



Maine State Retirement System Employer Update

MAY 2007

Group Life Insurance Rate Changes

Maine law requires the GLI program to be funded on an actuarially sound basis. Our actuary recently completed an experience study of the program and recommended rate changes to better allocate the costs of the program between the Basic and Supplemental premiums. The last GLI rate change was in 1997.

Effective with the pay period that includes July 1, 2007, MSRS Group Life Insurance rates for Basic coverage for State of Maine employees and active Teachers will change. Rates for Supplemental insurance for all participants, including PLD, will change to be age-based effective with the pay period that includes April 1, 2008. The new Supplemental rate structure will “grandfather” rates for certain groups. There is no change in the Dependent coverage rates. For a more detailed version of the rate chart, go to www.msrs.org.

BI-WEEKLY RATES (PER \$1,000 OF COVERAGE)

COVERAGE	State		Teacher			Participating Local District		
	Current	New	Current	New		Current	New	
Basic →	\$0.14	\$0.26	\$0.10	\$0.05		\$0.21	\$0.21	
Supplemental One →	\$0.14	Age ≤ 44 \$0.02	\$0.10	Age ≤ 44 \$0.02		\$0.21	Age ≤ 34 \$0.02	
		45-49 \$0.04		45-49 \$0.04			35-44 \$0.03	
		50-54 \$0.07		50-54 \$0.07			45-49 \$0.05	
		55-59 \$0.11		55-59 \$0.11			50-54 \$0.07	
		60-64 \$0.17		60-64 \$0.17			55-59 \$0.14	
		65 plus \$0.22		65 plus \$0.22			60-64 \$0.20	
						65 plus \$0.40		

Important Information for Teacher Employers

The Employer Contribution Rate for grant and federally funded teacher salaries for the upcoming fiscal year is 18.71%. The new rate applies beginning with the July 2007 payroll report, due on or before August 15th.



On the Web at www.msrs.org

The Employer Section at msrs.org is your source for information, forms, reporting mechanisms, upcoming training and other tools to assist in doing business with MSRS. The site contains information on all MSRS plans and programs, houses the portal for the EFT Login-In, and spotlights timely information relevant to employers. Recent additions to this section include information on Grant Funded Teacher Rates, changes to Group Life Insurance and links to the new MaineSTART program.



Reporting Reminders debuts with this issue of *Employer Update*. This new feature will be where employers can find helpful information about the MSRS payroll reporting standards.

This month, we remind Teacher employers that it's no longer necessary to separate Grant Funded compensation from regular compensation. Report Grant Funded information only on the Teacher Monthly Summary Report. Please contact your Employer Services Technician with any questions.

New & Improved

MaineSTART:

The MSRS Defined Contribution (DC) Alternative

MSRS is pleased to offer MaineSTART, our new DC program that has both 401(a) and 457 plans. START stands for “Saving Today to Afford Retirement Tomorrow,” but it also underscores the message to get STARTed on retirement savings. MSRS offers PLD employers these two defined contribution plans, in addition to our signature defined benefit program. The 401(a) Defined Contribution Plan and 457 Deferred Contribution Plans, either alone or with another pension benefit, give your employees a way to build their retirement savings through a tax-deferred program.

MaineSTART offers the features employees need:

- ◆ High quality, low-cost investment funds
- ◆ Fast, easy enrollment
- ◆ Web access to account information
- ◆ Automatic enrollment (when it’s part of their employers’ benefits program)
- ◆ The “right” number of investment options – too many results in indecision and too few can mean they may lack a properly diversified portfolio.

Gary Emery, MSRS Defined Contribution Plan Administrator, is available to meet with you, or your employees, to explain how your employees can become successful savers for retirement. FMI: Contact Gary Emery at 512-3100 or by e-mail at gemery@msrs.org.



MAINE START

Saving Today to Afford
Retirement Tomorrow

**MaineSTART is the Defined
Contribution program from
Maine State Retirement System:**

A simple, no-nonsense investment
program using low-cost
Vanguard® mutual funds;

The convenience of working with
local MSRS staff and one-stop
contributions reporting.

The benefits really add up:

**Simple • Convenient
High-Quality • Low-Cost**

Can't wait to START?

www.mainestart.org

Contact Gary Emery,
Gemery@msrs.org,
or Stephanie Fecteau,
Sfecteau@msrs.org,
at (207) 512-3100
or 1-800-451-9800.



Group Life Insurance Coverage Levels

The pay period that includes April 1 is the time to adjust the employee level of group life insurance coverage based on the previous year’s gross compensation, rounded up to the next \$1,000. New employees will have a group life coverage amount based on their annualized salary.

Do not adjust coverage levels for an employee who:

- ◆ Did not have a full calendar year of group life participation,
- ◆ Has reduced wages due to an authorized leave of absence during all or part of the previous calendar year, or
- ◆ Received Workers’ Compensation benefits during the previous calendar year.

Direct Billing for Leave of Absence

MSRS can now directly bill employees on approved Leave of Absence for Group Life Insurance premiums. Previously, we required Participating Local District (PLD) and Teacher employers to collect the premium from the employee and submit the payment to MSRS. When MSRS receives a “Transfer in or Personnel Status Change Form” (MM-0001), indicating a covered employee is on a leave of absence, MSRS will contact you to see if you want us to directly bill the employee for premiums due. If you choose to have us collect premiums, we will bill the employee directly, record payments, and if necessary, cancel or suspend the employee’s coverage.

Employees who fail to pay premiums while on leave, except for those on Family Medical Leave, will have their coverage cancelled. They will have to file Evidence of Insurability and be approved by the insurance carrier in order to obtain coverage when they return to work.

FMI: Please contact the MSRS Survivor Services unit at 512-3244 or 800-451-9800 for assistance.