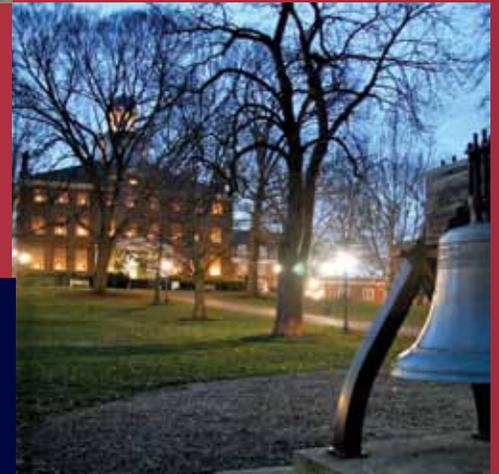


The Basics

MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

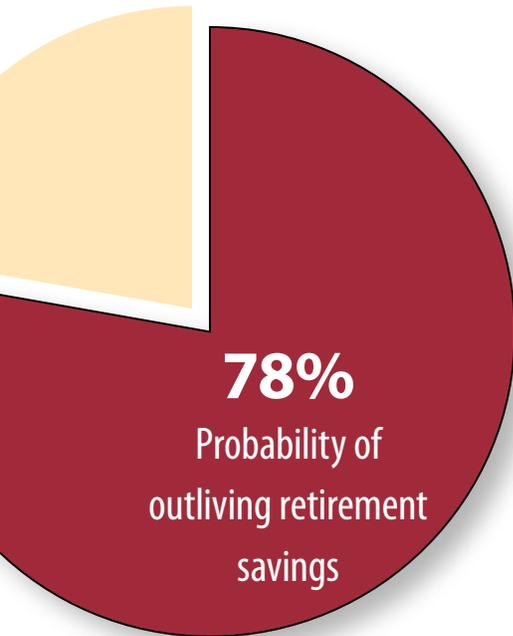
401(k) 457(b) 403(b) 401(a)



MSRP

Welcome

Get ready for your retirement through one or more of the four Maryland Supplemental Retirement Plans (MSRP):



Retirees in the state of MD

Source: 2009. *Ernst & Young LLP for Americans for Secure Retirement.*

- 1 the 457(b) Deferred Compensation Plan
- 2 the 401(k) Savings and Investment Plan
- 3 the 403(b) Tax-Deferred Annuity Plan for employees in educational institutions
- 4 the 401(a) Match Plan for State employee members of the State Employees' Alternate Contributory Pension Plan. [Must be enrolled in a 457(b), 401(k) or 403(b) plan to be eligible to participate in the 401(a) plan]

Even though your pension and Social Security will provide income in retirement, they may not provide enough to maintain your current standard of living. MSRP lets you save and invest on your own and participation is voluntary.

Who is eligible?

All employees of the State of Maryland, including contractual employees, are eligible to participate in the 457(b) and 401(k) plans. State employees who work within a State educational institution are also eligible to participate in the 403(b) plan.

The 401(a) match plan

Maryland provides a match to most employees' contributions to the 457(b), 401(k) and 403(b) supplemental retirement plans. For every dollar you contribute, the State will contribute a dollar on your behalf until the \$600 maximum is reached (without vesting or minimum contribution rules). And with each fiscal year, the match starts again! *(The amount of the match may change from year to year or be suspended through legislative action, and is suspended for the fiscal year ending 6/30/2011.)*

To be eligible, you must be a full-time or part-time State employee and a member of the State Employees' Alternate Contributory Pension Plan. Once you're enrolled in the MSRP Plans, the match will **automatically** begin. To get the full \$600 match, you need to contribute at least \$600 per fiscal year (July 1 - June 30). That's only \$24 per pay period.

A plan with you in mind

The MSRP includes three supplemental retirement plans — the **457(b), 401(k) and 403(b)**.

Employees may participate in more than one plan. **All** the plans offer you the following advantages:

- Competitive plan fees
- Diversified investment options
- Opportunity for tax-deferred growth, then withdrawals are taxed as ordinary income
- Flexible payout options
- Easy online account access
- Ability to transfer other assets* into your MSRP 457(b), 401(k) or 403(b)
- People who help you—Team MSRP **Retirement Specialists** during employment **Personal Retirement Consultants** when you're within five years from retirement or in retirement.



