

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	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Act.	2023 Est.	2024 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	0.56%	-0.99%	-3.83%	19.29%	-9.77%	N/A	N/A
3-year annualized excess return over the actuarial rate	-1.21%	0.72%	-1.39%	4.38%	1.18%	N/A	N/A
10-year annualized excess return over the actuarial rate	-2.00%	1.16%	0.17%	0.75%	0.29%	N/A	N/A
25-year annualized excess return over actuarial rate	-0.86%	-0.44%	-0.82%	-0.41%	-1.40%	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	-1.38%	-0.94%	-0.74%	-0.40%	0.05%	N/A	N/A
Maryland State Retirement and Pension System 5-year return in excess of policy benchmark	0.43%	0.26%	-0.03%	0.48%	0.55%	N/A	N/A
Fair value of investment portfolio at fiscal year-end (\$ thousands)	51,956,589	54,204,605	54,767,092	67,882,565	64,634,074	N/A	N/A
Net investment income earned during the fiscal year (\$ thousands)	3,899,403	3,288,209	1,866,640	14,315,762	(1,942,133)	N/A	N/A

State Retirement Agency

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, 90 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 10 percent of incoming telephone calls will be abandoned by the phone system, and waiting time for calls to be answered will be less than 3:00 minutes.

Performance Measures	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Act.	2023 Est.	2024 Est.
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	97.00%	97.43%	96.78%	97.30%	96.88%	95.00%	95.00%
Percentage of incoming telephone calls abandoned by the automated telephone system	6.50%	15.00%	18.45%	16.43%	15.36%	10.00%	10.00%
Average telephone waiting time in minutes and seconds	1:44	4:30	5:44	6:09	6:24	3:00	3:00

Maryland State Retirement and Pension Systems

Summary of State Retirement Agency

	2022 Actual	2023 Appropriation	2024 Allowance
Number of Authorized Positions	215.00	214.00	225.00
Number of Contractual Positions	2.31	7.00	7.00
Salaries, Wages and Fringe Benefits	26,232,106	27,531,387	32,304,233
Technical and Special Fees	539,819	755,755	740,616
Operating Expenses	14,738,853	19,752,842	21,125,874
Special Fund Expenditure	19,507,571	20,373,892	21,918,987
Non-Budgeted Fund Expenditure	12,453,392	17,949,121	22,011,261
Reimbursable Fund Expenditure	9,549,815	9,716,971	10,240,475
Total Expenditure	<u>41,510,778</u>	<u>48,039,984</u>	<u>54,170,723</u>

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.

Appropriation Statement	2022 Actual	2023 Appropriation	2024 Allowance
Number of Authorized Positions	174.00	173.00	178.00
Number of Contractual Positions	2.06	7.00	7.00
01 Salaries, Wages and Fringe Benefits	17,882,394	19,104,664	20,819,497
02 Technical and Special Fees	496,808	755,755	740,616
03 Communications	583,760	753,800	750,700
04 Travel	34,399	98,292	106,342
06 Fuel and Utilities	4,851	0	0
07 Motor Vehicle Operation and Maintenance	136,573	128,511	132,990
08 Contractual Services	4,939,470	6,278,075	6,294,902
09 Supplies and Materials	127,263	117,129	117,308
10 Equipment - Replacement	198,273	108,593	295,756
11 Equipment - Additional	82,663	61,298	224,114
12 Grants, Subsidies, and Contributions	160,606	160,606	160,606
13 Fixed Charges	2,346,680	2,342,997	2,516,631
14 Land and Structures	430,107	0	0
Total Operating Expenses	9,044,645	10,049,301	10,599,349
Total Expenditure	27,423,847	29,909,720	32,159,462
Special Fund Expenditure	18,413,100	20,231,594	21,918,987
Reimbursable Fund Expenditure	9,010,747	9,678,126	10,240,475
Total Expenditure	27,423,847	29,909,720	32,159,462
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	18,413,100	20,231,594	21,918,987
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	9,010,747	9,678,126	10,240,475

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.

Appropriation Statement	2022 Actual	2023 Appropriation	2024 Allowance
08 Contractual Services	1,630,606	181,143	0
09 Supplies and Materials	2,933	0	0
Total Operating Expenses	1,633,539	181,143	0
Total Expenditure	1,633,539	181,143	0
Special Fund Expenditure	1,094,471	142,298	0
Reimbursable Fund Expenditure	539,068	38,845	0
Total Expenditure	1,633,539	181,143	0
 Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	1,094,471	142,298	0
 Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	539,068	38,845	0

