



Maine State Retirement News

for Members, Retirees, and Employers

Maine State Retirement System

Summer 2007

THREE NEW TRUSTEES APPOINTED

The departures of three Trustees triggered new appointments to the Board this spring. Leaving were Chairman and Portland attorney [David S. Wakelin](#), State retiree [Eunice Mercier](#) of Augusta and Brunswick Finance Director [John S. Eldridge](#).



[Richard T. Metivier](#)

[Richard T. Metivier](#) was appointed by the governing body of the Maine Municipal Association to succeed to Mr. Eldridge's seat on the Board. Mr. Metivier has over three decades of experience in Lewiston city government, and has served as the city's Director of Finance since 1980. A graduate of Husson College in Bangor, he is an active member of the Government Finance Officers Association (GFOA) and its regional and State affiliates, and has held a number of leadership positions with the Androscoggin Valley Council of Governments, Maine Municipal Health Trust, Lewiston Municipal Federal Credit Union, and other organizations.

Portland bank executive and attorney [Carol L. Mitchell](#) was appointed by the Governor to replace Mr. Wakelin as a public member "qualified...in the field of investments, accounting, banking or insurance." Ms. Mitchell is Senior Executive Vice President and Chief Administrative Officer of TD Banknorth. She serves on the Boards of Directors of the United Way of Greater Portland, the University of Maine School of Law Foundation, and the Mitchell Institute; on the Board of Visitors at the University of Maine School of Law; as Treasurer of the Maine Chapter of the International Women's Forum; and is a member of Governor Baldacci's Business Advisory Committee. Her professional memberships include the American Bar Association, the Maine State Bar Association, the Cumberland Bar



[Carol L. Mitchell](#)

Association, and the American Association of Corporate Secretaries. Ms. Mitchell received her bachelor's degree from Boston College in Boston, Massachusetts, and her J.D. from the University of Maine School of Law in Portland.



[George A. Burgoyne](#)

Retired State employee and former System Trustee (1989-2003) [George Burgoyne](#) rejoins the Board having been nominated by other retirees and appointed by the Governor to fill the seat vacated by Ms. Mercier. Mr. Burgoyne is a graduate with a BA in History and a

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From "Maine State Retirement System" to "Maine Public Employees Retirement System" *From MSRS to MainePERS*

In 1942 the newly established retirement system for State employees was named the [Employees Retirement System of the State of Maine](#) by the Legislature. In 1950 a law was passed changing the name to the [Maine State Retirement System](#). In September 2007, the Maine State Retirement System will become the [Maine Public Employees Retirement System](#).

For all these years many people, including members, have assumed that State employees were the only members of the Maine State Retirement System. This assumption is easily made because of the word "State" in the name. The System even encounters teachers who do not know they participate in the Maine

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Message from the Executive Director

Most formally appointed boards experience periodic changes in membership and the MSRS is no exception with Trustees appointed for three-year terms. For the MSRS, however, in the last decade and a half the willingness of several Trustees to serve multiple terms has been critical to the System's efforts to revamp all aspects of its work. In early 2006, the average number of years per Trustee on the Board was eight years. Such longevity has meant that complex institutional knowledge and long-term vision have been available to support and sustain our comprehensive change efforts. Three Trustees with a combination of 40 years of public service to the MSRS have recently left the Board.

Eunice Mercier, formerly a microbiologist for the State, leaves the Board after serving 15 years. Eunice was a constructive and persistent voice for measurable improvement of member services. John Eldridge, the Finance Director for the Town of Brunswick and serving for almost seven years, was the catalyst for the MSRS' efforts to form partnerships with local employers to provide the best retirement services for our joint members and employees.



David S. Wakelin

David Wakelin has left the Board after serving for 18 years as a Trustee, 15 of which were served as its Chair. Mr. Wakelin, a prominent Portland pension attorney, was appointed to a legislative Commission to study the Retirement System in 1986 (the Monks Commission), a Commission that recommended a major overhaul to all aspects of the investments, funding, services and operations of the MSRS. Already extremely knowledgeable about pension matters and the MSRS' status in particular when he was first appointed to the Board in 1988, Mr. Wakelin became principal architect, builder, overseer and cheerleader of sustained major efforts for improvement at the MSRS. Chair Wakelin's lasting contributions to the MSRS and its members are incalculable.

