

MAXIMUS INC
Form PRE 14A
January 10, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

MAXIMUS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held March 20, 2013**

The 2013 Annual Meeting of Shareholders of MAXIMUS, Inc. will be held at our corporate headquarters at 1891 Metro Center Drive in Reston, Virginia on March 20, 2013 at 11:00 a.m., Eastern Time, to consider and act upon the following matters:

1. The election of three Class I Directors to serve until the 2016 Annual Meeting of Shareholders.
2. The approval of an amendment to the MAXIMUS Amended and Restated Articles of Incorporation to increase the number of authorized shares of common stock of MAXIMUS from 60,000,000 to 100,000,000 shares.
3. An advisory vote to approve the compensation of the Named Executive Officers.
4. The ratification of the appointment of Ernst & Young LLP as our independent public accountants for our 2013 fiscal year.
5. 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 14, 2013 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 25, 2013, we will mail to our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2013 proxy statement and 2012 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 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.

January 25, 2013

By Order of the Board of Directors,
David R. Francis, *Secretary*

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

PROXY STATEMENT

Our board of directors is making this proxy statement, our 2012 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 2013 Annual Meeting of Shareholders to be held at our corporate headquarters at 1891 Metro Center Drive in Reston, Virginia on March 20, 2013 and at any adjournments of the meeting.

Pursuant to Securities and Exchange Commission 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 25, 2013, 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 may be found 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 14, 2013. As of that date, _____ 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 14, 2013.

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 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 organization that holds your shares in order to

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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 19, 2013.

If you vote by proxy, the named proxies (David N. Walker, 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 organization 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 shares held of record and voted on any matter by a broker or its nominee 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 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.	Approval of amendment to Charter increasing the number of authorized shares of common stock.	Two-thirds of the votes cast are "for" the proposal.
3.	Advisory vote to approve named executive officer compensation	A majority of the votes cast are "for" the proposal.
4.	Ratification of the Audit committee's selection of independent public accountants	A majority of the votes cast are "for" 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 so instruct your bank, broker or nominee, 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 in the 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 and 3. A broker may vote on the charter amendment to increase the number of authorized shares and the ratification of the independent public accountants; therefore, no broker non-votes are expected to exist in connection with Proposals 2 and 4. Abstentions

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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 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 2013 Annual Meeting. However, if another matter is properly presented at the meeting, the persons named as proxies in the accompanying proxy card 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 1, 2013 (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 the nominees for director, (iii) the executive officers named in the Summary Compensation Table contained in this proxy statement and (iv) all of our current directors and executive officers as a group.

The number of shares beneficially owned by each holder is based upon the rules of the Securities and Exchange Commission ("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 1, 2013. 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 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 34,788,114 shares that were outstanding on January 1, 2013 rather than the percentages set forth in the shareholders' filings with the SEC.

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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 1, 2013 (unless otherwise indicated):

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	2,766,200(1)	8.0%
BlackRock, Inc. 55 East 52 nd Street New York, New York 10055	2,577,371(2)	7.4%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	2,092,078(3)	6.0%
BAMCO, Inc. 767 Fifth Ave, 49th Floor New York, New York 10153	1,939,025(4)	5.6%

