

# State Retirement Agency

## MISSION

To administer the survivor, disability, and retirement benefits of the System's participants, and to ensure that sufficient assets are available to fund the benefits when due.

## VISION

A state that provides a fully-funded retirement system that is affordable to all participating employees and provides guaranteed adequate disability, survivor, and retirement benefits.

## KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

**Goal 1. To invest prudently System assets in a well-diversified manner to optimize long-term returns, while controlling risk through excellence in execution of the investment objectives and strategies of the System.**

**Obj. 1.1** By the end of each fiscal year, meet the Board of Trustees' total return objective of achieving a nominal rate of return that equals or exceeds the actuarial return assumption set by the Board of Trustees.

**Obj. 1.2** Over the long term (5-year rolling periods) meet or exceed both median peer performance, where peers are defined as other public pension funds with assets in excess of \$25 billion, and policy benchmark performance, where benchmarks are defined by the Board of Trustees.

Performance Measures	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Est.	2023 Est.
Difference between the actual rate of return for the composite portfolio and the actuarial return assumption set by the Board of Trustees over one year	2.47%	0.56%	-0.99%	-3.83%	19.29%	N/A	N/A
3-year annualized excess return over the actuarial rate	-3.00%	-1.21%	0.72%	-1.39%	4.38%	N/A	N/A
10-year annualized excess return over the actuarial rate	-3.40%	-2.00%	1.16%	0.17%	0.75%	N/A	N/A
25-year annualized excess return over actuarial rate	-0.56%	-0.86%	-0.44%	-0.82%	-0.41%	N/A	N/A
Difference between the actual rate of return for the composite portfolio and the median peer return over a 5-year rolling period	-1.47%	-1.38%	-0.94%	-0.74%	-0.40%	N/A	N/A
Maryland State Retirement and Pension System 5-year return in excess of policy benchmark	0.75%	0.43%	0.26%	-0.03%	0.48%	N/A	N/A
Fair value of investment portfolio at fiscal year-end (\$ thousands)	49,097,846	51,956,589	54,204,605	54,767,092	67,882,565	N/A	N/A
Net investment income earned during the fiscal year (\$ thousands)	4,473,486	3,899,403	3,288,209	1,866,640	14,315,762	N/A	N/A

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**Goal 2. To communicate effectively with all retirement plan participants to inform them about the benefits provided by the System and to educate them about planning and preparing for all aspects of their defined benefit system.**

**Obj. 2.1** On an ongoing basis, 95 percent of new retirees and active plan participants feel that they received adequate information to make informed decisions regarding their defined benefit retirement options.

**Obj. 2.2** No more than 7.5 percent of incoming telephone calls will be abandoned by the phone system, and waiting time for calls to be answered will be less than 2:15 minutes.

<b>Performance Measures</b>	<b>2017 Act.</b>	<b>2018 Act.</b>	<b>2019 Act.</b>	<b>2020 Act.</b>	<b>2021 Act.</b>	<b>2022 Est.</b>	<b>2023 Est.</b>
Percentage of new retirees and active plan participants who respond favorably to a customer survey regarding the retirement process and adequacy of information disseminated through individual counseling and through telephone inquiry	95.60%	97.00%	97.43%	96.78%	97.30%	97.00%	97.00%
Percentage of incoming telephone calls abandoned by the automated telephone system	5.38%	6.50%	15.00%	18.45%	16.43%	10.00%	7.50%
Average telephone waiting time in minutes and seconds	1:25	1:44	4:30	5:44	6:09	4:00	2:15

# Maryland State Retirement and Pension Systems

## Summary of State Retirement Agency

	<b>2021 Actual</b>	<b>2022 Appropriation</b>	<b>2023 Allowance</b>
Number of Authorized Positions	216.00	215.00	214.00
Number of Contractual Positions	3.61	8.00	7.00
Salaries, Wages and Fringe Benefits	23,489,830	24,987,877	26,955,664
Technical and Special Fees	510,932	711,779	724,759
Operating Expenses	19,150,018	19,955,098	19,571,699
Special Fund Expenditure	19,037,510	19,228,629	19,397,820
Non-Budgeted Fund Expenditure	14,738,718	17,120,883	18,586,822
Reimbursable Fund Expenditure	9,374,552	9,305,242	9,267,480
Total Expenditure	43,150,780	45,654,754	47,252,122

## Maryland State Retirement and Pension Systems

### G20J01.01 State Retirement Agency - State Retirement Agency

#### Program Description

This program implements the objectives of the State Retirement and Pension System (MSRPS). The Executive Director's Office is responsible for the executive direction of the System including administrative and investment policy, legislation and legal liaison, and financial affairs. The Administrative Division is responsible for the payment of benefits, administration of employee contributions, and individual and group membership counseling. The Finance Division is responsible for accounting and financial reporting, budget administration, and procurement. The Investment Division is responsible for the management, control and investment of the System's Retirement Accumulation and Annuity Savings Funds. The Internal Audit Division ensures Agency compliance with State laws, rules and regulations, as well as ensuring employer compliance with Agency reporting policies. The Information Services Division is responsible for the design and implementation of new automated information management systems and for maintenance and enhancements of existing systems.