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

	2022 Actual	2023 Appropriation	2024 Allowance
Number of Authorized Positions	41.00	41.00	47.00
Number of Contractual Positions	0.25	0.00	0.00
01 Salaries, Wages and Fringe Benefits	8,349,712	8,426,723	11,484,736
02 Technical and Special Fees	43,011	0	0
03 Communications	6	0	0
04 Travel	58,404	150,000	165,001
08 Contractual Services	3,666,776	9,120,833	10,096,734
09 Supplies and Materials	0	9,000	9,000
10 Equipment - Replacement	196,485	0	0
11 Equipment - Additional	33,351	0	0
13 Fixed Charges	105,647	242,565	255,790
Total Operating Expenses	4,060,669	9,522,398	10,526,525
Total Expenditure	12,453,392	17,949,121	22,011,261
Non-Budgeted Fund Expenditure	12,453,392	17,949,121	22,011,261
Total Expenditure	12,453,392	17,949,121	22,011,261
Non-Budgeted Fund Expenditure			
G20701 Pension Trust Fund (G20701)	12,453,392	17,949,121	22,011,261

3 Year Position Summary

Classification Title	FY 2022 Positions	FY 2022 Expenditures	FY 2023 Positions	FY 2023 Appropriation	FY 2024 Positions	FY 2024 Allowance
G20 - Maryland State Retirement and Pension Systems						
G20J0101 - State Retirement Agency						
Accountant Advanced	9.00	437,722	9.00	581,313	8.00	573,951
Accountant I	0.00	90,923	2.00	129,598	1.00	77,846
Accountant II	7.00	339,654	5.00	313,681	6.00	392,166
Accountant Lead	3.00	161,218	3.00	202,225	2.00	142,809
Accountant Manager II	4.00	327,945	4.00	403,693	4.00	375,490
Accountant Supervisor I	1.00	70,268	1.00	74,859	1.00	78,228
Accountant Supervisor II	4.00	344,461	4.00	366,968	4.00	371,656
Accountant Trainee	4.00	99,437	4.00	196,554	2.00	111,146
Admin Aide	0.00	47,218	1.00	50,563	1.00	51,884
Admin Officer I	8.00	410,771	8.00	456,582	8.00	455,349
Admin Officer II	4.00	193,547	4.00	211,895	5.00	274,971
Admin Officer III	4.00	120,729	3.00	181,559	3.00	204,315
Admin Prog Mgr II	1.00	93,217	1.00	99,276	1.00	103,744
Admin Prog Mgr III	1.00	107,309	1.00	114,441	1.00	119,591
Admin Spec I	1.00	83,837	2.00	89,990	1.00	40,030
Admin Spec II	7.00	236,331	6.00	271,592	7.00	329,117
Admin Spec III	15.00	551,365	14.00	680,421	15.00	775,595
Administrator I	6.00	324,275	6.00	369,864	7.00	448,778
Administrator II	9.00	638,385	9.00	677,031	9.00	709,015
Administrator III	3.00	200,941	3.00	230,791	3.00	242,763
Administrator V	2.00	115,965	2.00	186,463	2.00	180,835
Administrator VI	1.00	103,813	1.00	101,973	1.00	106,562
Asst Attorney General VI	3.00	291,330	3.00	333,793	1.00	121,756
Asst Attorney General VII	1.00	104,223	1.00	110,715	2.00	219,832
Asst Attorney General VIII	2.00	173,837	2.00	258,210	1.00	137,126
Computer Network Spec II	3.00	177,026	3.00	200,017	3.00	231,588
Computer Network Spec Lead	2.00	154,637	2.00	163,981	2.00	172,158
Computer Network Spec Mgr	1.00	100,578	1.00	107,264	1.00	112,091
Computer Network Spec Supr	1.00	79,429	1.00	84,621	1.00	88,429
Database Specialist II	1.00	0	1.00	59,703	1.00	65,983
Database Specialist Supervisor	1.00	94,280	1.00	100,547	1.00	105,072
Designated Admin Mgr IV	1.00	108,132	1.00	114,098	1.00	120,366
Div Dir Ofc Atty General	1.00	146,706	1.00	146,737	1.00	165,780
Exec Assoc II	1.00	0	1.00	66,467	1.00	69,459
Exec Assoc III	1.00	130,042	1.00	85,734	1.00	90,480
Exec Dir State Retirement Agency	1.00	183	0.00	0	0.00	0
Executive Senior	0.00	251,232	1.00	270,504	1.00	282,677
Fiscal Accounts Technician II	1.00	47,540	1.00	50,487	1.00	53,243
Fiscal Accounts Technician Supv	1.00	53,288	1.00	56,720	1.00	59,273
IT Asst Director II	3.00	250,851	3.00	337,757	3.00	345,213
IT Functional Analyst I	1.00	0	0.00	0	0.00	0
IT Functional Analyst II	2.00	48,996	2.00	107,128	2.00	111,524
IT Functional Analyst Supervisor	1.00	0	0.00	0	0.00	0
IT Programmer Analyst Lead/Advanced	2.00	168,513	2.00	178,672	2.00	187,606
IT Programmer Analyst Supervisor	1.00	59,168	1.00	64,882	1.00	70,394
IT Staff Specialist	1.00	18,149	1.00	76,421	1.00	61,853
IT Technical Support Spec II	3.00	129,383	3.00	204,790	3.00	239,773
IT Technical Support Spec Supervisor	1.00	94,280	1.00	100,547	1.00	105,072