**Other qualified retirement plans can differ, including fees and when you can access funds. Assets rolled over from another qualified plan may be subject to both surrender charges from the original plan and a 10% penalty tax if withdrawn before age 59½.*

Investing involves market risk including possible loss of principal.



Determine your investment style

Enrolling in MSRP is a first step toward being ready for retirement.

- 1 Choose the plan(s) that will work best for you — the 457(b), 403(b) and/or the 401(k).
- 2 Decide how many dollars per paycheck to contribute.
- 3 Choose to invest in targeted retirement funds (option A) and/or self-selected mutual funds (option B).

Get started

You can choose your own individual funds — or you can invest in a targeted retirement fund. It all depends on how involved you want to be as an investor.

OPTION A

Targeted retirement funds*

—and/or—

Targeted Retirement Funds are lifecycle funds — one-step portfolios where you select a target retirement date and the fund that matches the date is automatically adjusted over the years by a professional money manager.

Each Targeted Retirement Fund offers you a professionally selected mix of diversified mutual fund investments and has a target retirement and/or income inception date in mind, and is rebalanced and adjusted over time to be more conservative as your retirement date approaches. See the *Spectrum of Investment Options* for details about these funds.

OPTION B

Traditional investment approach

You choose your own mix of MSRP investment options to build your portfolio. You'll review your own investments and gradually change your overall strategy as you near retirement, or use an Asset Allocation model that you select based upon your own risk tolerance. We can even help you with automatically rebalancing your asset allocation quarterly. Just call or go on-line to sign up for automatic re-balancing. The *Spectrum of Investment Options* features the funds in the MSRP Plan and is available online at MarylandDC.com, from your Retirement Specialist, or by calling Team MSRP at 1-800-545-4730.

And you're not on your own — Retirement Specialists can answer your questions, explain how investing works and help you allocate your investment dollars.

Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Prospectuses are available by calling 1-800-545-4730. Read the prospectus carefully before investing.

**Targeted Retirement Funds offered by T. Rowe Price. The performance and risks of each Retirement Fund will directly correspond to the performance and risks of the underlying funds in which it invests. By investing in many underlying funds, the Retirement Funds have partial exposure to the risks of many different areas of the market. The more a Retirement Fund allocates to stock funds, the greater the expected risk. Underlying fund expenses are proportional to the expenses of the acquired funds in which they invest.*

If you choose option A, the Targeted retirement funds, you can enroll using the *EZ Enrollment Form*—just fill in your personal information, check a few boxes, sign and you're done!

MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

EZ Enrollment Form

SEND OR FAX COMPLETED FORM TO:
 Nationwide Retirement Solutions
 11350 McCormick Road
 Executive Plaza 3, Suite 902
 Hunt Valley, MD 21031
 Phone: 800-545-4730
 Fax: 443-886-9403

(457b Plan if under age 55
 401k Plan if 55 years or older)

PERSONAL INFORMATION (please print)

Name _____ Male Female

Address _____

Home Phone _____ State _____ Zip _____

Email Address _____ Work Phone _____

Date of Birth _____

Agency Code: _____ Number of pay periods per year _____

Payroll Type (circle answer): Regular University Contractual Other

Payroll Center Name (circle answer): Central University Other

I acknowledge that I have read the terms and conditions detailed below. I will be enrolled into the 457 plan unless I am currently 55 or older, in which case I will be enrolled in the 401(k) plan.

ENROLLMENT INSTRUCTIONS

I want to enroll in the MSRP Program today and begin contributing:

\$25 per pay period

\$ _____ per pay period

A pre-tax payroll deduction will be invested into the T. Rowe Price Targeted Retirement Fund closest to the year in which I turn age 65. I understand that deferrals will be on the next...

Planning ahead is smart

It's never too soon — or too late — to begin investing, but using time to your advantage is very important. Most investment professionals recommend that you'll need as much as 75% - 90% of your current income to maintain a comfortable standard of living. Will you have enough money in retirement to live the life that you want? Remember, the earlier you start, the better opportunity you have to build a supplemental retirement income.

You'll need retirement income for a longer time

People are living longer, healthier lives. Today's average retirement is about nine years longer than in 1950 — 22 years total. And, your cost of living will probably increase considerably. Your other resources may not meet all your needs for retirement income.

