



MSRP E-Newsletter

Spring 2008

\$600 MATCH OK ANOTHER YEAR!!

Governor Martin O'Malley says that State employees are among the most important assets for State government. He included a better wage and benefit package in the budget for next year, and won the legislative appropriation for it.

Thank you, Governor and all who helped approve the \$600 Match, the funding for regular merit increments and a 2% cost of living wage increase. All of this after approving health insurance cost savings for all participants next year!

The \$600 Match is paying right now for the remainder of the 2008 fiscal year. The Match will renew again this July another \$600 for eligible employees making pay deferrals to a supplemental retirement savings account. This is an *immediate* dollar-for-dollar Match. You can enroll on the Maryland Supplemental Retirement

Plans at any time.* If you are a regular State employee and a member of the Employee's Alternate Pension Selection program ("ST EMP ALT PEN" appears on your paystub) then you are eligible for the Match. As soon as your MSRP deferral shows on the right-side of your paystub, you will see your MATCH automatically show on the left-side. The Match may begin each July and will continue until you receive \$600 in the fiscal year for which it is approved.

Call now to get your deferrals started or increased, or to update the rest of your MSRP account. Dial Team MSRP at 1-800-545-4730 or go online to www.MarylandDC.com.

*State employees in higher education may have alternate plans to choose from in addition to MSRP, please consult your Personnel/Benefits Office if you wish further information.

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GOOD NEWS-FEES REDUCED 1/3!!!

You can find at least one good thing in your next statement from MSRP. Beginning January 2008, we began taking a plan administration fee of only 0.19% on an annual basis (it used to be 0.28%). That means a participant with \$10,000 in the Maryland Supplemental Retirement Plans will save about \$9 per year.*

The other good news is that even though the fee is less, the MSRP Board was able to select a new contract with Nationwide Retirement Solutions that expands Team MSRP with more Retirement Specialists to meet with you wherever you work or live.

MSRP has always been sensitive to the costs associated with participation in your plan accounts. The Board works hard to make sure you know all the expenses charged, and to make sure they deliver you value. Investment options are monitored throughout the year. We collect Mutual Fund Savings at the best rates we can negotiate and return them to your account as reported on your statement (look for them summarized on page one). You don't get that most places. In other funds, we watch to make sure you are given the lowest cost shares the fund offers. That way your savings work stronger for you. MSRP and Nationwide are grateful for those who serve. We jointly continue to waive the plan administration fee for participants who are called to active military duty. The Board's approval provides that any military personnel who participate in the Maryland 457(b), 403(b), 401(k), and/or 401(a) match supplemental retirement plans will not be charged a fee during their time of active duty.

*Plan administration fees are collected monthly from each participant but will not exceed \$2,000 annually in each plan.

DON'T PASS UP THE MATCH!!

BY: JULIA GRAHAM

Believe it or not, some State of Maryland employees who are eligible for the State Match are leaving their "free money" on the table! Don't be one of them. Did you know that **for as little as \$1.16 per day you could get your \$600 Match from the State** if you start from the beginning of the fiscal year?

It's not too late to get your Match for this fiscal year!

For FY 2008 (July 1, 2007 to June 30, 2008) the match to employee contributions to the 401(k), 457 and 403(b) has been funded for up to \$600. This means that for every dollar you contribute in FY 2008, the State will contribute a dollar on your behalf until the maximum of \$600 is reached. With each new fiscal year, the match starts again at the level funded in the State budget.

Who is eligible for the Match?

To be eligible for the Match under current law, you must be a State of Maryland employee and a member of the Alternate Contributory Pension Selection Plan. You are a member of the alternate pension selection plan if the abbreviation "ST EMP ALT PEN" appears with your deductions on your paycheck stub. You also must make contributions to your employer-sponsored supplemental retirement account [401(k), 457, or 403(b)].

To get the full \$600 Match for FY 2008 you will need to contribute about \$24 per biweekly pay or more for all 26 pay periods beginning with the first payday in July. If you contribute less, the State will still match your contributions dollar per dollar.

How will my take home pay be affected if I contribute enough to get the full Match?

If you are in a 15% federal income tax bracket, a contribution of \$24 per pay will reduce your take home pay by about \$18.60 per pay or \$1.33 per day.

