

Retiree Reminder

for retired members of Maine Public Employees Retirement System



October 2009

2009 Cost of Living Adjustment

How will the economy affect my benefit this year?

As a retiree, you typically see a cost of living adjustment (COLA) each September based on the upward change in the Consumer Price Index (CPI). For the first time, you will not see an increase in your benefit because the CPI was actually down 1.4% on June 30, 2009.

The Legislature took quick action this year to avoid decreasing your benefit by the 1.4% negative CPI. They changed the existing law requiring MainePERS to decrease your benefit in a year that the CPI is negative. This means that your benefit this year remains the same as last year. Next year's COLA will be reduced to cover the amount that should have been reduced this year.

Why does a negative COLA have to be recovered from my future benefit?

Maine State law has always required that retiree benefits be reduced for a negative CPI. This is the first time MainePERS has been faced with applying this law. MainePERS and the Legislature worked together to find a way to comply with the law but reduce the hardship on retirees by offsetting a negative COLA this year

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Contact the Director

In your May edition of *Retiree Reminder* we introduced Sandy Matheson, MainePERS' new Executive Director. We also unveiled an email link on our MainePERS web site for "[Contact the Director.](#)" The response has been impressive! Sandy extends sincere thanks and appreciation to everyone who has emailed her with suggestions, concerns and questions. Sandy also thanks you in advance for your patience if you have not yet received a response--she is working on them!



Have you visited the Retired Members section of mainepers.org?

Includes information on:
Returning to Work; COLA;
1099 Info; Advices of Deposit /
Benefit Payment Dates and more!




Going Back to Work? - Rules Improve for Early Retirees

Thinking about going back to work? If you retired before your Normal Retirement Age, certain requirements apply to returning to work for the "same employer."*

- At retirement, you must certify that you have not discussed, or negotiated, a return to work with your employer prior to terminating your employment.
- You may not return to work for at least 30 days, or before the effective date of your retirement, whichever is later.

NEWS FLASH! You may now work for up to 90 days in one year (work-year). The MainePERS Board of Trustees recently increased the limit (of allowed work days) for early retirees from 60 days to 90 days.

 If you return to work and don't follow the requirements, it could mean suspension of your benefit until you reach normal retirement age, or the end of the year in which you are employed, whichever is sooner. Additional penalties may include repaying, with interest, any benefits paid during a period when they should have been suspended.

CONTACT MAINEPERS

To help make sure you avoid penalties or suspension of benefits give us a call or come in and talk to us beforehand. We want your return to work to be successful for you and your employer. For a complete

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Your Benefits Advice of Deposit

MainePERS is using a new computer system for issuing benefit payments. This new system meets the latest standards for benefit processing systems, including Internal Revenue Services requirements. One new feature is the ability to print an advice whenever the net amount of your direct deposit changes by a dollar or more from the previous month. We will still print advices for all recipients during the months of January, June, September and December; but this new feature assures you that when there is a significant change in your benefit amount, you will know about it.

We also simplified the amount of information included on the advice. The Deductions side of the advice is easier to understand by showing Current and Year-to-Date totals.

INFORMATION FOR RECIPIENT					
Space that MainePERS will use for messages.					
000001 201717					
Payee Name:			Payee SSN: XXX-XX-9999		
Earnings			Deductions		
	Current	Year-to-Date		Current	Year-to-Date
Service Retirement	\$1396.51	\$12568.59	Federal Tax	\$13.00	\$117.00
			Maine State Tax	\$8.00	\$72.00
			MAR Dental	\$60.44	\$543.96
			MAR Dues	\$1.25	\$11.25
			Total Deductions	\$82.69	\$744.21
Total Earnings	\$1396.51	\$12568.59	Net Earnings	\$1313.82	\$11824.38
	Period			Paid Date	
	09/01/2008 to 09/30/2008			09/29/2008	

We continued our **INFORMATION FOR RECIPIENT** feature, located above the Earnings and Deductions portion of your advice. Please check this area each month for important information related to your benefit and other MainePERS news.

Finally, please remember to send us a change of address when you move. Letting the U.S. Post Office know does not change your address with MainePERS and could prevent you from getting your check or advice in a timely manner.

Going Back to Work *continued*

summary of the rule changes, see [Update on Rulemaking](#) at www.mainebers.org.

If you retired at the normal retirement age for your plan, generally age 60 or 62, there are no restrictions on returning to work, except that you must terminate your position in order to retire.

* For State and Teacher retirees, "same employer" means employment in any position covered under the State/Teacher retirement plan. For Participating Local District (PLD) employees, it means employment in a covered capacity with any PLD in the Consolidated Plan, or retiring from, and returning to work with, a PLD that is not part of the Consolidated Plan.

Cost of Living *continued*

against a positive COLA next year. The dollars paid to you remain the same. The advantage is your benefit did not go down.

We realize how important your benefit is to you, and so does the Governor and the Legislature. If you have questions about this change to this important part of your benefit, please call or write us. Your questions are important to us.

COLA

CORRECTION

In the last issue of *Retiree Reminder*, we printed an incorrect number for State Employee Health. The correct telephone is 1-800-422-4503.