will notify you during the month of your first benefit payment. Retirement benefit payments are issued at the end of the month.
- ☑ If you participate in the MainePERS Group Life Insurance program, we will automatically review your eligibility to carry that insurance into retirement.
- ☑ Contact your local Social Security office, health and dental insurance provider with any questions related to those benefits.

## Attend a MainePERS Retirement Session

It's never too early to learn about your MainePERS benefits. Some members are surprised to learn that they have disability benefits, group life insurance coverage, and often can participate in the MaineSTART tax-deferred compensation program.



If you are a new or mid-career employee, please join us for a retirement session in your area. These sessions provide a brief overview of the Retirement System's benefits and programs and a chance for you to have your specific questions answered. Information, dates, times and locations are on our website (see Upcoming Events). If you do not see a session listed for your area, we would be more than happy to have a MainePERS representative make a presentation at your employer's location—just have your employer contact us.

## Leave of Absence for Military Service

If you are a MainePERS member on a leave of absence to serve in the U.S. uniformed services, federal and State law include specific protections with respect to your membership and related benefits.

### Service Retirement:

As a member on a leave of absence to serve in the United States uniformed services, you are entitled to service credit during your military service if you meet all eligibility requirements.



### Survivor Benefits:

If you die before your service retirement benefit becomes effective, your designated beneficiary is eligible to receive benefits. Depending on eligibility, your beneficiary could elect a lump-sum refund of your contributions and interest, a reduced retirement allowance or a monthly survivor benefit.

### Group Life Insurance:

If you participate in the group life insurance program for basic, supplemental, and/or dependent coverage, you may continue the same coverage while on approved military leave by continuing to pay premiums. In order to maintain this coverage while on military leave, have your employer notify us prior to the leave.

### General Information:

Your employer is responsible for payment of the MainePERS employee contributions that you would have paid had you not been on leave for military service. You are not required to make contributions to your MainePERS account while on an approved Military Leave. If, at some future point, you decide to withdraw your member contributions from MainePERS, the portion of employee contributions paid on your behalf by the employer during the military leave will not be available for withdrawal.

## PERS Pic - Spring 2010

Early hints of spring have spoiled us this year. Now that warmer weather has officially arrived, take advantage of the great offerings throughout our State. Explore coastal towns or venture to one of the scenic State parks; for day trip ideas see [www.visitmaine.com](http://www.visitmaine.com). Whatever it may be, springtime in Maine is everything you would hope it to be and more!



(6)

Have a photo you'd like to share in the newsletter? Send it to [Communication@mainepers.org](mailto:Communication@mainepers.org).

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by printing on recycled  
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in the way they prefer. We  
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