



MSRP E-Newsletter

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SURVEY SAYS AMERICANS ARE WOEFULLY UNPREPARED FOR RETIREMENT

BY. ANNE P. O'NEILL, *CRC*[®]

A national survey conducted last month reveals that 43% of American workers have less than \$10,000 in retirement savings. The study, conducted by the Employee Benefit Research Institute, also shows more than one-fourth of U.S. workers say they have saved less than \$1,000 for retirement.

These are grim statistics when you consider that retirement planning professionals recommend that most households need to replace at least 80% of their pre-retirement income if they want to live comfortably during their golden years. This means that if a household earns \$50,000 annually, it should be prepared to generate \$40,000 a year during retirement to maintain their current standard of living.

It is important to realize that Social Security and pension benefits will provide only a portion of your retirement income. You'll need to fund the rest yourself and create your own "nest egg" from personal savings and investments. There are many good (and free) internet based retirement calculators that help you determine how much money needs to be saved each month if you want to live comfortably during your retirement years.

Check out www.ChooseToSave.org for an easy to use calculator. Additionally, Nationwide and MSRP field representatives would be happy to meet with you to help you calculate the amount you should be saving. We know that times are tight right now, but as much as you think you need the money now, you will need it even more in retirement. Even a small increase in your deferral amount can make a difference down the road in retirement! Log onto your account at www.MarylandDC.com or call Customer Service at 800-545-4730 to increase your deferral today.

Finding a way to save more and reach your goal is not as hard as it seems, and it is essential.

Identify Your Spending Leaks and Find Ways to Save More

One of the best ways to find additional money for your retirement nest egg is to stop money from "leaking" out of your pocket. Here are some tips to help you do just that:

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Step 1: Keep a Spending Diary for at least 2 weeks

Spending leaks are expenses that sap money from your weekly budget without you really noticing. Individually, they don't seem very costly. Over time, however, they can really add up! Try filling out a spending diary over the course of two weeks – or even a month if you can.

Record every purchase and payment you make, whether it's an electricity bill, lunch at work, a cup of coffee or a mortgage payment. Try dividing your diary into categories to make it a little easier to assess at the end of the period. For example, "food and drink", "bank fees", "household bills", "debts", etc. At the end of the period, go back over your diary and find out where your money goes.

Step 2: Take action!

Learn what causes you to spend money and avoid those "triggers". It may be yard sales, bargains, or perhaps when you feel sad. If yard sales make you spend money, reduce the number you visit. If cash in your pocket makes you spend, carry little or no cash. Perhaps leaving your credit cards and check-book at home will work for you.

When a spending trigger hits, answer the following questions:

- Will this purchase help meet my goals?
- Do I need this or do I want this? Can I afford it?
- What will I have to give up to get this?
- Am I buying this because it's on sale?
- Am I buying because of how I feel right now?
- What else can I do to feel better without buying this?

If your spending leaks tend to be along the lines of regular treats for yourself (such as a daily coffee or a few magazines at the supermarket register each week), remember that it's still okay to treat yourself every now and then. Try sticking to a coffee one

day a week rather than buying a coffee every day. Or try selecting one or two magazines that you like and perhaps buy them once a month rather than every week.

Sometimes, plugging a spending leak can be helped with a little forward planning. Rather than buying your lunch at work every day, think ahead and prepare your lunches at home. While you'll still have to buy the ingredients, this will work out much cheaper over time than spending \$8 or more five days a week on lunch. Your waistline may also benefit!

Have a look at your utilities usage at home. For example, do you leave lights or appliances on when you're not using them? Have you considered "time of use" plans or fans to reduce your cooling costs? Do you have a dripping tap or leaking toilet that you've never fixed (surprisingly easy fixes!)? Do you have old or faulty appliances that guzzle water or power? All of these things can result in you paying more for your utilities in the long run than you really need to. While fixing them may cost you money in the short term, over the long term the savings are likely to be worth it.

Detective work can also pay off when it comes to your bank fees. Take a look at your bank statements and identify whether you're spending money on avoidable bank fees, such as fees you are charged if you overdraw your account (careful budgeting and account monitoring can help you ensure you don't do this), or fees charged when you withdraw money from another bank's ATMs.

If you go off track for a couple of days (or even a week), and spend a little more than you'd allowed for, don't throw up your hands and throw out your regular budget and spending plan at the same time.

