

MAXIMUS INC  
Form DEF 14A  
January 27, 2017

1891 Metro Center Drive  
Reston, Virginia 20190  
(703) 251-8500

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held March 14, 2017

The 2017 Annual Meeting of Shareholders (the "Annual Meeting") of MAXIMUS, Inc. will be held at our corporate headquarters at 1891 Metro Center Drive in Reston, Virginia on March 14, 2017 at 11:00 a.m., Eastern Time, to consider and act upon the following matters:

1. The election of three Class II Directors to serve until the 2020 Annual Meeting of Shareholders and one Class I Director to serve until the 2019 Annual Meeting of Shareholders.
2. An advisory vote to approve the compensation of the Named Executive Officers.
3. An advisory vote on whether shareholders will vote on Named Executive Officer compensation every one, two or three years.
4. Approval of the Annual Management Bonus Plan, which is intended to satisfy the tax deduction requirements of Internal Revenue Code Section 162(m).
5. Approval of the 2017 Equity Incentive Plan and, in order to satisfy Internal Revenue Code Section 162(m), the performance goals thereunder.
6. The ratification of the appointment of Ernst & Young LLP as our independent public accountants for our 2017 fiscal year.
7. The transaction of any other business that may properly come before the meeting or any adjournment of the meeting.

Shareholders of record at the close of business on January 13, 2017 will be entitled to vote at the Annual Meeting or at any adjournment of the Annual Meeting.

Under Securities and Exchange Commission rules, we have elected to deliver our proxy materials to shareholders over the Internet. That delivery process allows us to provide shareholders with the information they need while at the same time conserving natural resources and lowering the cost of printing and delivery. On or about January 27, 2017, we will mail to our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2017 proxy statement and 2016 annual report. This notice also provides instructions on how to vote online or by telephone and includes instructions on how to receive a paper copy of the proxy materials by mail.

We hope you will attend the Annual Meeting. Whether or not you plan to attend, your vote is very important, and we encourage you to vote promptly. There are several ways that you can cast your ballot - by telephone, by Internet, by mail (if you request a paper copy) or in person at the Annual Meeting.



By Order of the Board of Directors,

By: /s/ David R. Francis  
David R. Francis  
General Counsel and Secretary

This proxy statement is dated January 27, 2017 and is first being distributed to shareholders on or about January 27, 2017.

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## PROXY STATEMENT

Our board of directors is making this proxy statement, our 2016 annual report on Form 10-K and a form of proxy available to you in connection with the solicitation of proxies by the board of directors for use at the 2017 Annual Meeting of Shareholders (the “Annual Meeting”) to be held at our corporate headquarters at 1891 Metro Center Drive in Reston, Virginia on March 14, 2017 and at any adjournments of the meeting.

Pursuant to Securities and Exchange Commission (“SEC”) rules, we have elected to provide our proxy materials to our shareholders primarily over the Internet rather than mailing paper copies of those materials to each shareholder. Accordingly, on or about January 27, 2017, we will send a Notice of Internet Availability of Proxy Materials (the “Notice”) to shareholders to provide website and other information for the purpose of accessing our proxy materials. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice or to request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy will be included in the Notice. In addition, shareholders may request proxy materials in printed form by mail on an ongoing basis. We encourage you to take advantage of the availability of the proxy materials on the Internet in order to help reduce the cost and environmental impact of the Annual Meeting.

## GENERAL INFORMATION ABOUT VOTING

**Who can vote.** You will be entitled to vote your shares of MAXIMUS common stock at the Annual Meeting if you were a shareholder of record at the close of business on January 13, 2017. As of that date, 64,813,619 shares of common stock were outstanding and entitled to one vote each at the meeting. You are entitled to one vote on each item voted on at the meeting for each share of common stock that you held on January 13, 2017.

**How to vote your shares.** You may vote your shares either by attending the Annual Meeting and voting in person or by voting by proxy. If you choose to vote by proxy, you may vote your shares in any of the following ways:

**By Internet.** You may vote online by accessing [www.proxyvote.com](http://www.proxyvote.com) and following the on-screen instructions. You will need the control number included on the Notice or on your proxy card, as applicable. You may vote online 24 hours a day. If you vote online, you do not need to return a proxy card.

**By Telephone.** You may vote by calling toll free 1-800-690-6903 and following the instructions. You will need the control number included on the Notice or on your proxy card, as applicable. You may vote by telephone 24 hours a day. If you vote by telephone, you do not need to return a proxy card.

**By Mail.** If you requested printed copies of the proxy materials, you will receive a proxy card, and you may vote by signing, dating and mailing the proxy card in the envelope provided.