If you are in a 25% Federal income tax bracket, a contribution of \$24 per pay will reduce your take home pay by about \$16.20 per pay or \$1.16 per day.

If you want to contribute enough to get the full Match **this fiscal year** and you are not currently contributing, you would need to put in a minimum of \$150 per pay over the course of the last 4 pay periods of the fiscal year (about \$101 take home pay reduction if you are in the 25% tax bracket, or \$116 take home pay reduction if you are in the 15% tax bracket).

Where does the State Match money go?

A separate plan, called the 401(a) Match Plan, is set up for you. The State's contributions are then deposited into your account under this plan. The State's contributions appear on the left side of your pay stub under State paid benefits. It will read, "Match to MSRP." Your 401(a) account will appear on your quarterly statement from NRS.

Changes to your 401(a) account must be made separately from those of your other accounts. You can make an exchange or allocation change by calling the NRS Customer Service Center at 1-800-545-4730, or by visiting the NRS web site at www.MarylandDC.com.

If I am not participating in the State supplemental retirement plans, what do I need to do to get the Match?

You need to enroll in one of the supplemental retirement plans sponsored by the State. To enroll, call the Enrollment Hotline at 1-877-628-2499 or go to www.MarylandDC.com.^{*} Your 401(a) plan account will be established at the time you enroll. And by the way, there is no need for new employees to wait before using the supplemental retirement plans.

^{}(Note: State of Maryland employees working in higher education who are eligible for the match may also select and get a match in supplemental retirement accounts from alternate providers. For more information, please contact your employee benefits office.)*

ARE YOU READY FOR A PERSONAL RETIREMENT CONSULTATION?

BY JULIA GRAHAM

Are you considering retiring, but feeling anxious about your future? Perhaps a free Personal Retirement Consultation from Nationwide Retirement Solutions (NRS) could help. NRS now has three Personal Retirement Counselors available to meet with participants of the Maryland Supplemental Retirement Plans. You can take advantage of this service as early as 5 years before your planned retirement date, or anytime after retirement. You may meet with them in the Timonium office of NRS, or for those who do not live in Central Maryland they can arrange to meet you at another location closer to home.

Determining the amount of money you will need as a retiree is paramount to the success of the meeting. You should bring to the first meeting your pension estimate, social security statement, any asset statements like IRAs, CDs, brokerage, and if married, the same information for your spouse. You should also bring a budget describing how you spend your money currently and how this would change in retirement. The budget doesn't have to be complicated—just a handwritten listing of fixed and discretionary expenses.

Once the dollar amount needed is established, the counselor works with you to estimate how long you need your money to last. Within these parameters the counselor then works with the available financial resources to see how the need can be met and helps evaluate different withdrawal and investment strategies. Most retirees invest to minimize the downside potential of the market, but at the same time keep up with inflation. Many tend to avoid drawing down their assets early in retirement. It is often necessary to re-

mind people that they should use their money to achieve their retirement goals and focus on their quality of life. After all, being able to enjoy your retirement is why you have been saving all those years!

Most people leave the meeting feeling more confident about their retirement plan. Some though will discover that they really have not saved enough to provide for a comfortable retirement, and as a result decide to postpone retirement by a few years and maximize their contributions to their plans the last few years they work. Here are some of the most common questions participants ask. If you find yourself asking the same questions perhaps you should call and schedule your own Personal Retirement Consultation session.

When do I have to take distributions?

What are the tax implications?

Will my Social Security be reduced if I take distributions?

How can I simplify my finances?

How can I keep my investment costs down and maximize returns?

How long will my money last under different withdrawal and investment scenarios?

When should I start my MSRP and/or Social Security distributions?

Should I withdraw money to pay off my credit cards?

How can my beneficiaries draw down the account?

You can make an appointment for your free Personal Retirement Consultation by calling 1-800-966-6355.

IS FINANCIAL PLANNING A MYSTERY TO YOU?

BY. ARVELLA COLLINS

Financial planning is the process of assessing your financial goals, taking an inventory of the money and other assets you already have to help you reach those goals, and estimating what you will need in the future.

To help State of Maryland employees consider the financial planning process as it applies to them, MSRP has redesigned the old Finance 101 seminar into the new and improved Financial Planning 101. In this comprehensive series, MSRP has put together information designed to educate the State of Maryland employee on all aspects of their financial lives.