The key is to start somewhere -- anything is better than nothing, even if you can't contribute as much as you should right now. It is never too late to act. By cutting expenses and making a serious commitment to retirement planning and investing, you can still save enough to allow for a comfortable retirement. 🍷

**EZ ENROLLMENT FORM MAKES GETTING STARTED A SNAP
BY. JULIA GRAHAM, CRC®**



**MARYLAND TEACHERS AND STATE EMPLOYEES
SUPPLEMENTAL RETIREMENT PLANS**

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

EZ Enrollment Form

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

PERSONAL INFORMATION (please print)

Name _____ Male Female
 Address _____
 City _____ State _____ Zip _____
 Home Phone _____ Work Phone _____
 Email Address _____
 Date of Birth ____/____/____ Number of pay periods per year _____
 Agency Code: _____ 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.

Signature _____ Date _____
 Social Security Number _____

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 begin on the next pay date 30 days from the date my form is received by the Program, and that upon receipt of this form I will receive a Program welcome kit. Changes can be made at any time.

Please be sure to provide your Social Security Number, signature, and date.

TERMS AND CONDITIONS

Upon receipt of this enrollment form, you will be mailed a welcome kit which will include a copy of the Cancellation Form, Beneficiary Form, Memorandum of Understanding and Enrollment Kit or Basics Booklet with more detailed information on the provisions outlined below:

- My account balance will be held by MSRP in trust for the exclusive benefit of me or my beneficiaries.
- I may cancel my participation, before my forms are processed, by calling 1-800-545-4730 within seven days from the date that I signed the enrollment form.
- Based on market fluctuations, the rate of return on my account could be either positive or negative. This could result in my account balance being worth less than my contributions.
- Investments may have underlying expenses or management fees that will reduce the investment results. Information on these expenses can be found in the investment profiles or the respective prospectus(es). Investment profiles and prospectus(es) can be found on the Plans website at MarylandDC.com
- Fund prospectuses can be obtained by calling 1-800-545-4730. Read the prospectuses carefully before investing. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus contains this and other important information.
- You can always call Team MSRP at 1-800-543-5605 for a schedule of investment education opportunities.

Retirement Specialists are registered representatives of Nationwide Investment Services Corporation: Member FINRA.

The Internal Revenue Service imposes rules which limit the times when I can make changes or receive withdrawals from the Program.

- At any time, I may change my contribution amount. At any time, I may change the investment allocation of either my contribution or my current account balance, or both.
- I may withdraw funds from the Program only upon:
 - 1) Severance from employment (including termination or death)
 - 2) A severe financial hardship (as defined by IRC section 401(k))
 - 3) An Unforeseeable Emergency (as defined by IRC section 457(b))
 - 4) Plans loan provision
 - 5) Total disability
 - 6) Attaining age 59½ even if still employed. Only available for 401(k)
 - 7) Attaining age 70½ even if still employed. Only available for 457(b)
- Although not required, withdrawals may begin after receipt of a Payout Request Form including my severance from employment and my employer's verification of severance.
- Distributions must commence by April 1 following the year you reach age 70½ unless still employed by the State.
- The funds in my account may be eligible for rollover to an IRA or to an eligible retirement plan upon severance from employment.
- I realize my participation is for long-term retirement savings and I should maintain separate, available emergency funds to cover day-to-day, unanticipated, financial shortages.

NRW-2899MD-MD.1 (04/10)

Team MSRP was present at every Health Benefit Fair in the state this spring. During that time period we piloted our new EZ Enrollment Form, which was well received by employees and Benefit Coordinators alike. The new form makes enrolling in our plans for new employees and those who have never gotten around to joining simple enough it can be completed in less than 2 minutes!

Encouragement from current participants has always been one of the best ways to get other employees started saving for retirement in the Supplemental Retirement Plans. Do you know a new employee or someone who has never joined (maybe you!)? Give them this form and ask them to get started by completing the form and faxing or mailing it in today! They will thank you down the road to retirement! 🎯

FEELING OFF BALANCE?
BY. JULIA GRAHAM, *CRC*[®]

MSRP offers two basic approaches to selecting your investments, the Target Retirement Funds and the Traditional Approach where you come up with your own mix of mutual funds. For those of you using the Traditional Approach, keeping your asset allocation on track just got a lot easier! Team MSRP's new Asset Rebalancing Service will maintain your selected asset allocation mix.

In most cases, once activated, we will evaluate your account(s) on the same date every three months, or the first business date thereafter. If necessary, we will adjust your balances to the levels you selected. There is no additional fee for this new service.

So, once you get the balance you want, we help you keep it there – until, and unless, you decide otherwise. When a transaction occurs because of asset rebalancing, a confirmation will be mailed to you and the transaction will be reflected on your statement.

If you would like more information about this service, please call Customer Service at 800-545-4730.