During the tenure of all three of these Trustees, the MSRS grew from a \$1 billion fund to an \$11 billion fund, its funding ratio increased from 51% to 71%, and the MSRS now conforms to industry standards in its internal operations and in offering and providing services to members. It is the collective efforts of the MSRS Trustees that underlie such improvements. It is no small matter and no small responsibility to hold in trust and invest \$11 billion in pension fund assets as a fiduciary. Pension administration requires the Trustees to predict what retirement benefits will cost into the future over the lifetimes of retirees to assure that employer and member retirement contributions, combined with investment earnings, will be sufficient over time to pay for all who are entitled to benefits. Not only does the successful carrying out of Trustee responsibilities require a considerable commitment of time and energy, it also presents a very steep and very tall learning curve for Trustees to master. In the face of these many daunting tasks, the System is always benefited by experienced Trustees staying on the Board but it will never be more advantaged that it has been in this decade and a half of fundamental change.

To these three departing Trustees, I say goodbye, nostalgically, and with gratitude for their long and dedicated service. I hope I speak for all of you as members, retirees and MSRS staff when I express thanks to all three for their steadfastness, tireless effort and deep commitment to the Maine State Retirement System. Their legacy will continue to benefit us enormously for years to come.

Paul Drake Wright

WELCOME!

The System extends a warm welcome to new and returning Participating Local District (PLD) members and their employers. Effective July 1, 2007, **Biddeford Housing Authority** became the newest employer to join the PLD Consolidated Plan. Returning to MSRS is the **Town of Richmond**.

From MSRS to MainePERS continued from page 1

"State" Retirement System. Municipal employees, local employees of other quasi-municipal governmental entities and others who participate as MSRS members of participating local districts are not recognized as MSRS participants by most of the membership, let alone the general public. MSRS also administers retirement plans for other constituencies such as judges and legislators.

Because of this confusion, in this past legislative session the MSRS sought to change its name to Maine Public Employees Retirement System. The System wanted its name to be more representative and inclusive of all its constituencies, the common denominator being the term "public employees." While not a blindingly exciting designation, it is the more typical nomenclature for public retirement systems across many states.

So on September 20, 2007 the Maine State Retirement System will become the Maine Public Employees Retirement System, abbreviated to MainePERS (pronounced *Maine purrs*). The MainePERS, also referred to as the System or the Retirement System, is the name for the overarching entity that administers many retirement systems/plans: the State employee/teacher Plan; the Legislative Retirement System/Plan, the Judicial Retirement System/Plan, the Maine Participating Local District (PLD) Retirement System comprised of the PLD consolidated plan and other separate PLD plans for entities that did not join consolidation; Defined Contribution plans and a retirement plan for Governors. The System believes that standardizing the naming conventions in the statutes and in the System's everyday discussions about the Retirement System will also help avoid confusion among our members and employers about the availability of various benefits in the separate plans.

The Retirement System does want to assure members that there is no significance from a funding, benefits or investment perspective to this name change. Some members have expressed concern in that regard; there is no effect in these areas of any kind. To many, this is merely a cosmetic change, but to the Retirement System staff, and it is hoped, to its members and participating employers, the new name will come to embody a clearer and more inclusive message about who the beneficiaries of these trust funds are.

UPDATE ON THE HUMAN RIGHTS CRISIS IN DARFUR

The plight of the Fur people of the Darfur region, suffering at the hands of the Sudanese government, has led to international actions by the U.S., the United Nations, and the European Community.

Following the failure to secure agreement to a May 2006 peace accord, and the inability of an African Union force to stem the violence, the U.N. Security Council resolved last August to join with the African Union to form a "hybrid" peacekeeping force. As many as 23,000 troops and police will be committed to the effort. After months of negotiations, the Sudanese government agreed this June to the peacekeepers in an effort to forestall international sanctions.

As of 2007, 17 states, 8 cities, 52 universities, and 8 countries have enacted Sudan divestment laws or policies similar to Maine. To comply with Maine law, MSRS has developed a list of companies that are reported to be complicit with the government of Sudan and are to be divested because of their egregious activities. This list consists of 95 companies, six of whose securities were held by the MSRS. Since November 2006, MSRS has sold its investments in these six and has prohibited the System's investment managers from purchasing securities in all 95 other companies on the list. A total of \$18.5 million has been divested from the portfolio since the law was enacted.

