

MARYLAND STATE RETIREMENT AND PENSION SYSTEM

IMPORTANT NOTICE

OPTIONAL RETIREMENT PROGRAM



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In an effort to ensure the Maryland Optional Retirement Program (ORP) continues to meet your retirement and financial goals, the Board of Trustees of the Maryland State Retirement and Pension System periodically reviews the Plan’s investment options and cost structure. As the result of a recent review, the Board has decided to make the following important changes to Fidelity’s list of investment options and plan administration fees and expenses. This change will take effect October 3, 2016.

For more information on the changes to the ORP, you may contact your institution’s Benefits Coordinator. Information regarding the employee-funded, voluntary Supplemental 403(b) Plan will be sent by your institution of higher education under separate cover.

Fidelity

Changes to Investment Options

Two investment choices will be removed from the investment menu and replaced with new options.

Removed Investment Option	Replacement Investment Option
Fidelity Government Cash Reserves Fund Ticker Symbol: FDRXX Expense Ratio: 0.37%	Vanguard Treasury Money Market Fund Ticker Symbol: VUSXX Expense Ratio: 0.09%
BlackRock Inflation Protected Bond Fund Ticker Symbol: BPLBX Expense Ratio: 0.43%	Fidelity Inflation-Protected Bond Index Fund Ticker Symbol: FSIYX Expense Ratio: 0.09%

Any existing assets and any future contributions to the affected investment options will be directed to the new funds as of October 3, 2016. No action is required on your part. However, if you do not want this change to take place, you must contact Fidelity and complete a change of investments. For more information, call Fidelity at **1-800-343-0860**.

Changes to Plan Administration Fees and Expenses

Currently, participants pay for the Plan's administrative service costs indirectly through revenue sharing offsets generated by the investment options in the Plan. These fees cover the cost of recordkeeping and administration, as well as expenses related to the trustee and custody of the Plan's assets, accounting fees, legal compliance, participant education, and communications. While this is a common approach to allocating administrative expenses, the actual fees are not directly deducted from participant accounts or reflected on account statements. Rather, investment earnings are net of each investment's revenue sharing offset.

Effective October 3, 2016, participants with an account at Fidelity will be assessed a quarterly fee that will be calculated based on assets in the plan and billed equally on a per capita basis. The amount will be deducted directly from participant accounts and reflected on account statements. This new approach reflects the Board of Trustees for the Maryland State Retirement and Pension System's commitment to transparency and fairness in disclosing and allocating plan administration costs.

In addition to the new fee structure, if you are a participant with an account balance in certain investment options in the Plan at Fidelity, you may receive a revenue credit. Revenue credits are used to help offset the Plan's recordkeeping and administrative expenses. Beginning in October 2016, revenue credits will be refunded on a quarterly basis to the accounts of Plan participants who invest in investment options from which Fidelity receives an offset for administrative costs and will appear on your quarterly statement as "Revenue Credit."