Even with Social Security and your pension, you'll most likely need supplemental income to enjoy your retirement without worrying about money. That's where Team MSRP can help.

Start early — start now

This example illustrates how an investor uses time to his advantage.

Ben started investing for retirement at age 30 and invested \$2,000 a year for only 10 years, and then he stopped making contributions. John waited until age 40 to start investing for retirement and invested \$2,000 for 25 years. Because he started early, Ben will have more for retirement even though he contributed less than John.



Ben



John



This illustration is a hypothetical compounding calculation assuming an 7% annual rate of return. It is not intended to serve as a projection or prediction of the investment results of any specific investment. Investments are not guaranteed. Depending on your underlying investments, your return may be higher or lower. Interest compounded annually based on beginning-year contributions. No taxes or fees are reflected in this example, which would lower the results displayed.

Source: Hewitt Associates, 2008.



State of Maryland—Rollover into MSRP

To expedite the Rollover/Transfer process, please check to see that you have provided us with the following items before your request is submitted:

- A completed Direct Rollover/Transfer form**
- A recent statement of account from your previous plan provider**
- Distribution paperwork from your previous provider, completed and signed**
- The appropriate signature requirements from your previous employer**

After all of the above items are obtained, please mail the completed paperwork to the following address:

**Nationwide Retirement Solutions
11350 McCormick Road
Executive Plaza III – Suite 902
Hunt Valley, MD 21031-9972**

If you require assistance in completing this form or need additional information, please contact us at 1-800-966-6355.

Before completing this form, please review the checklist on the back to insure that your rollover/transfer is processed in a timely manner.

State of Maryland Direct Rollover/Transfer Request (For incoming assets only)

Please complete all sections of this form. All information on this document must be completed and returned to Nationwide Retirement Solutions in order to be processed. If you require assistance in completing this form or need additional information, please contact us at 1-800-966-6355.

Upon completion of this form, please return the signed document to: **Nationwide Retirement Solutions
11350 McCormick Road, Executive Plaza III – Suite 902
Hunt Valley, MD 21031-9972**

SECTION I: Participant Information			
Name	Last	First	Middle
Current Address			Number and Street
			Apt./Suite
City			State
			Zip Code
State Agency:		Work Location:	
		E-mail Address:	

SECTION II: Rollover/Transfer Funds	
Plan Type:	<input type="checkbox"/> 457 plan <input type="checkbox"/> 401(k) plan <input type="checkbox"/> 403(b) plan <input type="checkbox"/> 401(a) plan <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Other _____
Amount to Rollover/Transfer:	<input type="checkbox"/> Total account balance <input type="checkbox"/> Partial dollar amount \$ _____
Carrier/Custodian Name	Account Number
Address	Contact Name
City	Telephone Number

SECTION III: Rollover/Transfer Funds	
Plan Type:	<input type="checkbox"/> 457 plan <input type="checkbox"/> 401(k) plan <input type="checkbox"/> 403(b) plan
Make check payable to:	Nationwide Retirement Solutions, FBO (Participant Name, SS#)
Mail check to:	Nationwide Retirement Solutions, 11350 McCormick Road, Executive Plaza III – Suite 902, Hunt Valley, MD 21031-9972