- (1) According to a Schedule 13F filed with the SEC on November 14, 2012, FMR LLC reported that it had shared dispositive power over 2,766,200 shares of common stock, sole voting power with respect to 632,908 shares of common stock and no voting power with respect to 2,133,292 shares of common stock.
- (2) According to Schedule 13G/A filed with the SEC on February 10, 2012, BlackRock, Inc. reported that through BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management LLC, BlackRock Advisors, LLC, BlackRock Japan Co. Ltd, BlackRock Asset Management Canada Limited, BlackRock Asset Management Australia Limited, BlackRock Asset Management Ireland Limited and BlackRock International Limited it had sole dispositive and voting power with respect to 2,577,371 shares of common stock.
- (3) According to a Schedule 13G/A filed with the SEC on February 9, 2012, the Vanguard Group, Inc. reported that it had sole dispositive power over 2,044,018 shares of common stock, shared dispositive power over 48,060 shares of common stock, and sole voting power with respect to 48,060 shares of common stock.
- (4) According to a Schedule 13G filed with the SEC on February 14, 2012 (i) BAMCO, Inc. reported that it had shared dispositive power over 1,851,600 shares of common stock and shared voting power with respect to 1,651,600 shares of common stock, (ii) Baron Capital Group, Inc. and Ronald Baron reported that it had shared dispositive power over 1,939,025 shares of common stock and shared voting power with respect to 1,735,025 shares of common stock and (iii) Baron Capital Management, Inc. reported that it had shared dispositive power over 87,425 shares of common stock and shared voting power with respect to 83,425 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 the nominees for director, the executive officers named in the Summary Compensation

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Table contained in this proxy statement and all of our current directors and executive officers as a group as of January 1, 2013 (unless otherwise indicated).

	Amount and Nature of Beneficial Ownership(1)	Percent of Class
<i>Directors</i>		
Russell A. Beliveau	75,375	*
John J. Haley	66,307	*
Paul R. Lederer	59,548	*
Richard A. Montoni	317,241	*
Peter B. Pond	150,118	*
Raymond B. Ruddy	261,551	*
Marilyn R. Seymann	57,527	*
James R. Thompson, Jr.	96,604	*
Wellington E. Webb	43,656	*
<i>Named Executive Officers (except Directors)</i>		
Mark S. Andrekovich	23,215	*
Bruce L. Caswell	219,183	*
Akbar Piloti	10,628	*
David N. Walker	19,866	*
All directors and executive officers as a group	1,409,335	4.1%

*

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

(1)

Amounts include shares issuable under stock options exercisable on or before March 1, 2013 as follows: Haley 10,702; Pond 46,974; Thompson 38,242; Caswell 200,800; and all directors and executive officers as a group 296,718. The non-employee directors have elected to defer receipt of RSUs for tax purposes over periods varying from three years until termination of their board service. Therefore, the amounts also include the following deferred/unvested RSUs that could vest on or before March 1, 2013 in the event a non-employee director's Board service terminated: Beliveau 35,723, Haley 55,605, Lederer 17,829, Pond 103,144, Ruddy 73,411, Seymann 17,729, Thompson 58,362; Webb 43,656; and all directors and executive officers as a group 405,459.

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 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 2012 fiscal year, our directors, executive officers and ten percent beneficial owners complied with all applicable Section 16(a) filing requirements.

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PROPOSAL 1 ELECTION OF DIRECTORS

General

The board of directors currently consists of nine directors. 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 2013 Annual Meeting, three Class I Directors will be elected to hold office for a three-year term expiring at the 2016 Annual Meeting or until their successors are elected and qualified. The board has nominated Paul R. Lederer, Peter B. Pond and James R. Thompson, Jr. for election as Class I Directors. Mr. Lederer, Mr. Pond and Mr. Thompson presently serve as our directors. If you sign and return your proxy card, the persons named in the enclosed proxy card will vote to elect these three nominees unless you mark your proxy card otherwise. You may not vote for a greater number of nominees than three. 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

In 2011, the Company amended its bylaws to provide for majority voting in director elections. In connection with that amendment to the bylaws, the board of directors also 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. Accordingly, the affirmative vote of a majority of the total number of votes cast for or against each of Mr. Lederer, Mr. Pond and Mr. Thompson 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

The following contains biographical information about the nominees and current directors whose terms of office will continue after the 2013 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 1, 2013, appears above under "Security Ownership Security Ownership of Management."