To get started with the Asset Rebalancing Service, go to www.MarylandDC.com
to access your account, or call 877-350-0303. 🌐

GOLDMAN SACHS
BY. JEANNIE HENRY, *CRC*[®], ChFC

In April 2010, the Securities and Exchange Commission filed a civil suit against Goldman Sachs Group, Inc., accusing the company of misleading investors in a mortgage-linked investment. The allegation concerns a single transaction in 2007 involving two professional institutional investors and it is not related to Goldman Sachs Asset Management (GSAM), the advisor for the Goldman Sachs Large Cap Value Fund that MSRP has available in the 401k/457 plans.

Goldman Sachs Group, Inc, the parent company of GSAM is functionally separate and regulated by a different division of the SEC. A key difference between the two businesses is that the asset management division oper-

ates under a fiduciary duty to its clients, whereas the sales and trading division does not.

It is also important to remember that the value of any mutual fund is based on the value of the underlying investments, in this case the individual stocks held by the fund. Therefore, the value of Goldman Sachs Company stock has no impact on the value of the mutual fund.

You can be assured that the Board of Trustees and its professional advisors will continue strong oversight and review of the plans' investment options regularly. 🌐

T. ROWE PRICE TARGET FUNDS RECEIVE TOP “ANALYSTS PICK” AWARD FROM MORNINGSTAR AND FIRST PLACE AWARDS FROM LIPPER

BY. ANNE P. O’NEILL, *CRC*[®]

“T. Rowe Price’s Retirement Funds lineup is one of our top choices for actively managed target-date funds.” -Morningstar, 8/31/09

In a recent study of target-date fund offerings, Morningstar, Inc., a leading provider of independent investment research, rated T. Rowe Price Retirement Funds among its “top” picks among 20 widely-held target-date fund series, and gave them high marks across a wide range of evaluation categories. The maximum rating of “top” implies that a target-date series outshines its average peer for the following components:

- People: includes investment managers and incentives.
- Parent: focuses on corporate culture, board oversight, transparency, and regulatory history.
- Price: rates annual fees, loads, and other costs.
- Performance: discusses the underlying funds as well as their individual Morningstar star ratings.
- Portfolio: reviews fund asset allocations according to category and Morningstar star rating.

The study mentions that the T. Rowe Price’s relatively aggressive (higher allocation to stocks versus fixed income) glide path is designed to take investors through their entire retirement, not just up to the retirement day. This approach is based on T. Rowe Price research showing that among a retiree’s biggest risks is that of running out of money during the retirement years.

Morningstar opinion writer Harry Milling states that “despite its bold profile, it’s no surprise that T. Rowe Price’s target-date offering is best in class. T. Rowe Price is well known for offering a disciplined investment process at a reasonable cost, and those merits definitely apply to its Retirement funds. This is a blue chip lineup, and it’s less expensive than many.”

Lipper Awards

In addition, Lipper Inc., a leading provider of data and analysis on mutual funds, gave 6 T. Rowe Price Target Funds (Retirement 2005,2020,2030,2035,2040,2045) first-place awards among their respective peers based on their risk-adjusted performance for the 3-, 5-, or 10-year periods ended December 31, 2009. 🍷

TEAM MSRP IS HERE TO HELP IN TOUGH TIMES
BY. MICHAEL HALPIN, *CRC*[®], *CRA*[®], MSRP EXECUTIVE DIRECTOR



Through April 30, 2010 employees like you have saved more than \$2.2 billion through the Maryland Supplemental Retirement Plans. As you continue your MSRP participation, your portion of these assets – your contributions and any earnings – could go a long way in supplementing your pension and social security payments as income through retirement. Team MSRP is proud to have been there with you, and for you.

Just as Team MSRP has stood with you when the economy is good, you can count on us as a continued resource for your supplemental retirement planning when markets are down or times get tougher. Remember: It's important to save, and scrimp to save, even through the tough times.

If your budget gets even tighter, you can reduce your contribution for a while. If it gets worse, you may be able to request a loan from your MSRP account, or, as a last resort, an emergency hardship withdrawal. Keep in mind that both have income tax consequences and will impact your account balance. Keep in mind that as much as you think you need the money now, you will probably need it even more in retirement.

As always, Team MSRP is here during extended hours to help you be successful through MSRP participation – call us from 8 a.m. - 11 p.m at 800-545-4730. 🌐

WHAT YOU NEED TO DO...WHEN YOU WANT TO CHANGE YOUR BENEFICIARY
BY. ANGELA ANDERSON *CRC*[®]

In the event of your death, the value of your 401(k), 457(b), 403 (b) and 401(a) accounts are provided to your beneficiary(ies). To protect your loved ones, it's very important that you designate your beneficiary(ies), and keep your beneficiary information up to date.

Here are some good reasons to update your beneficiary information:

- You get married.
- You have a child.
- You get divorced.
- Your current beneficiary dies.
- It's been some time since you've updated your beneficiary information.