SECTION IV: Investment Direction	
<input type="checkbox"/> Credit my rollover/transfer according to the current allocation on file -OR- <input type="checkbox"/> Credit my rollover/transfer as listed below (must total 100%):	
FIXED INCOME OPTION	SMALL CAP
_____% Investment Contract Pool (457(b) & 401(k) only)	_____% T. Rowe Price Small Cap. Stock Fund
_____% Vanguard Prime Money Market Fund (403(b) only)	_____% Vanguard Small Cap Growth Index
BONDS	_____% Vanguard Small Cap Value Index
_____% PIMCO Total Return Fund (Institutional Shares)	INTERNATIONAL
BALANCED	_____% American Funds – EuroPacific Growth Fund (Class A)
_____% Fidelity Puritan Fund	_____% Vanguard Total International Index Fund (Class A)
LARGE CAP	TARGETED RETIREMENT FUNDS
_____% American Funds – The Growth Fund of America (Class A)	_____% Retirement Income Fund (for those born in 1937 or before)
_____% Goldman Sachs Large Cap Value Fund (Institutional Class)	_____% Retirement 2005 Fund (designed for those born between 1938-1942)
_____% Neuberger Berman Equity Funds- Partners Fund (Institutional Class)	_____% Retirement 2010 Fund (designed for those born between 1943-1947)
_____% Vanguard Institutional Index Fund	_____% Retirement 2015 Fund (designed for those born between 1948-1952)
_____% Vanguard Value Index Fund (Investor Class)	_____% Retirement 2020 Fund (designed for those born between 1953-1957)
MID CAP	_____% Retirement 2025 Fund (designed for those born between 1958-1962)
_____% Dreyfus Mid-Cap Index Fund	_____% Retirement 2030 Fund (designed for those born between 1963-1967)
_____% T. Rowe Price Mid-Cap Value Fund	_____% Retirement 2035 Fund (designed for those born between 1968-1972)
_____% Van Kampen Mid Cap Growth Fund (Class A)	_____% Retirement 2040 Fund (designed for those born between 1973-1977)
	_____% Retirement 2045 Fund (designed for those born between 1978-1982)
	_____% Retirement 2050 Fund (designed for those born between 1983-1987)
	_____% Retirement 2055 Fund (designed for those born in 1988 or after)

SECTION V: Authorization

Please be aware that due to Internal Revenue Service regulations, if you take a distribution prior to age 59 1/2 from your MSRP account there may be a 10% penalty imposed. I acknowledge that I have received and read the fund prospectuses for the investment options I have elected above. I understand that my direct rollover will become subject to the terms and conditions of the plan. I certify that I satisfy the requirements for making a tax-free rollover/transfer into an eligible retirement plan. Nationwide Retirement Solutions is entitled to rely fully on my certification. I expressly assume responsibility for tax consequences relating to this rollover/transfer, and I agree that Nationwide Retirement Solutions shall not be responsible for those tax consequences. Upon receipt, I hereby request my funds to be invested as directed on this form.

Nationwide Retirement Solutions hereby agrees to accept the direct rollover/transfer described herein and upon receipt will deposit the proceeds within 5 business days in the account established on behalf of the individual's eligible employer. Some mutual funds may impose a short-term trade fee. Please read the underlying prospectus carefully.

Participant Signature	Date	Registered Principal Signature	Date
Registered Representative Name	Registered Representative Number	Original & Copy 1 to NRS	Copy 2 - Participant
			DC-3679-0109

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Enrollment Form

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PERFORATION LINE

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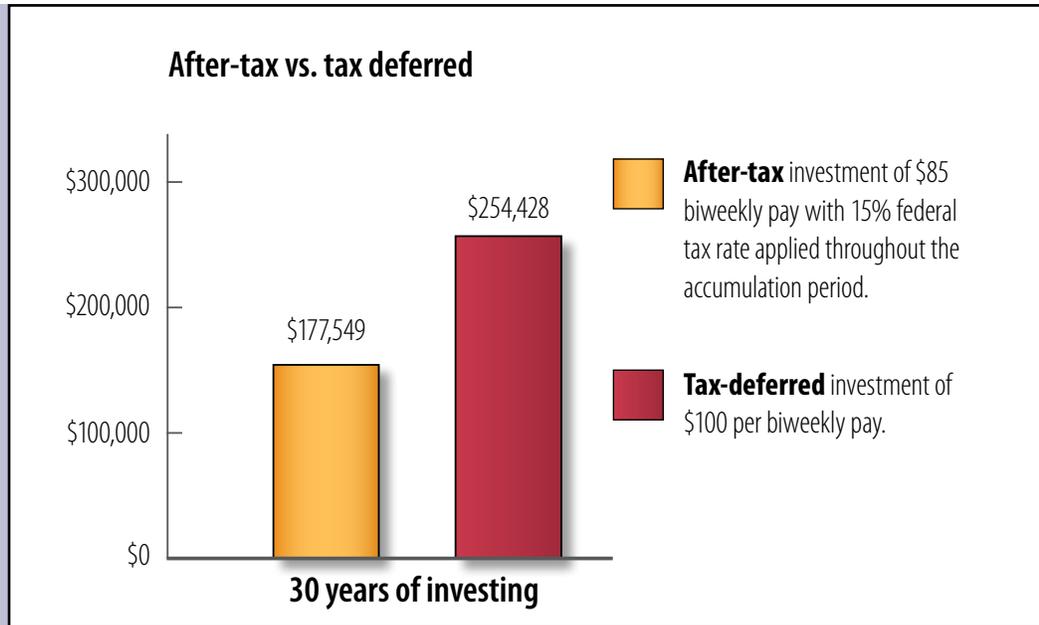
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with return mailing label to be
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PERFORATION LINE

