Changes in Education Governance

In January 2008, Governor Deval L. Patrick filed legislation designed to improve coordination of policy across all sectors of education. The legislation was passed by the House and Senate in February and took effect on March 10, 2008.

With its passage, the structure of education in Massachusetts includes the new Executive Office of Education, with Dr. Paul Reville serving as Secretary of Education.

ORP “Retiree” Checklist for GIC Insurance

Premiums for “Retiree Insurance” benefits from the Group Insurance Commission (GIC) are generally deducted from your retirement income under the ORP each month. Coordinating this process requires you to:
1) Select the insurance benefits you want during retirement; and,
2) Initiate your “Retiree Income” from the Optional Retirement Program.

A “Retiree Checklist” has been developed and is available on the ORP web pages at http://www.mass.edu/foremployees/orp/gicretiree.asp.

Distribution Guidelines

Distributions from the ORP are payable to participants anytime after termination of employment with the Commonwealth. The plan provides a wide variety of payment methods; ensuring that participants may draw from the plan in a form that best meets their needs.

Payment methods include: lifetime annuities; systematic withdrawals; payments for a fixed period; interest-only payments; full and partial lump sums. Please remember that lump sum payments are restricted for participants younger than age 55.

Also, please remember that if you are 55 years or older and have ten years of service you are eligible for GIC Retirement Benefits but must keep enough money in your plan to cover health insurance premiums. You can request an estimate on how much money you need to leave in your retirement account to maintain eligibility for GIC Retirement Benefits.

You can find detailed information about the payment methods, including lump sums, on our web pages and through your Provider. See "Important ORP Contacts" on page 4.

Did You Know??
The newly revised Summary Plan Description (SPD) is now available in hard copy in your campus Human Resource office or by request at (617) 994-6960, and online at http://www.bhe.mass.edu/shared/documents/orp/SPD.pdf.

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Market Volatility

If your retirement investments have been affected adversely by a volatile stock market, you’ve probably wondered what to do about your long-term investments. You can take some comfort in the fact that you aren’t alone. The market fluctuations of the past several years have challenged many retirement plan investors. They learned the hard way that the stock market can indeed be volatile and, in the short term, may not always rise.

But experienced long-term investors with suitably allocated portfolios know to keep short-term activity in proper perspective. As tempting as it might be to do otherwise, they ride out uncertainties and stay the course toward their long-term financial goals.

Asset allocations can also help you weather the ups and downs of the market.

To strategically create a mix of investments comprising different markets sectors, company sizes and investment management styles can help better manage risk. That is, when one investment does not perform to expectations another might exceed expectations - thus offsetting the downside risks.

Perhaps the best advice is simply to maintain your perspective. If you are investing for retirement don’t let the headlines distract you from your long-term goals. As long as your investments remain aligned with your objectives, you needn’t be unduly concerned with the market’s day to day fluctuations.

There is also a positive side to down markets. The potential buying opportunities. This is why, for the long-term investor, time can be the best ally in the face of market volatility - along with investment techniques such as dollar-cost averaging and asset allocations.

Dollar-cost averaging could help short-term market fluctuations work in your favor. This strategy involves putting the same amount in the same investment at regular intervals over an extended period of time. When stock prices fall, the same amount of money buys more shares. This could over time, increase your account value if the share price rises.

Remember, though, neither dollar-cost averaging nor asset allocation guarantees a profit or protects against losses in declining markets. You also should consider your ability to continue investing through periods of high and low price levels.

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