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Maine PERSperspective, Spring 2012

Maine Public Employees Retirement System

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Message from the Executive Director

2011 was a busy year for MainePERS. An unusually high number of our members decided to retire, primarily because an increasing percentage of the workforce is eligible to retire as the workforce ages. Many State employees who were eligible to retire chose 2011 because of incentives provided by the State and changes in health insurance eligibility. By the end of the year, nearly twice as many State employees retired in 2011 than retired in 2010, and teacher retirements were up by 32%.



This record number of retirements slowed our ability to finalize these retirees' benefits, creating delay and frustration for everyone. Why does this happen? The easiest way to understand is that it takes many months to learn the multiple steps required to accurately process a retirement application, which means we cannot rely on temporary help when applications for any of our services increase. Even though we pulled in all of the additional resources we could find, the majority of increased work was assigned to our existing staff, creating longer than normal response times. We regret the inconvenience this caused for some of our 2011 retirees.

We were busy for many other reasons in 2011, one of which will assist us in handling high volumes of applications in the future in a way beneficial to our members. We moved from older technology to a more modern integrated computer system in October – the end of a six-year process. While this change also added to our staff's workload during an already busy year, we are already seeing our processing time reduce for some of our services.

We always appreciate hearing your thoughts and try to include your suggestions into our services. We are working our way through the additional retirements and should once again be back to normal turnaround times for finalizing retirements by the end of 2012.



Brian H. Noyes

MainePERS Welcomes New Trustee

The MainePERS Board of Trustees sets policy for the System. State law specifies the qualifications for the eight members of the Board to include "a working knowledge of retirement policy and legal issues and a general knowledge and understanding of banking, finance, and investment practices." Each individual nominated as a trustee is subject to the legislative confirmation process.

Congratulations to our recently appointed Trustee!

The MainePERS Board of Trustees recently welcomed new member, **Brian H. Noyes**, appointed by Governor LePage on February 22, 2012. Brian is Vice President of R. M. Davis, Inc. in Portland. The company is an employee owned investment manager providing financial advisory services as well as counseling, personal affairs management, and trustee services. Before joining R. M. Davis, Inc., Brian was Vice President and Consulting Group Associate for Shearson Lehman Hutton from 1984-1989.

Inside this issue:

- Message from the Executive Director
- Update re: Advices of Deposit
- Your Beneficiary Designations
- Welcome New Trustee
- Health Insurance and MainePERS
- Member Addresses/Statements

and more!

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BOARD OF TRUSTEES

Peter M. Leslie, *Chair*
 Benedetto Viola, *Vice Chair*
 George A. Burgoyne
 Richard T. Metivier
 Brian H. Noyes
 Catherine R. Sullivan
 Kenneth L. Williams

Ex-officio Member

Bruce L. Poliquin, *State Treasurer*

EXECUTIVE DIRECTOR

Sandra J. Matheson

General Counsel and**Chief Deputy Executive Director**

John C. Milazzo

Mailing Address

46 State House Station
 Augusta, ME 04333-0046

Location

96 Sewall Street, Augusta, ME

Phone

Main: (207) 512-3100
 Toll-Free: 1-800-451-9800
 Fax: (207) 512-3101
 TTY: (207) 512-3102

RETIREMENT SERVICES

(207) 512-3158

EMPLOYER SERVICES

(207) 512-3200

GROUP LIFE INSURANCE

(207) 512-3244

DISABILITY

(207) 512-3170

MainePERSpective

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 Retirement System (MainePERS).

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Editor: Robert L. Drury

Advices of Deposit

This year, we began reducing mailing costs and saving paper by mailing an advice only when your benefit amount changes by more than a dollar. We will continue to mail your year-end advice in December for your tax preparation purposes. Common events that may change your deposit amount include:

- Changes to the Federal /State tax tables
- Changes in health insurance premium
- A Cost of Living Adjustment (COLA)
- Change from a preliminary benefit amount to final benefit amount

INFORMATION FOR RECIPIENT					
Space that MainPERS will use for messages.					
Payee Name:			Payee ID#: 0000-000000		
Earnings		Deductions			
	Current	Year-to-Date		Current	Year-to-Date
Service Retirement	\$1086.51	\$1086.51	Federal Tax	\$15.00	\$15.00
			State Social Tax	\$0.00	\$0.00
			Local Social	\$0.00	\$0.00
			Local Health	\$1.00	\$1.00
			Total Deductions	\$16.00	\$16.00
Total Earnings	\$1086.51	\$1086.51	Net Earnings	\$1070.51	\$1070.51
	Printed		Print Date		
endofmonth to endofmonth		endofmonth			

Helpful Reminders:

- ✓ If you did not receive an Advice of Deposit in the mail, call your banking institution to verify your funds have been deposited.
- ✓ Changes to direct deposit received in our office after the 15th of the month, will likely take effect the following month.
- ✓ If you change your mailing address, please let us know. To protect the security of your information, we ask that you notify us in writing (see *Member Data Update* form on our website). This will ensure that your Advice of Deposit- and any other communication from us- will be properly delivered. If the postal service returns two pieces of mail as undeliverable, we will stop your benefit payments until we can confirm your mailing address.