How can I find out who is listed on my account(s) as my beneficiary(ies)?

You can contact Nationwide Retirement Solutions Customer Service toll-free at 1-800-545-4730 and request this information be sent to you by US mail. Customer Service is unable to provide this information over the telephone for security reasons.

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How do I choose a beneficiary(ies)?

Selecting a beneficiary is a very personal decision. Some people want to use a death benefit to protect their loved ones, and other people look at it more as a financial transaction. Who will need extra money when you pass away? Are there people that count on you for financial support? People who will bear certain expenses at your death? These are good questions to ask when choosing your beneficiary.

How can I update or change my beneficiary(ies)?

You can request the appropriate beneficiary designation/change forms by calling Nationwide Retirement Solutions Customer Service Center toll-free at 1-800-545-4730. You may download the forms at www.MarylandDC.com click on the forms tab at the top of the page.

Beneficiary Q&As

When can I update my beneficiary information?

You can update your beneficiary information anytime.

Can I choose more than one beneficiary?

Yes, you can choose more than one beneficiary.

Can I choose a minor child as my beneficiary?

Yes. *However*, additional documents may be necessary to appoint a guardian to manage the minor's assets.

I'm married. Can I choose a beneficiary other than (or in addition to) my spouse?

Yes, you are entitled to name any person as the beneficiary.

What is the difference between a primary beneficiary and a contingent beneficiary?

If they are living at the time of payment, your primary beneficiary(ies) will receive the full value of your account(s). If all of your primary beneficiaries are no longer living, your contingent beneficiary(ies) will receive the full value of your account(s).

Can I choose an entity as my beneficiary?

Yes. You can designate an entity, such as a charitable organization or a trust. 🌐

SAVING\$ EXPO SNEAK PEEK
BY. JULIA GRAHAM CRC®

To celebrate *National Save for Retirement Week* Maryland Supplemental Retirement Plans will be presenting a SAVING\$ EXPO. The SAVING\$ EXPO will give State employees the opportunity to learn more about saving, investing and smart use of debt so they can improve their financial future. The EXPO will feature refreshments, give-aways and door prizes.

The EXPO HALL will be open from 9AM to 4PM each day. A variety of agencies and our participating mutual funds have been invited to staff information tables to answer your questions.

Mark your calendars now!

Annapolis, October 20, 2010

Baltimore, October 21, 2010

Educational seminars will be offered throughout the day.

Watch for fliers with additional information coming out in early September. 🌐

FINANCIAL EDUCATION TO HELP YOU WEATHER THE ECONOMIC STORM
BY. JULIA GRAHAM, CRC®

There is no time like the present to learn more about personal finance so that you can better plan for your retirement! MSRP offers this intensive educational workshop for state employees to equip you with the information you need to manage your finances now and plan for your future. The sessions are considered State sponsored employee training activities and may be recognized in your personnel file as part of your Individual Career Development Plan. Spouses are welcome to attend.

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. The **Financial Planning 101 Seminar** consists of seven modules:

- 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 Plans and all other retirement options available when planning for retirement.
- Module 6 – Estate Planning – Describes the various choices available to protect your dependents and your assets during incapacitation and death.
- Module 7 – College Planning – Describes the various financial options available to save and pay for college.

Upcoming dates:

June 22, 2010	9:00 AM – 4:30 PM		Allegany Co. Health Department, Cumberland
July 13, 2010	9:00 AM - 12:30 PM	Modules 1, 2 & 3	201 W. Preston St., Baltimore
July 20, 2010	9:00 AM – 11:45 AM	Modules 4, 5, 6 & 7	201 W. Preston St., Baltimore
July 22, 2010	9:00 AM - 12:30 PM	Modules 1, 2 & 3	Goldstein Building, Annapolis
July 29, 2010	9:00 AM – 11:45 AM	Modules 4, 5, 6 & 7	Goldstein Building, Annapolis
Sept. 17, 2010	9:00 AM – 4:30 PM		Eastern Shore Hospital, Cambridge

Registration Instructions:

If you would like to attend Financial Planning 101, please verify with your supervisor that you may attend and send us your registration information ASAP. Please send the requested information to info@msrp.state.md.us. If you do not have email, you may register by calling Jacquetta Robinson at (410) 767-8740.

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Please include the following information:

- Name
- Email Address
- Mailing Address
- Daytime Phone Number
- Date and of the session(s) you plan to attend- (for half day sessions please register for both sessions if you want to attend the entire program)
- Agency of Employment
- Years Employed by the State
- If you require any special assistance for a disability

You will receive a confirmation e-mail from our agency within 5 business days. If you do not hear back from us within that time frame, please contact Jacquetta Robinson at (410)767-8740. 📞



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Anthony G. Brown, Lieutenant Governor

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