The pre-tax advantage

As shown in the example below, you get a jump start on your investment through payroll deduction versus investing after income taxes are taken. Additionally, your account is not taxed until you later decide to use the money for supplemental income. By comparing a lower initial after-tax investment to your deferred compensation account, you can really see the difference that the tax advantages might make over time.

- It's easy to invest — contributions are automatically deducted from your pay
- Contributions are pretax — so your federal taxable income is reduced by the amount of money you contribute to your plan
- Contributions and any earnings grow tax-deferred until you make withdrawals. Withdrawals are then taxed as ordinary income.
- You choose your investment amount and can change it at any time
- Your money can stay tax-deferred until payout — **even after** you separate from State service

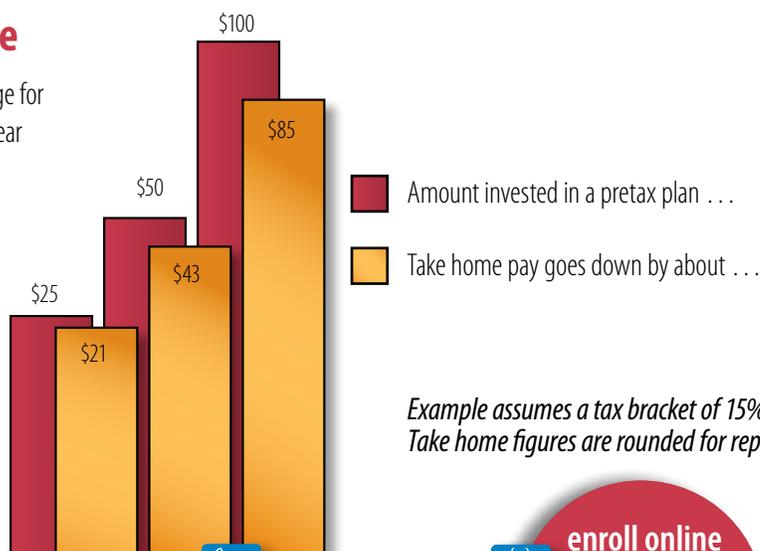


Source: Nationwide Retirement Solutions (2008).

Illustration assumes a pretax investment of \$100 equals an \$85 reduction in take-home pay based on a tax rate of 15%. Example also assumes a hypothetical 7% rate of return with income reinvested. Totals do not reflect any costs that may be incurred under a particular investment. If expenses were taken into account they would reduce the performance shown. Federal taxes are not reflected in the tax-deferred total, but upon withdrawal, federal taxes would apply. State income taxes are not reflected. This information is hypothetical. It is not intended to predict or project the returns of any specific investment. Returns will vary, particularly over the long term.

The paycheck advantage

Here's an example of the paycheck advantage for a married individual grossing \$38,000 per year who invests in a pretax plan.



Example assumes a tax bracket of 15% and biweekly pay periods. Take home figures are rounded for reporting purposes.



800-545-4730



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How much can you invest?

Under current laws and regulations, in 2010 you may contribute up to \$16,500 to a 457(b) plan and \$16,500 to either a 401(k) or 403(b) plan. In addition, you may qualify for one but not both of the catch-up provisions outlined below.

	Maximum deferral limit	Deferral limit plus Age 50 Catch-up	Special 457(b) Catch-up deferral limit
YEAR 2010	If you're less than age 50 this year, you may defer as much as . . .	If you're at least age 50 this year, you may defer as much as . . .	If you have three years until you retire, you may be eligible to defer as much as . . .
457(b) plan	\$16,500	\$22,000	\$33,000
401(k), 403(b) plan*	\$16,500	\$22,000	\$22,000 (use Age 50 Catch Up)
TOTAL	\$33,000	\$44,000	\$55,000

* For participants with both a 401(k) and 403(b) plan account, combined annual contributions to the plans may not exceed \$16,500.