GROUP LIFE INSURANCE RATE FOR TEACHERS

The cost of Basic level Group Life Insurance has been reduced for teacher members, effective July 1, 2007. The amount of Basic coverage is equal to the member's gross earnings. Teachers now pay ten cents per \$1,000 each pay period for Basic coverage. The new rate will be five cents per \$1,000. For a teacher earning \$30,000 per year, the change means an estimated savings of \$39.00 annually. Teacher members who previously declined Group Life Insurance and would now like to participate can obtain coverage only by filing Evidence of Insurability. For more information, contact your employer payroll office or visit the [FAQ section](#) of www.msrs.org.

2007 Legislative Update

Legislation Enacted in the First Regular Session of the 123rd Legislature

[An Act To Provide Reinstatement of Group Life Insurance for Public Employees Returning from Unpaid Military Leave](#)

PL 2007, Chapter 17 [LD 154]
Effective Date: September 20, 2007

This bill permits a member who did not continue group life insurance coverage while on an unpaid leave of absence in order to serve in the military to reinstate that coverage upon returning to work without filing evidence of insurability provided that specific timeframes are met. (See related article on page 6.)

[An Act Permitting Substitute Teachers to Opt Out of the Maine State Retirement System](#)

PL 2007, Chapter 305 [LD 323]
Effective Date: September 20, 2007

This bill makes Maine State Retirement System membership optional for substitute teachers. (See related article on [page 6](#).)

[An Act To Change the Name of the Maine State Retirement System](#)

PL 2007, Chapter 58 [LD 512]
Effective Date: September 20, 2007

This bill changes the name of the retirement system from the Maine State Retirement System (MSRS) to the Maine Public Employees Retirement System (MainePERS) to better reflect the groups for which the System administers retirement plans. (See related article on [page 1](#).)

[An Act To Continue To Allow Public Retiree Organizations Access to the Maine State Retirement System's List of All State Retirees](#)

PL 2007, Chapter 47 [LD 712]
Effective Date: April 12, 2007

This bill removes the sunset provision which would have changed the manner in which home contact information in the possession of the System is made available to retiree organizations. With the passage of this bill, the retiree organizations will continue to be able to receive home contact information about members and benefit recipients unless the member or benefit recipient elects to have that information held confidential. (For a more complete explanation, see the [Summer 2005](#) issue of *Retirement News*)

[An Act To Allow Certain Special Education Teachers to Acquire Time from the Maine State Retirement System](#)

PL 2007, Chapter 303 [LD 827]
Effective Date: September 20, 2007

This bill permits the purchase of up to one year of service for time prior to July 1, 1976 during which work was performed in other than a public school system as an educator or teacher of a child with a disability.

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2007 Legislative Update *(continued)*

An Act to Amend the Laws Relating to the Treatment of Maine State Retirement System Contributions for Terminated Members

PL 2007, Chapter 137 ([LD 871]
Effective Date: September 20, 2007

This act permits the System to issue an automatic refund of member contributions to a non-vested member who has been inactive for a period of at least three years. If a member does not wish to receive the refund, it may be returned within thirty days of its issuance and will be restored to the member's credit. (See related article on [page 7](#).)

An Act to Authorize the Board of Trustees of the Maine State Retirement System to Provide a Cost-of-Living Adjustment to Retired Employees of Participating Local Districts

P&S 17 [LD 1373]
Effective Date: June 4, 2007

This bill authorizes the Board to provide eligible participating local district retirees with an additional .3% cost-of-living adjustment effective September 1, 2006. The System anticipates that this additional adjustment will be reflected in retirement benefits paid in September 2007. (For a more complete explanation, see the [Summer 2006](#) issue of *Retirement News*)

NEW WELLNESS BENEFIT FOR STATE EMPLOYEE RETIREES

There is a valuable new benefit available to State employee retirees in the Augusta and Bangor areas: free membership in the State's Wellness Centers. These facilities offer specialized equipment and knowledgeable, experienced personnel. Participants can use cardiovascular and weight equipment and participate in group classes such as aerobics, Pilates, or yoga. Certified trainers are available to help participants establish and meet fitness and health goals.