<b>Appropriation Statement</b>	<b>2021 Actual</b>	<b>2022 Appropriation</b>	<b>2023 Allowance</b>
Number of Authorized Positions	175.00	174.00	173.00
Number of Contractual Positions	3.61	8.00	7.00
01 Salaries, Wages and Fringe Benefits	17,132,438	17,160,992	17,891,240
02 Technical and Special Fees	487,894	711,779	724,759
03 Communications	631,885	753,800	753,800
04 Travel	7,644	83,497	98,292
07 Motor Vehicle Operation and Maintenance	130,496	128,060	128,511
08 Contractual Services	5,193,593	5,246,847	6,278,075
09 Supplies and Materials	111,323	113,421	117,129
10 Equipment - Replacement	76,140	75,020	108,593
11 Equipment - Additional	48,043	35,000	61,298
12 Grants, Subsidies, and Contributions	160,606	160,606	160,606
13 Fixed Charges	2,164,160	2,332,472	2,342,997
Total Operating Expenses	8,523,890	8,928,723	10,049,301
Total Expenditure	26,144,222	26,801,494	28,665,300
Special Fund Expenditure	17,516,628	18,047,004	19,397,820
Reimbursable Fund Expenditure	8,627,594	8,754,490	9,267,480
Total Expenditure	26,144,222	26,801,494	28,665,300
<b>Special Fund Expenditure</b>			
G20302 Admin Cost Allocation-Participating Governments	17,516,628	18,047,004	19,397,820
Total	17,516,628	18,047,004	19,397,820
<b>Reimbursable Fund Expenditure</b>			
G20901 Admin Cost Allocation-State Agencies	8,627,594	8,754,490	9,267,480
Total	8,627,594	8,754,490	9,267,480

## Maryland State Retirement and Pension Systems

### G20J01.02 Major Information Technology Development Projects - State Retirement Agency

#### Program Description

This program provides funding for Major Information Technology Development Projects in the State Retirement Agency. Funding will be used to complete the third and final planned phase of the Maryland Pension Administration System (MPAS) project.

<b>Appropriation Statement</b>	<b>2021 Actual</b>	<b>2022 Appropriation</b>	<b>2023 Allowance</b>
03 Communications	300,000	0	0
08 Contractual Services	1,722,785	1,732,377	0
09 Supplies and Materials	47,155	0	0
11 Equipment - Additional	197,900	0	0
Total Operating Expenses	<u>2,267,840</u>	<u>1,732,377</u>	<u>0</u>
Total Expenditure	<u><u>2,267,840</u></u>	<u><u>1,732,377</u></u>	<u><u>0</u></u>
Special Fund Expenditure	1,520,882	1,181,625	0
Reimbursable Fund Expenditure	<u>746,958</u>	<u>550,752</u>	<u>0</u>
Total Expenditure	<u><u>2,267,840</u></u>	<u><u>1,732,377</u></u>	<u><u>0</u></u>
<b>Special Fund Expenditure</b>			
G20302 Admin Cost Allocation-Participating Governments	<u>1,520,882</u>	<u>1,181,625</u>	<u>0</u>
Total	<u><u>1,520,882</u></u>	<u><u>1,181,625</u></u>	<u><u>0</u></u>
<b>Reimbursable Fund Expenditure</b>			
G20901 Admin Cost Allocation-State Agencies	<u>746,958</u>	<u>550,752</u>	<u>0</u>
Total	<u><u>746,958</u></u>	<u><u>550,752</u></u>	<u><u>0</u></u>

# Maryland State Retirement and Pension Systems

## G20J01.43 Investment Division - State Retirement Agency

### Program Description

The Investment Division is responsible for the implementation of the policies adopted by the Board of Trustees of the Maryland State Retirement and Pension System. The main functions include the investment and monitoring of System assets in a prudent and diversified manner, and to ensure that funds are available to meet benefit obligations.