50 and Over Catch-up

Employees age 50 and over who contribute the maximum deferral amount allowed each year may also make catch-up contributions up to \$5,500 to that plan. Altogether, in 2010, you may contribute up to \$22,000 in the 457(b), and \$22,000 in the 401(k) or 403(b) plans.

The Uniformed Service Employment & Reemployment Rights Act (USERRA)

USERRA is a provision that allows military personnel who leave their employer for service in the U.S. military to make up the missed contributions when returning to their former employer. Please contact Team MSRP at **800-545-4730** for details regarding this provision.

Special 457(b) Catch-up

In the three years prior to — but not including — the year in which you plan to retire, you may be able to double the maximum deferral limit in effect for each of the years affected. In 2010, you may be able to contribute up to \$33,000 into your MSRP 457(b) account.

NOTE: Use of the Special 457(b) Catch-up Provision assumes you have under-contributed — deferred less than the maximum amount — to the 457(b) plan in previous years. It also suggests that you're about to enter several years of financial transition that may require special preparation. Let Team MSRP help. Call us toll-free at **800-966-6355**.

Altogether, you can contribute no more than 100% of your includible compensation to Maryland Supplemental Retirement Plans.

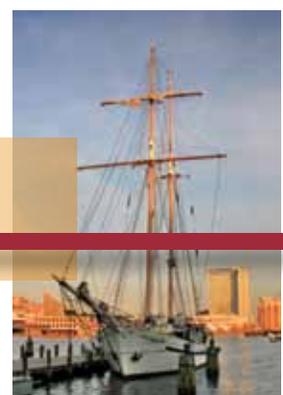
Options available upon separation from service

Options for each of the plans include:

- Leave assets in the plan until age 70½ when minimum distributions are required, or even later if not yet retired from State service
- Total distribution or partial distribution payment
- Installment payments for a fixed period
- Installment payments of a fixed amount paid monthly, quarterly, semiannually or annually

In the 457(b) plan, you may begin withdrawing money from your account without penalty when you leave State employment, regardless of age. In the 401(k) and 403(b) plans, you may begin withdrawing money when you leave State employment, however, there is an additional 10% penalty tax on distributions unless you are age 59½ or you have separated from State employment at age 55 or older. The 401(k) and 403(b) plans also allow payout without penalty while you are still employed if you are 59½ or older.

1-800-545-4730



Plans comparison chart



	457(b) Deferred Compensation Plan	401(k) Savings & Investment Plan	403(b) Tax Deferred Annuity Plan
Who's eligible to participate?	All regular and contractual State employees		State educational institution employees
Who's eligible for the State match?	All State employees in the State Employees' Alternate Contributory Pension Plan		
Are payroll deductions pretax?	Yes (but not for FICA)		
What's the minimum I may contribute?	\$5 per biweekly pay		
What's the maximum I may contribute?	\$16,500 in Calendar Year 2010 (may be adjusted in future years for inflation)		
May I "catch-up" in a later year?	Age 50 or older bonus: \$5,500 in Calendar Year 2010. Special 457(b) Catch-up provision available within 3 years of retirement. These two provisions may not be used in the same year.	Age 50 or older bonus: \$5,500 deferral in Calendar Year 2010	
May I contribute to more than one Plan at the same time?	Yes - but with the following limitations:	<ul style="list-style-type: none"> • \$16,500 457(b) + \$16,500 401(k) = \$33,000/yr • \$16,500 457(b) + \$16,500 403(b) = \$33,000/yr • \$16,500 457(b) + combination of 403(b) & 401(k) not to exceed \$16,500 = \$33,000/yr 	
How often may I change my contribution amount?	Unlimited		
What are the costs to participate?	0.19% of your account value a year, no more than \$2,000 effective 1/1/08, and 50 cents per month per account effective May 2010.*		
What are the current investment options?	Fixed - Investment Contract Pool Mutual Funds Targeted Retirement Funds (lifecycle funds)		Vanguard Money Market Mutual Funds Targeted Retirement Funds (lifecycle funds)
May I roll over money from other retirement accounts into my Maryland Supplemental Retirement account?***	Yes - from a governmental 457(b), 401(k), 403(b), thrift savings plan or IRA into your supplemental retirement account		Yes - from a governmental 457(b), 401(k), 403(b) or IRA. Until 1/1/2020, 403(b) plans may be transferred in service
May I roll over my supplemental retirement account to another type of retirement account, like an IRA?	Yes - to a 457(b), 403(b), 401(k) or IRA, upon leaving State service	Yes - to a 457(b), 403(b), 401(k) or IRA, upon leaving State service or obtaining age 59½	
May I withdraw money from my account while employed?	Yes, but only at age 70½ or older, or qualify for an unforeseeable emergency withdrawal	Yes, but only at age 59½ or older, or qualify for a hardship withdrawal	
When may I begin withdrawals from my account without a penalty?***	When you leave State employment, regardless of age	If you leave State employment at age 55 or older, or age 59½ regardless of employment. Other exceptions may apply. Consult your tax or legal advisor for more information	
May I change my withdrawal option, amount or frequency once I start my payout?	Yes, excluding purchased annuities		
Must I elect my payout date when I leave State employment?	No - payouts not required until 70½ and separated from service		
Is there a loan provision and a hardship/emergency provision?	Yes/Yes		