Spouses of retired State employees are also welcome to join if they are covered by Anthem's Blue Cross and Blue Shield State plan. Eligibility can be confirmed by looking for the State seal on the Anthem insurance card.

Fitness Centers are open from 6 a.m. to 7 p.m. Monday through Thursday, and from 6 a.m. to 2 p.m. Fridays. Since the Centers are very busy before and after work hours and during traditional lunch times, retirees may prefer to use the facilities during off-peak hours, generally between 8 a.m. and 10:30 a.m. or between 2 p.m. and 4 p.m. The Bangor center is located on the Dorothea Dix campus at 176 Hogan Road in the Pooler Pavilion (207-941-4774). The Eastside Wellness Center in Augusta is located on the former AMHI campus at 6 Elkins Lane (207-287-9059).

REQUEST FOR INFORMATION

The MSRS needs to maintain current identifying information for members and retirees. Any needed changes should be submitted through one of the following forms, which may be found in the Forms section at www.msrs.org.

Form MM-0002

This form is for changes to a member's or retiree's name, date of birth or Social Security number; or a change to an active member's address. This information may be completed either by the retiree, member, or by a member's payroll clerk.

Form MM-0003

This form is for address changes only for a retiree, beneficiary, or any other individual receiving or applying for payment from MSRS. These changes must be notarized.

LEGISLATIVE

Group Life Insurance after Return from Military Leave

A recent change in the law allows public employees who participate in the MSRS Group Life Insurance program to resume their coverage when they return from military leave. Previously, an employee had to either pay premiums while on military leave or file evidence of insurability upon the employee's return to work. Now, the employee can restore coverage at no cost and without filing evidence of insurability, if he or she makes the request within 31 days of returning to work. The law applies to any employee on military leave on or after January 1, 2007.

LEGISLATIVE

Membership No Longer Required for Substitute Teachers

Substitute teachers can opt out of membership in the Maine State Retirement System defined benefit plan when a new law takes effect on September 20, 2007. Current substitute teacher members may stop making contributions after that date. Substitute teachers can apply for a refund of all prior contributions, unless they are making contributions based on other MSRS-covered employment, for example, as a part-time teacher or state employee. Current substitute teacher members who decide to stop membership may later choose to re-join the MSRS while employed as a substitute teacher. Only two re-join opportunities are permitted. After September 20, new substitute teachers can choose not to join MSRS initially, but can apply for membership at any time after that. For questions about how the new law will work, please contact MSRS and ask for the Teacher Unit.



Saving Today to Afford Retirement Tomorrow
Introducing MaineSTART

While many of us look forward to retirement, the truth is that many of us don't do much to plan for it. It may seem like a long way off, but the sooner you start saving for retirement, the more comfortable and secure you'll be when the time does come. Having a picture of what you want for the future is the first step to getting there.

There's more to planning for the future than just money, but financial security is key to having choices about many other aspects of life in retirement. In a world with myriad financial options and opinions, there is one thing upon which all the financial gurus agree. The sooner you start saving, the more benefit you get from tax-deferred compounding and the more you will have in retirement.

MSRS is pleased to offer **MaineSTART**, a new tax deferred plan to help our members save for their future. This plan makes saving simple and affordable. We've done the research and come up with a program that takes the guesswork out of investment decisions. MaineSTART invests in low

cost Vanguard index and lifecycle funds. Vanguard is a non-profit mutual fund company so fees are lower than most other deferred compensation programs.

The bottom line is if you want a retirement lifestyle that allows for more than necessities, you may need more than the income from your defined benefit plan. The good news is that programs like MaineSTART allow you to save for retirement and enjoy immediate savings from pre-tax contributions. Every dollar you save through MaineSTART reduces your taxable income by that same dollar.

MaineSTART replaces a program administered by CitiStreet, which was discontinued by MSRS. Right now, this new plan is available only to members employed by Participating Local Districts.

So, are you ready to START? For more information about MaineSTART, contact your employer, or visit www.mainestart.org.