**In Person.** If you are a shareholder of record, you may vote in person at the Annual Meeting. You will receive a ballot when you arrive. If you are a beneficial owner of shares held in street name, you must obtain a legal proxy from the broker, bank or other nominee that holds your shares in order to vote your shares in person at the Annual Meeting. Follow the instructions on the Notice to obtain the legal proxy.

Online and telephone voting are available through 11:59 p.m. Eastern Time on March 13, 2017.

If you vote by proxy, the named proxies (Richard J. Nadeau, Dominic A. Corley and David R. Francis) will vote your shares as you have instructed. If you are a shareholder of record and you sign and return a proxy card without giving specific voting instructions, the proxies will vote your shares in favor of each of the proposals recommended by the board of directors contained in this proxy statement. If you are a beneficial owner of shares held in street name and do not provide the broker, bank or other nominee that holds your shares with specific voting instructions, it could result in a “broker non-vote.” For more information, see “Abstentions and broker non-votes” below.

**Quorum.** A quorum of shareholders is required in order to transact business at the Annual Meeting. A majority of the outstanding shares of common stock entitled to vote must be present at the meeting, either in person or by proxy, to constitute a quorum. Abstentions and broker non-votes are counted in determining whether a quorum is present at the meeting.

**Number of votes required.** The number of votes required to approve each of the proposals scheduled to be presented at the Annual Meeting is as follows:

Proposal	Required Vote
1. Election of directors	For each nominee, a majority of the votes cast are “for” such nominee.
2. Advisory vote to approve named executive officer compensation	A majority of the votes cast are “for” the proposal.
3. Advisory vote on frequency of voting on named executive officer compensation	A majority of the votes cast are “for” the proposal.
4. Approval of Annual Management Bonus Plan	A majority of the votes cast are “for” the proposal.
5. Approval of 2017 Equity Incentive Plan	A majority of the votes cast are “for” the proposal.
6. Ratification of the Audit Committee’s selection of independent public accountants	A majority of the votes cast are “for” the ratification.

**Shares Held Through a Bank, Broker or Other Nominee.** If you hold your shares in street name through a bank, broker or other nominee, such bank, broker or nominee will vote those shares in accordance with your instructions. To instruct your bank, broker or nominee how to vote, you should follow the information provided to you by such entity. Without instructions from you, a bank, broker or nominee will be permitted to exercise its own voting discretion with respect to so-called “routine matters” but will not be permitted to exercise voting discretion with respect to non-routine matters, as described below. We urge you to provide your bank, broker or nominee with appropriate voting instructions so that all your shares may be voted at the meeting.

**Abstentions and broker non-votes.** A broker non-vote occurs when a broker cannot vote a customer’s shares registered in the broker’s name because the customer did not send the broker instructions on how

to vote on the matter. If the broker does not have instructions and is barred by law or applicable rules from exercising its discretionary voting authority on a particular matter, then the shares will not be voted on the matter, resulting in a “broker non-vote.” A broker cannot vote on the election of directors or on matters relating to executive compensation without instructions; therefore, there may be broker non-votes on Proposals 1 - 5. A broker may vote on the ratification of the independent public accountants without instructions from you; therefore, no broker non-votes are expected in connection with Proposal 6. Abstentions and broker non-votes will not count as votes cast with respect to the proposals listed above. Therefore, abstentions and broker non-votes will have no effect on the voting on these matters at the Annual Meeting.

Discretionary voting by proxies on other matters. Aside from the proposals listed above, we do not know of any other proposal that may be presented at the 2017 Annual Meeting of Shareholders. However, if another matter is properly presented at the meeting, the persons named as proxies (Richard J. Nadeau, Dominic A. Corley and David R. Francis) will exercise their discretion in voting on the matter.

How you may revoke your proxy. You may revoke your proxy card at any time before the named proxies exercise it at the meeting by substituting a subsequent vote using any of the methods described in “How to vote your shares” above or by timely delivering a written notice of revocation to our Corporate Secretary that is dated later than the date of your proxy.

Expenses of solicitation. We will bear all costs of soliciting proxies. We will request that brokers, custodians and fiduciaries forward proxy soliciting material to the beneficial owners of stock held in their names, for which we will reimburse their out-of-pocket expenses. In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone and/or personal interviews.

Shareholders sharing the same surname and address. In some cases, shareholders holding their shares in a brokerage or bank account who share the same surname and address and have not given contrary instructions are receiving only one copy of the Notice. This practice is designed to reduce duplicate mailings and save printing and postage costs as well as natural resources. If you would like to have additional copies of our annual report, proxy statement or Notice mailed to you, please call or write us at our corporate headquarters, 1891 Metro Center Drive, Reston, Virginia 20190, Attn: Vice President of Investor Relations, telephone: (800) 368-2152. If you want to receive separate copies of the proxy statement, annual report to shareholders or Notice in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder.