Retiree Health Insurance and MainePERS

MainePERS arranges with your health insurance carrier to deduct premiums from your retirement benefit check each month, but we do not administer health insurance programs. Please direct your questions about health insurance to the administrators of the health insurance program under which you are covered. Below is the contact information for these various programs:

HEALTH INSURANCE PROGRAM ADMINISTRATORS

State, Legislative and Judicial Retirees: State Employee Health 1-800-422-4503

Teacher Retirees covered through Maine School Management Association: 1-800-660-8484

Teacher Retirees with Anthem/Blue Cross: 1-888-399-8706 (Ext. 1, Option 2)

Teacher Retirees without Anthem/Blue Cross, whether or not under MSMA, should request assistance from the school administrative unit from which the teacher retired.

PLD Retirees: Check with your former employer's payroll department.

DENTAL INSURANCE Direct inquiries to the organization that provides your coverage:

Maine State Employees Association 1-800-452-8794

Maine Education Association 1-888-942-2907

Maine Association of Retirees 1-800-535-6555

Brian Noyes *continued from page 1*

Brian graduated from the University of New Hampshire in 1980, is a member of the CFA Institute and Boston Security Analysts Society, Inc., and Maine Analyst Society. He is a Chartered Investment Counselor and a Chartered Financial Analyst.

Brian has served on many community boards and advisory committees, including North Yarmouth Academy, The Governor's Academy, Baxter State Park, Megantic Fish and Game Corporation, Forest Society of Maine, and Maine Medical Center's Finance Committee.

Group Life Insurance & Survivor Services

Review Your Beneficiary Designations.

When you become a member of MainePERS, your employer will ask you to complete several different forms. Two of those forms are **Designation of Beneficiary: Pre-Retirement Death Benefits** and **Designation of Beneficiary: Group Life Insurance**. Completing these two forms is your opportunity to tell us how you would like to see your membership benefits and group life proceeds paid in case of your death.

Payment is made based on the last completed forms received at MainePERS prior to your death. We encourage you to review or update your beneficiary designation(s) after a life changing event, such as marriage, divorce, death, birth, or dependent children reaching adulthood. Change of beneficiary forms are available from your payroll office, MainePERS, or may be downloaded from the Forms section of our website (www.mainebers.org).

Reporting a Death to Survivor Services.

The time may come when you will need to report a death to MainePERS. When you speak with one of our representatives, we will ask for your loved-one's name, social security number and date of death. We may also ask for the names of spouse and children who survive the deceased and to whom we should send correspondence. MainePERS will then review our records and request information, if needed, in order to process benefits or complete a group life insurance claim. Our Survivor Services Unit is committed to making this process as easy as possible and is available during regular business hours to assist in any way. The unit may be reached by calling 1-800-451-9800 or via email at: Survivor.Services@mainepers.org.

New Videos @ MainePERS.org

Recently premiering on our website are two informational videos. The first, **The Retirement Process**, has helpful information on how to apply and select a payment option. The second, **The MainePERS Disability Program**, assists in understanding disability retirement and the application process.



MainePERS Membership & Retirements

As mentioned in the *Message from the Executive Director*, MainePERS saw a significant increase in new retirements in 2011. The chart on the left shows MainePERS membership as of June 30, 2011. The chart on the right illustrates the growth in retirements between 2010 and 2011.

	Active Employees	Inactive Vested Employees	Retirees
State Employees	13,264	1,913	13,143
Teachers	25,495	5,161	15,757
PLD Employees	10,629	1,259	7,610
Legislative	173	93	145
Judicial	59	1	62

Retirements	2010	2011
State	424	823
Teacher	830	1,098
Legislative	0	14
Judicial	3	2
PLD	320	356
Total	1,577	2,293

Member Addresses... *did you know?*

If we receive two or more articles of undeliverable mail, we will suspend your monthly benefit payment. To avoid this, please keep us updated on any address changes you have (e.g. when leaving/returning to Maine in the winter and summer).

MainePERS Retirees: To protect the safety of your personal information, we do not process address changes over the phone for retirees and/or benefit recipients. If your address has changed or is going to change, please let us know by completing a Member/Benefit Recipient Data Update form and sending it to MainePERS. You can find and print a copy of the form in the Retired Members section of our website.

Active Members: You may notify us in writing or, if it is more convenient, we do accept changes of address over the phone for members who are not collecting a retirement benefit.

Member Statements

MainePERS has temporarily suspended issuing annual member statements while we work on changes to the statement process. If you'd like an updated balance of your contributions and interest, or your service credit, please contact Retirement Services at 1-800-451-9800 or by email at Retirement.Services@mainepers.org.

COLA Update

In 2011, the Legislature made several changes related to cost-of-living adjustments, including a three year freeze on annual COLAs.

The Legislature also provided for three non-cumulative, cost-of-living adjustments if sufficient funds exist at June 30, 2012, 2013 and 2014. Each COLA paid under this provision is a "one-time" payment to retirees who would have been eligible for a COLA if the freeze was not in place, and will not count toward each retiree's \$20,000 base when future COLAs are applied. If funds are available, MainePERS will make the payment in September.

We will place information about any possible one-time COLA for FY 2012 on our website, www.mainepers.org, sometime after the fiscal year closes at June 30, 2012.

Annual Report Available Online

MainePERS is pleased to release its Comprehensive Annual Financial Report for the fiscal year ending 2011. The report provides detailed information on finances, investments, actuarial data and general statistics of the System.

(4)

MainePERSpective is written and printed to meet your needs. Articles are based on timely information important to you as well as common questions asked by many of our members. Our newsletter is printed online, which helps us reach members in the way they prefer. We respect the environment by printing on recycled paper and using soy-based inks—for a cleaner, healthier planet.



46 State House Station
Augusta, ME 04333-0046

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