NOTE: 401(a) Match Plan: The withdrawal rules are the same for the 401(a) and 401(k) plans except that in the 401(a) plan, distributions are not permitted until separation from State service.

*In addition, each of the mutual funds offered by the plan has fund expenses that are netted directly from the mutual fund's daily price. These will vary based upon the mutual fund selected. Also, some mutual funds may impose a short-term trade fee. Please read the underlying prospectuses carefully. NOTE: some mutual funds pay reimbursements that offset fees, see our "Mutual Fund Savings" pamphlet and your account statement for more information.

** As you make decisions about rolling over assets especially qualified retirement plans and IRAs, keep in mind that each type of account has different rules about fees, when you can access your funds, surrender charges and tax penalties.

***Withdrawals are taxed as ordinary income.

Fund prospectuses can be obtained by calling 1-800-545-4730. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other important information. Read prospectuses carefully before investing.

This information is of a general and informational nature and is NOT INTENDED TO CONSTITUTE LEGAL OR INVESTMENT ADVICE.



800-545-4730



enroll online

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Enrolling is easy

Complete the enclosed *EZ Enrollment OR Participation Agreement* form or call Team MSRP at **1-800-545-4730**.



Be sure to include your Social Security number and contact information.

Your deferral amount goes here.

Select the funds to invest in here. For example, enter 100 next to the Targeted Retirement Date fund and your done, and/or enter percentages that add up to 100 next to your Option B choices.

Easy access to your account

... seven days a week, 24 hours a day.

MarylandDC.com

Immediate, personalized account access for enrollment, exchanges, allocation changes or changes to deferral amount. Plus, up-to-date information about funds, policies and benefits is always featured.

Automated Voice Response Unit at 1-800-545-4730

24-hour account access for exchanges and allocation changes.

Professional financial services and resources

Individual Customer Service at 1-800-545-4730

Customer service representatives available to assist you Monday through Friday 8 a.m. to 11 p.m.

News and Education

Team MSRP provides participants with quarterly educational account statements, investment option booklets, information kits, consolidated account statements, workshops and one-on-one education at or near your place of work.

Retirement Specialists and Personal Retirement Consultants are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.



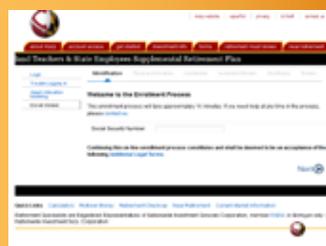
Enroll online at **MarylandDC.com**



Click the enroll online link



Click the enroll online link



Follow the onscreen prompts. Have your paystub handy to enter your agency code.

MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS
Administered by *Nationwide Retirement Solutions*

11350 McCormick Road
Executive Plaza 3, Suite 902
Hunt Valley, MD 21031

1-800-545-4730
MarylandDC.com



Board of Trustees and Staff
Wm. Donald Schaefer Tower
6 Saint Paul Street, Suite 200
Baltimore, Maryland 21202

1-800-543-5605
www.MSRP.state.md.us