3 Year Position Summary

Classification Title	FY 2022 Positions	FY 2022 Expenditures	FY 2023 Positions	FY 2023 Appropriation	FY 2024 Positions	FY 2024 Allowance
Prgm Mgr I	0.00	36,910	0.00	0	1.00	70,394
Prgm Mgr II	1.00	47,632	1.00	87,788	1.00	99,898
Prgm Mgr III	4.00	285,068	4.00	373,456	4.00	423,034
Prgm Mgr IV	5.00	509,120	5.00	554,567	4.00	465,765
Prgm Mgr Senior II	4.00	457,042	5.00	566,610	4.00	506,574
Prgm Mgr Senior III	2.00	216,907	1.00	142,792	2.00	272,479
Prgm Mgr Senior IV	2.00	399,253	2.00	297,168	3.00	469,819
Principal Counsel	0.00	104,025	0.00	0	2.00	276,489
Procurement Officer I	1.00	0	1.00	53,564	0.00	0
Procurement Officer II	0.00	29,303	0.00	0	2.00	131,966
Procurement Officer III	1.00	52,850	1.00	77,522	1.00	75,117
Ret Benefits Specialist I	5.00	215,625	4.00	193,182	11.00	580,751
Ret Benefits Specialist II	2.00	162,757	4.00	219,949	2.00	115,435
Ret Benefits Specialist III	9.00	585,461	11.00	702,336	8.00	533,764
Ret Benefits Specialist Ld	3.00	125,658	2.00	151,399	3.00	218,616
Ret Benefits Specialist Supv	3.00	192,016	3.00	224,372	4.00	332,592
Sr. Portfolio Manager III MSRP	0.00	163,615	0.00	0	0.00	0
Sr. Risk Analyst II MSRP	0.00	100,707	0.00	0	0.00	0
State Retirement Administrator	1.00	155,328	1.00	167,243	1.00	168,032
Total G20J0101	174.00	11,620,411	173.00	13,083,075	178.00	14,123,314
G20J0143 - Investment Division						
Accountant Lead Specialized	2.00	125,315	2.00	148,885	2.00	184,059
Administrator II	2.00	154,094	2.00	166,560	4.00	293,272
Administrator VI	1.00	96,184	1.00	108,965	1.00	117,246
Chief Investment Officer MSRP	1.00	374,162	1.00	95,489	1.00	103,777
Dep Chief Investment Officer MSRP	1.00	238,061	1.00	67,564	2.00	146,858
Exec Assoc II	2.00	90,508	2.00	127,055	1.00	52,575
Exec Assoc III	0.00	0	0.00	0	1.00	85,379
Investment Associate MSRP	4.00	241,116	4.00	340,961	4.00	306,478
Managing Director I Invest Adm MSRP	1.00	123,725	1.00	132,006	1.00	146,982
Managing Director II Asset Class MSRP	5.00	1,030,554	5.00	577,860	5.00	628,020
Prgm Mgr III	1.00	90,888	1.00	98,189	0.00	0
Prgm Mgr IV	0.00	0	0.00	0	1.00	109,461
Sr. Compliance Manager MSRP	1.00	138,273	1.00	147,185	1.00	153,975
Sr. Investment Analyst II MSRP	3.00	319,172	4.00	433,104	6.00	694,559
Sr. Investment Analyst III MSRP	2.00	141,336	1.00	149,407	1.00	165,710
Sr. Investment Compliance Analyst MSRP	1.00	98,270	1.00	92,900	1.00	100,963
Sr. Portfolio Manager I MSRP	7.00	288,807	2.00	307,187	2.00	331,420
Sr. Portfolio Manager II MSRP	6.00	1,404,324	9.00	1,584,925	10.00	3,670,600
Sr. Portfolio Manager III MSRP	0.00	0	1.00	172,959	1.00	209,624
Sr. Risk Analyst II MSRP	0.00	0	0.00	0	1.00	108,961
Sr. Risk Manager II MSRP	1.00	162,297	2.00	317,767	1.00	367,060
Total G20J0143	41.00	5,117,086	41.00	5,068,968	47.00	7,976,979
Total G20 Maryland State Retirement and Pension Systems	215.00	16,737,497	214.00	18,152,043	225.00	22,100,293