Financial Planning 101 consists of seven modules that can be presented individually or collectively. These modules are:

- Module 1 – Introduction – Describes the need for Financial Planning and the roadblocks that may prevent people from achieving their financial goals.
- Module 2 – Insurance: Risk Management – Identifies the types of insurance needed to protect the individuals' financial investments.
- Module 3 – Investment Basics – Defines various terms of investing and aids the individual in choosing investments according to their financial goals.
- Module 4 – Understanding Taxes – Describes the various methods of taxation and how chosen financial investments are affected by taxes.
- Module 5 – Retirement Planning – Describes the MSRP Retirement Savings Plans and all other retirement options available when planning for retirement.
- Module 6 – College Planning – Describes the various financial options available for deciding how to save for college.
- Module 7 – Estate Planning – Describes the various choices available to protect your dependents and your assets during incapacitation and death.

The following dates are available for State employees to take part in these seminars. Additional dates will be scheduled throughout the year and can be found on the MSRP website at www.msrp.state.md.us along with registration instructions.

May 8, 2008: 9:00 am-12:00 pm
Financial Planning 101- Module 1 ,2 & 3
State Office Complex
201 W. Preston St., Room L-1
Baltimore, Maryland

May 15, 2008: 9:00 am-12:00 pm
Financial Planning 101- Module 4, 5, 6 & 7
State Office Complex
201 W. Preston St., Room L-1
Baltimore, Maryland

June 26, 2008: 9:00 am-4:00 pm
Complete Financial 101 Planning Seminar
Judiciary Conference Center
Annapolis, Maryland

This seminar can also be offered at your work location as long as there is sufficient interest. Contact your Benefit Coordinator to request the Financial Planning 101 to be held at your work site.

LET'S DO LUNCH...MSRP LUNCH AND LEARN SEMINARS

BY. JEANNIE HENRY

Since the introduction of MSRP Education "To Go" series, we have had tremendous interest from participants. To date we have held over 20 Lunch and Learn seminars with attendance of hundreds of State employees. The seminars are designed to last approximately 45 minutes and give participants "food for thought" about saving for retirement and other areas of financial planning.

Lisa Ellis, with the Department of Health and Mental Hygiene, recently attended "I'm Saving My Money"...Retirement Planning for Women, and remarked that "This seminar was enlightening and opened my eyes to many more options for investments and financial planning."

Marlene Bush, DHMH, also attended and said, "The seminar was informative and motivating. Please keep offering these services".

Well Marlene, we will and we hope that many more employees will take advantage of these seminars.



MSRP Lunch and Learn Seminars

"When the Nest Egg Hatches" (Investing and Withdrawing During Retirement)

Reaching retirement is a significant milestone. It's important to have a plan for managing your income to help make sure it lasts throughout your lifetime.

"The Sandwich Generation"

Those of the sandwich generation are caught between the obligation to care for their parents—who may be ill, unable to perform various tasks or in need of financial support—and children. Learn how the "sandwich generation" can save for retirement while taking care of their kids and parents.

"Retirement Saving...It's a Smart Move!"

For State of Maryland employees not currently enrolled, this is an enlightening seminar on the importance of saving for retirement, the power of compounding and an overview of the different MSRP plans and investment options available.

"I'm Saving My Money" (Retirement Planning for Women)

Women in the labor force have different concerns and challenges than men do, but what about when they retire? The issues for men and women surrounding retirement are different too. Women need to plan for these differences.

"MSRP Investment Options"

An in-depth look at the investment options in the supplemental plans and the process on selecting an appropriate portfolio for your situation.

"MSRP Online"

A "user guide" to the MarylandDC.com website including: setting up your account, making changes and how to use investment resources. Also includes a review of the MSRP website.

If your agency is interested in having any of these seminars, please have your Benefit Coordinator use the form provided and fax to MSRP to get your Lunch and Learn scheduled!

MSRP Education "To Go"

Lunch and Learn Seminar Request Form

"When the Nest Egg Hatches"

Investing and Withdrawing During Retirement

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"I'm Saving My Money"

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"MSRP Online"

A "user guide" to the MarylandDC.com website including: setting up your account, making changes and how to use investment resources. Also includes a review of the MSRP website.