## SECURITY OWNERSHIP

The following tables show the number of shares of our common stock beneficially owned as of January 13, 2017 (unless otherwise indicated), by (i) the only persons known by us to own more than five percent of our outstanding shares of common stock, (ii) our directors and director nominees, (iii) the executive officers named in the Summary Compensation Table contained under the heading “Executive Compensation” in this proxy statement and (iv) all of our current directors and executive officers as a group. Unless set forth in the tables below, the address of each beneficial owner is c/o MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190.

The number of shares beneficially owned by each holder is based upon the rules of the SEC. Under SEC rules, beneficial ownership includes any shares over which a person has sole or shared voting or investment power, as well as shares which the person has the right to acquire within 60 days by exercising any stock option or other right and shares of restricted stock that will vest with 60 days. Accordingly, this table includes shares that each person has the right to acquire on or before March 14, 2017. Unless otherwise indicated, to the best of our knowledge, each person has sole investment and voting power (or shares that power with his or her spouse) over the shares listed in the table. By including in the table shares that he or she might be deemed beneficially to own under SEC rules, a holder does not admit beneficial ownership of those shares for any other purpose.

To compute the percentage ownership of any shareholder or group of shareholders in the following tables, the total number of shares deemed outstanding consists of 64,813,619 shares that were outstanding on January 13, 2017 rather than the percentages set forth in the shareholders’ filings with the SEC.

## Security Ownership of Certain Beneficial Owners

The following table shows the number of shares of our common stock beneficially owned by the only persons known by us to own more than five percent of our outstanding shares of common stock as of January 13, 2017 (unless otherwise indicated):

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR LLC 245 Summer Street Boston, Massachusetts 02210	5,694,381(1)	8.8%
BlackRock, Inc. 55 East 52 <sup>nd</sup> Street New York, New York 10055	5,678,647(2)	8.8%
The Vanguard Group 100 Vanguard Boulevard Malvern, Pennsylvania 19355	5,288,095(3)	8.2%
BAMCO, Inc. 767 Fifth Ave, 49th Floor New York, New York 10153	3,896,593(4)	6.0%

According to a Schedule 13G/A filed with the SEC on February 12, 2016, FMR LLC and Abigail P. Johnson (1) reported that they had sole dispositive power over 5,694,381 shares of common stock, and FMR LLC reported that it had sole voting power with respect to 1,624,081 shares of common stock.

(2) According to Schedule 13G/A filed with the SEC on January 26, 2016, BlackRock, Inc. reported that through BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited,



BlackRock Investment Management (UK) Ltd and

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BlackRock Investment Management LLC, it had sole dispositive power with respect to 5,678,647 shares of common stock and sole voting power with respect to 5,534,315 shares of common stock.

(3) According to a Schedule 13G/A filed with the SEC on February 10, 2016, The Vanguard Group reported that it had sole dispositive power over 5,144,078 shares of common stock, shared dispositive power over 144,017 shares of common stock, sole voting power with respect to 144,517 shares of common stock and shared voting power with respect to 3,500- shares of common stock.

(4) According to a Schedule 13G/A filed with the SEC on February 16, 2016 (i) BAMCO, Inc. reported that it had shared dispositive power over 3,704,205 shares of common stock and shared voting power with respect to 3,304,205 shares of common stock, (ii) Baron Capital Group, Inc. and Ronald Baron reported that they had shared dispositive power over 3,896,593 shares of common stock and shared voting power with respect to 3,496,593 shares of common stock and (iii) Baron Capital Management, Inc. reported that it had shared dispositive power over 192,388 shares of common stock and shared voting power with respect to 192,388 shares of common stock.

### Security Ownership of Management

The following table shows the number of shares of our common stock beneficially owned by our directors and director nominees, the executive officers named in the Summary Compensation Table contained in this proxy statement and all of our current directors and executive officers as a group as of January 13, 2017 (unless otherwise indicated).

	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Directors and Director Nominees		
Anne K. Altman (2)	—	*
Russell A. Beliveau	125,649	*
John J. Haley	132,352	*
Paul R. Lederer	65,529	*
Richard A. Montoni	624,115	1.0%
Peter B. Pond	256,499	*
Gayathri Rajan (2)	—	*
Raymond B. Ruddy	470,690	*
Wellington E. Webb	103,038	*
Named Executive Officers (except Directors)		
Mark S. Andrekovich	39,142	*
Bruce L. Caswell	125,101	*
David R. Francis	25,716	*
Richard J. Nadeau	15,139	*
All directors and executive officers as a group (13 persons)	1,982,970	3.1%

\*Percentage is less than 1% of all outstanding shares of common stock.