### Appropriation Statement

	2021 Actual	2022 Appropriation	2023 Allowance
Number of Authorized Positions	41.00	41.00	41.00
01 Salaries, Wages and Fringe Benefits	6,357,392	7,826,885	9,064,424
02 Technical and Special Fees	23,038	0	0
03 Communications	15	0	0
04 Travel	1,643	150,000	150,000
08 Contractual Services	8,163,542	8,916,278	9,120,833
09 Supplies and Materials	286	9,000	9,000
13 Fixed Charges	192,802	218,720	242,565
Total Operating Expenses	8,358,288	9,293,998	9,522,398
Total Expenditure	14,738,718	17,120,883	18,586,822
Non-Budgeted Fund Expenditure	14,738,718	17,120,883	18,586,822
Total Expenditure	14,738,718	17,120,883	18,586,822
<b>Non-Budgeted Fund Expenditure</b>			
G20701 Pension Trust Fund (G20701)	14,738,718	17,120,883	18,586,822
Total	14,738,718	17,120,883	18,586,822

### 3 Year Position Summary

Classification Title	FY 2021 Positions	FY 2021 Expenditures	FY 2022 Positions	FY 2022 Appropriation	FY 2023 Positions	FY 2023 Allowance
<b>G20 - Maryland State Retirement and Pension Systems</b>						
<b>G20J0101 - State Retirement Agency</b>						
Accountant Advanced	9.00	525,048	9.00	573,282	9.00	532,556
Accountant I	2.00	40,760	0.00	0	2.00	119,079
Accountant II	9.00	322,874	7.00	391,213	5.00	289,935
Accountant Lead	3.00	171,913	3.00	185,644	3.00	185,644
Accountant Manager II	3.00	286,846	4.00	350,093	4.00	375,124
Accountant Supervisor I	1.00	64,265	1.00	69,268	1.00	69,268
Accountant Supervisor II	4.00	308,281	4.00	309,653	4.00	339,591
Accountant Trainee	2.00	87,463	4.00	196,302	4.00	179,072
Admin Aide	0.00	15,175	0.00	0	1.00	46,397
Admin Officer I	8.00	378,462	8.00	423,299	8.00	423,299
Admin Officer II	4.00	160,338	4.00	198,318	4.00	193,503
Admin Officer III	3.00	120,804	4.00	211,992	3.00	167,003
Admin Prog Mgr II	0.00	90,980	1.00	91,892	1.00	91,892
Admin Prog Mgr III	1.00	104,685	1.00	105,735	1.00	105,735
Admin Spec I	0.00	26,005	1.00	40,970	2.00	83,424
Admin Spec II	8.00	244,944	7.00	287,947	6.00	252,174
Admin Spec III	15.00	617,248	15.00	687,638	14.00	628,276
Administrator I	6.00	322,654	6.00	344,306	6.00	344,116
Administrator II	9.00	596,303	9.00	610,424	9.00	626,878
Administrator III	3.00	212,815	3.00	214,948	3.00	214,948
Administrator IV	1.00	0	0.00	0	0.00	0
Administrator V	1.00	170,843	2.00	172,556	2.00	172,556
Administrator VI	1.00	95,101	1.00	94,385	1.00	94,385
Asst Attorney General VI	4.00	308,122	3.00	311,211	3.00	311,211
Asst Attorney General VII	0.00	102,401	1.00	103,428	1.00	103,428
Asst Attorney General VIII	2.00	238,664	2.00	241,057	2.00	241,057
Computer Network Spec II	5.00	108,607	3.00	168,097	3.00	183,281
Computer Network Spec Lead	0.00	150,907	2.00	152,420	2.00	152,420
Computer Network Spec Mgr	1.00	98,118	1.00	99,103	1.00	99,103
Computer Network Spec Supr	1.00	77,512	1.00	78,290	1.00	78,290
Database Specialist II	0.00	61,721	1.00	80,695	1.00	54,279
Database Specialist Supervisor	0.00	91,975	1.00	92,897	1.00	92,897
Designated Admin Mgr IV	1.00	105,529	1.00	106,587	1.00	106,587
Div Dir Ofc Atty General	1.00	134,392	1.00	135,740	1.00	135,740
Exec Assoc II	1.00	43,293	1.00	61,515	1.00	61,515
Exec Assoc III	1.00	79,258	1.00	80,053	1.00	80,053
Exec Dir State Retirement Agency	1.00	165,348	1.00	167,005	0.00	0
Executive Senior	0.00	24,657	0.00	0	1.00	250,000
Fiscal Accounts Technician II	1.00	43,498	1.00	46,752	1.00	46,752
Fiscal Accounts Technician Supv	1.00	48,860	1.00	52,546	1.00	52,546
Internal Auditor II	1.00	0	0.00	0	0.00	0
Internal Auditor Super	1.00	0	0.00	0	0.00	0
IT Asst Director II	2.00	310,164	3.00	313,275	3.00	313,275
IT Asst Director IV	1.00	0	0.00	0	0.00	0
IT Functional Analyst I	1.00	15,226	1.00	44,989	0.00	0
IT Functional Analyst II	2.00	34,267	2.00	95,762	2.00	95,762
IT Functional Analyst Supervisor	1.00	0	1.00	54,279	0.00	0
IT Programmer Analyst Lead/Advanced	3.00	164,449	2.00	166,097	2.00	166,097