Agency Name: _____

Address: _____

City, State Zip code _____

Telephone: _____

Fax: _____

Email: _____

Please send this form by mail or fax to:
Maryland Supplemental Retirement Plans
6 Saint Paul Street, Suite 200
Baltimore, MD 21202
Fax: (410) 659-0349

INVEST SOME TIME IN RETIREMENT PLANNING

BY. JULIA GRAHAM

Did you know that most Americans spend more time planning their vacation than they do on retirement planning? Why not dedicate one day of your spring to a financial check-up and retirement planning? Don't wait until the fall of your life to focus this important process. While you are still young is the best time to start focusing on retirement planning. Sign up to attend a MSRP Personal Finance Seminar today!

PERSONAL FINANCE SEMINARS

MSRP is hosting a series of Personal Finance Seminars for all State of Maryland Employees. Our seminars will cover important topics to help State Employees make sound financial decisions. (Employees within 7 years of retirement should consider attending a Pre-Retirement Seminar offered by the State Retirement Agency to address their specific needs.) The topics will include:

- Budgeting, Debt Management, Identity Theft, Insurance Needs – presented by the Maryland Cooperative Extension
- Your Pension – presented by the Maryland State Retirement Agency
- Supplemental Retirement Plans Overview/Understanding Your Statement – presented by MSRP
- Investing Basics/ Selecting Your Investments – presented by Nationwide Retirement Solutions
- One-on-One Meetings/Plan Enrollment – Nationwide Retirement Solutions

These seminars will begin at 8:45 a.m. and conclude at 4:00 p.m. The dates and locations of each seminar are listed below. The complete address will be included in the confirmation. At the bottom of this page is the enrollment information. Each session will be limited to 50 eligible State employees. Sessions fill up fast, so please sign up as soon as possible.

Dates and locations for the April–June 2008 Seminars:

Thurs. April 10	Potomac Center	Hagerstown MD	Very Limited
Wed. April 16	Charles County DSS	LaPlata MD	
Tues. April 22	Eastern Shore Hospital	Cambridge MD	Very Limited
Mon. May 5	MDOT Headquarters	Hanover MD	New date
Thur. May 8	State Center	Baltimore MD	
Tues. May 20	Louis L. Goldstein Bldg	Annapolis MD	
Tues. June 3	Morgan State	Baltimore MD	
Thur. June 12	Salisbury University	Salisbury MD	Full
Mon. June 16	Garrett County Health	Oakland MD	Full

If you would like to attend a seminar please verify with your supervisor that you may attend and send us your information as soon as possible. Please email the requested information to personalfinance@msrp.state.md.us or fax to "Personal Finance Seminar" at 410-659-0349 if you Do Not have email. You will receive a confirmation from our agency within 3 business days. If you do not hear back from us in that time frame please contact Janet Wilt at 410-767-8742 or 1-800-543-5605.

We need:

Your name

Agency you are employed by

Your email address

Your daytime phone number

How many years you have been with the State

Date & location of the seminar you plan to attend

If you require any special assistance for a disability

BEING SQUEEZED IN THE SANDWICH GENERATION

BY JULIA GRAHAM

Editor's Note: This is the second in a series of articles highlighting each of the Lunch and Learn Seminars.

What you eat has nothing to do with being a member of the Sandwich Generation. YOU are the meat stuck between those two pieces of bread if you are trying to care for children while you are also faced with the prospect of caring for aging parents. If you are in this situation, "Retirement Saving for the Sandwich Generation" was created just for you.

Members of the Sandwich Generation face multiple challenges:

- Life patterns are changing with people having children later in life and parenting care extending into children's 20s.
- Nearly 10 million baby boomers are raising children or supporting an adult child while helping support an aging parent.¹
- Balancing time needed to meet the physical and emotional needs of your children and your aging parents.
- Trying to save for your own retirement while supporting your parents and save/ pay for college for your children.
- Dealing with "boomerang children" (adult children who return to live at home after college, job loss or divorce).

This seminar gives you specific tips on how to set financial priorities, save for college and find resources to help care for aging parents.

If you would like to attend this seminar, please contact your Benefit Coordinator to request that "Retirement Saving for the Sandwich Generation" be scheduled at your work location.



¹ Pew Research Center



Governor, Martin O'Malley

Lieutenant Governor, Anthony G. Brown

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