(1) Amounts include shares issuable under stock options exercisable within 60 days as follows: Caswell 80,000. The non-employee directors have elected to defer receipt of RSUs for tax purposes over periods varying from one year

until termination of their board service. Therefore, the amounts also include the following deferred/unvested RSUs that could vest within 60 days in the event a non-employee director's Board service terminated: Beliveau 82,321, Haley 132,352, Lederer 9,544, Pond 242,124, Ruddy 175,138, Webb 103,038, and all directors and executive officers as a group 749,400.

(2) Ms. Altman and Ms. Rajan joined the board on December 14, 2016.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Our directors, our executive officers and anyone owning beneficially more than ten percent of our equity securities are required under Section 16(a) of the Securities Exchange Act of 1934, as amended, to file with the SEC reports of their ownership and changes of their ownership of our securities. They must also furnish copies of the reports to us. Based solely on our review of the reports furnished to us and any written representations that no other reports were required, we believe that during our 2016 fiscal year, our directors, executive officers and ten percent beneficial owners complied with all applicable Section 16(a) filing requirements.

## PROPOSAL 1 – ELECTION OF DIRECTORS

### General

The board of directors currently consists of nine directors. As previously disclosed, Marilyn R. Seymann, a Class II Director, resigned from our board on January 1, 2017, and the board appointed Gayathri Rajan to fill the vacancy left by such resignation until the Annual Meeting. In addition, as previously disclosed, James R. Thompson, Jr., a Class I Director, resigned from our board on January 1, 2017 and the board appointed Anne K. Altman to fill the vacancy left by such resignation until the Annual Meeting. Under our articles of incorporation, the board is divided into three classes, with each class having as nearly equal a number of directors as possible. The term of one class expires, with their successors being subsequently elected to a three-year term, at each annual meeting of shareholders. At the Annual Meeting, three Class II Directors will be elected to hold office for a three-year term expiring at the 2020 Annual Meeting of Shareholders or until their successors are elected and qualified, and one Class I Director will be elected to hold office for a two-year term expiring at the 2019 Annual Meeting of Shareholders and until her successor is elected and qualified. The board has nominated Russell A. Beliveau, John J. Haley and Gayathri Rajan for election as Class II Directors and Anne K. Altman for election as a Class I director. Mr. Beliveau, Mr. Haley and Ms. Rajan presently serve as our Class II directors, and Ms. Altman presently serves as a Class I director. If you sign and return your proxy card, the persons named in such proxy card will vote to elect these four nominees unless you mark your proxy card otherwise. You may not vote for a greater number of nominees than four. Each nominee has consented to being named in this proxy statement and to serve if elected. If for any reason a nominee should become unavailable for election prior to the Annual Meeting, the proxy holders may vote for the election of a substitute. We do not presently expect that any of the nominees will be unavailable.

### Vote Required

The Company's bylaws provide for majority voting in director elections. The board of directors also has adopted a Director Resignation Policy. Under that policy, each director nominee has submitted a written contingent resignation which will become effective only if (i) the director fails to receive the required number of votes for re-election as set forth in the Company's bylaws and (ii) the board of directors accepts the resignation. The affirmative vote of a majority of the total number of votes cast for or against each of Mr. Beliveau, Mr. Haley, Ms. Rajan and Ms. Altman is required to re-elect each nominee to our board. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the voting of this matter.

### Biographical Information of Directors and Nominees

The following presents biographical information about the nominees and current directors whose terms of office will continue after the Annual Meeting. As part of the information below, we have included a brief description of the experience, qualifications, attributes and skills that led to the conclusion that each director should serve on the board. Information about the number of shares of common stock beneficially owned by each nominee and director, directly or indirectly, as of January 13, 2017, appears above under "Security Ownership - Security Ownership of Management."

#### Nominees for Class II Directors (for terms expiring in 2020)

Russell A. Beliveau  
Age 69

Russell A. Beliveau has served as a director since 1995. He served as our President of Investor Relations from 2000 until his retirement in 2002 and served as President of Business Development from 1998 until 2000. Prior to that, he served as President of the Government Operations Group from 1995 to 1998. Mr. Beliveau has worked in the health

and human services industry since 1983. During that time, he held both government and private sector positions at the senior executive level. Mr. Beliveau's past positions include

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Vice President of Operations at Foundation Health Corporation of Sacramento, California from 1988 through 1994 and Deputy Associate Commissioner (Medicaid) for the Massachusetts Department of Public Welfare from 1983 until 1988. Mr. Beliveau received his Masters in Business Administration and Management Information Systems from Boston College and his B.A. in Psychology from Bridgewater State College.

The board of directors believes that Mr. Beliveau's qualifications and skills include, among other things, his experience in state government and managing government health and human services programs and his prior service with the Company.