### 3 Year Position Summary

Classification Title	FY 2021 Positions	FY 2021 Expenditures	FY 2022 Positions	FY 2022 Appropriation	FY 2023 Positions	FY 2023 Allowance
IT Programmer Analyst Supervisor	2.00	15,371	1.00	92,897	1.00	57,862
IT Staff Specialist	1.00	70,677	1.00	71,385	1.00	71,385
IT Systems Technical Spec Supervisor	1.00	0	0.00	0	0.00	0
IT Technical Support Spec II	4.00	80,648	3.00	186,223	3.00	186,223
IT Technical Support Spec Supervisor	0.00	88,481	1.00	92,897	1.00	92,897
Prgm Mgr I	1.00	0	0.00	0	0.00	0
Prgm Mgr II	1.00	81,180	1.00	81,993	1.00	81,993
Prgm Mgr III	4.00	392,568	4.00	374,691	4.00	346,163
Prgm Mgr IV	5.00	487,956	5.00	486,487	5.00	517,057
Prgm Mgr Senior II	3.00	484,273	4.00	489,128	5.00	520,708
Prgm Mgr Senior III	2.00	130,791	2.00	217,595	1.00	132,102
Prgm Mgr Senior IV	1.00	136,003	2.00	274,734	2.00	274,734
Procurement Officer I	1.00	35,231	1.00	57,485	1.00	47,881
Procurement Officer III	1.00	68,412	1.00	69,097	1.00	69,097
Ret Benefits Specialist I	4.00	195,070	5.00	225,887	4.00	177,379
Ret Benefits Specialist II	0.00	207,350	2.00	97,757	4.00	202,926
Ret Benefits Specialist III	15.00	521,838	9.00	542,301	11.00	650,196
Ret Benefits Specialist Ld	0.00	157,085	3.00	202,747	2.00	141,424
Ret Benefits Specialist Supv	3.00	204,641	3.00	207,037	3.00	207,037
State Retirement Administrator	1.00	153,032	1.00	154,566	1.00	154,566
<b>Total G20J0101</b>	<b>175.00</b>	<b>10,881,382</b>	<b>174.00</b>	<b>12,136,570</b>	<b>173.00</b>	<b>12,090,778</b>
<b>G20J0143 - Investment Division</b>						
Accountant Lead Specialized	2.00	88,324	2.00	164,508	2.00	136,533
Administrator II	2.00	154,097	2.00	154,094	2.00	154,094
Administrator VI	1.00	95,101	1.00	96,184	1.00	101,805
Chief Investment Officer MSRP	1.00	344,452	1.00	336,600	1.00	365,548
Dep Chief Investment Officer MSRP	1.00	217,172	1.00	211,437	1.00	232,581
Exec Assoc II	2.00	86,586	2.00	127,056	2.00	116,595
Investment Associate MSRP	4.00	78,448	4.00	312,848	4.00	315,117
Managing Director I Invest Adm MSRP	1.00	33,090	1.00	123,236	1.00	122,000
Managing Director II Asset Class MSRP	5.00	855,398	5.00	872,481	5.00	1,000,377
Prgm Mgr III	1.00	65,000	1.00	90,888	1.00	90,888
Prgm Mgr Senior IV	1.00	136,004	0.00	0	0.00	0
Sr. Compliance Manager MSRP	1.00	129,544	1.00	127,130	1.00	136,029
Sr. Investment Analyst I MSRP	3.00	180,803	0.00	0	0.00	0
Sr. Investment Analyst II MSRP	0.00	0	3.00	298,494	4.00	414,813
Sr. Investment Analyst III MSRP	2.00	128,934	2.00	226,842	1.00	138,082
Sr. Investment Compliance Analyst MSRP	1.00	92,294	1.00	95,000	1.00	96,900
Sr. Portfolio Manager I MSRP	7.00	478,569	7.00	954,945	2.00	283,902
Sr. Portfolio Manager II MSRP	5.00	1,120,203	6.00	979,850	9.00	1,464,790
Sr. Portfolio Manager III MSRP	0.00	0	0.00	0	1.00	159,849
Sr. Risk Manager II MSRP	1.00	116,449	1.00	131,337	2.00	293,681
<b>Total G20J0143</b>	<b>41.00</b>	<b>4,400,468</b>	<b>41.00</b>	<b>5,302,930</b>	<b>41.00</b>	<b>5,623,584</b>
<b>Total G20 Maryland State Retirement and Pension Systems</b>	<b>216.00</b>	<b>15,281,850</b>	<b>215.00</b>	<b>17,439,500</b>	<b>214.00</b>	<b>17,714,362</b>