New Trustees continued from page 1

Masters in Public Administration, both from the University of Maine, Orono. His work experience with the Maine Department of Health and Human Services includes many positions ranging from social worker to Quality Control Supervisor. He is now retired but has returned to work for the Department. Mr. Burgoyne has served on the Deferred Compensation Board and MSEA's Voluntary Employee Benefits Association Board and has held many positions at MSEA. Mr. Burgoyne has served and chaired both the Bangor Zoning Board of Appeals and the Bangor Planning Board and has been an election worker for the City of Bangor for many years.

Former Vice Chairman and public member [Peter M. Leslie](#) was elected to succeed Mr. Wakelin as Chairman, and retired teacher [Catherine Sullivan](#) is the new Vice Chair.

A resident of Waterford, [Peter Leslie](#) was a 1958 honors graduate of Princeton University. He worked seven years with Citibank in Brazil, then joined a New York investment bank and traveled extensively throughout the third world, Europe and North America, working with government and corporate clients. In 1972 he founded Leslie, Weinert & Co. Inc., an investment banking firm whose clients included governments, corporations, financial institutions, and multilateral organizations such as the United Nations. In 1984, he retired from active management to devote time to public service, private business, and family. Mr. Leslie's professional memberships include the National Commission on Responsibilities for Financing Postsecondary Education; the United States Commission on Improving the Effectiveness of the United Nations; member and Vice Chair on the Committee to Study the Retirement System (The Monks Commission); the Maine Health Care Finance Commission; Chair and member of the Cape Elizabeth School Board; Treasurer and Trustee of the Maine Audubon Society.

[Catherine R. Sullivan](#) of Portland, who continues in the new capacity of Vice Chair, was designated by retired teachers to serve on the Board. With a Bachelors degree from Mount St. Mary College and a Masters of Education from UMA, Ms. Sullivan was a teacher and school administrator for 37 years. She brings to the Board the perspective of the System's retired teacher constituency. As with all of the State's public school teachers, she was herself a System member, and she came to the Board in 1999 with a range of experience and participation in organizations with public responsibilities. In addition to her separate role as a Trustee, she serves on the Executive Committee of MEA-Retired, the Guidance Committee of National Retired Teachers Association, and as Trustee of MEA Benefits Trust. Ms. Sullivan is also a volunteer with her church and continues to be active on matters of education.

LEGISLATIVE**Automatic Refunds to Inactive Members**

During the recent session, the Legislature authorized the MSRS to issue refunds to an estimated 25,000 members whose accounts have been inactive for three or more years, and who are not vested. An inactive account is one where the member has stopped making contributions. Some members terminate employment but leave their money in the System because they expect to return to MSRS-covered employment. Others simply may not realize they can withdraw retirement contributions from the MSRS.

MSRS expects to begin issuing these refunds in late 2007. If an inactive member wishes to keep his or her money with the System, the refunded amount can be returned to the MSRS within 30 days and the account will be restored.

The new law also will affect anyone who is an active member now, who later terminates MSRS-covered employment. In the future, the System will review all inactive accounts after three years and issue an automatic refund.

MARK YOUR CALENDARS**Mailing Dates for Benefit Payments**

As a general rule, the MSRS issues benefit payments on the next to the last day of the month. When the next to the last day is a Saturday, Sunday, or a holiday, payments are delivered on the next business day. For the remainder of 2007, payments will be issued on the following dates:

July 30, 2007	October 30, 2007
August 30, 2007	November 29, 2007
September 28, 2007*	December 28, 2007*

* An advice of deposit memo will also be issued on these payment dates.

2007 Holiday Schedule

The MSRS office will be closed in observance of the following holidays for the remainder of 2007:

Labor Day	Monday, September 3 rd
Columbus Day	Monday, October 8 th
Veterans Day	Monday, November 12 th
Thanksgiving Day	Thursday, November 22 nd
Thanksgiving Friday	Friday, November 23 rd
Christmas Day	Tuesday, December 25 th



Maine State Retirement System
Retirement News

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Retirement News is intended to provide timely information about the MSRS to members, employers and retirees. For the most complete and up-to-date information, please contact an MSRS representative. The contents should not be considered the basis of any contractual rights between the MSRS and its members. The official wording of the laws of Maine will govern.

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