Nominees for Class I Directors (for term expiring in 2016)

Paul R. Lederer
Age 73

Paul R. Lederer has served as one of our directors since 2003. Mr. Lederer retired from Federal Mogul in 1998 as Executive Vice President, Worldwide Aftermarket, following its acquisition of Fel-Pro where he served as President and Chief Operating Officer from November 1994 to February 1998. Mr. Lederer brings more than 30 years of management experience and leadership in the commercial business sector to MAXIMUS. During his distinguished career, Mr. Lederer held various senior positions with Federal Mogul, Fel-Pro, Stant, Epicor Industries, and Parker Hannifin. Mr. Lederer holds a B.A. from the University of Illinois and received his J.D. from Northwestern University.

Mr. Lederer is a director of Dorman Products, Inc. and O'Reilly Automotive, Inc. He also served as a director of Proliance International, Inc. from 1995 to 2009.

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The board of directors believes that Mr. Lederer's qualifications and skills include, among other things, his experience in various leadership and management positions of large, publicly-traded businesses and public company directorship experience together with his understanding of legal matters.

Peter B. Pond
Age 68

Peter B. Pond has served as one of our directors since 1997 and as Chairman of the Board since 2001. Mr. Pond is a founder of ALTA Equity Partners LLC, a venture capital firm, and has been a General Partner of that firm since June 2000. Prior to that, Mr. Pond was a Principal and Managing Director in the Investment Banking Department at Donaldson, Lufkin & Jenrette Securities Corporation in Chicago and was head of that company's Midwest Investment Banking Group. Mr. Pond holds a B.S. in Economics from Williams College and an M.B.A. in Finance from the University of Chicago.

Mr. Pond is a director of Navigant Consulting, Inc.

The board of directors believes that Mr. Pond's qualifications and skills include, among other things, his experience in the investment and financial industry and as a public company director.

James R. Thompson, Jr.
Age 76

James R. Thompson, Jr. has served as one of our directors since 2001. Governor Thompson currently serves as Senior Chairman of the international law firm of Winston & Strawn. He was Chairman of the firm from 1993 to 2006. He joined that firm in 1991 as Chairman of the Executive Committee after serving four terms as Governor of the State of Illinois from 1977 until 1991. Prior to his terms as Governor, he served as U.S. Attorney for the Northern District of Illinois from 1971 to 1975. Governor Thompson has served as the Chief of the Department of Law Enforcement and Public Protection in the Office of the Attorney General of Illinois, as an Associate Professor at Northwestern University School of Law, and as an Assistant State's Attorney of Cook County. He is a former Chairman of the President's Intelligence Oversight Board. Governor Thompson also served on the National Commission on Terrorist Attacks Upon the United States (9-11 Commission). Governor Thompson attended the University of Illinois and Washington University, and he received his J.D. from Northwestern University in 1959.

Governor Thompson is currently a member of the boards of directors of Navigant Consulting, Inc. and John Bean Technologies Corporation. He previously served as a director of FMC Corporation from 1991 to 2007 and as a director of FMC Technologies, Inc. from 2001 to 2009.

The board of directors believes that Governor Thompson's qualifications and skills include, among other things, his extensive experience in state government, leadership and management skills gained as Governor and chairman of a large law firm, public company directorship experience, as well as his legal background.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE *FOR* THE THREE NOMINEES SET FORTH ABOVE.

Class II Directors (for term expiring in 2014)

Russell A. Beliveau
Age 65

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

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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 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 in 1980 and his B.A. in Psychology from Bridgewater State College in 1974.

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.

John J. Haley
Age 63

John J. Haley has served as one of our directors since 2002. Since January 2010 Mr. Haley has served as the Chief Executive Officer and Chairman of the Board of Towers Watson & Co., a human resources and employee benefits consulting firm formed through the merger of Towers, Perrin, Forster & Crosby, Inc. and Watson Wyatt Worldwide, Inc. Previously he served as President and Chief Executive Officer of Watson Wyatt Worldwide, Inc. since 1999. Mr. Haley joined Watson Wyatt in 1977. Mr. Haley is a Fellow of the Society of Actuaries and is a co-author of *Fundamentals of Private Pensions* (University of Pennsylvania Press). He has an A.B. in Mathematics from Rutgers College and studied under a Fellowship at the Graduate School of Mathematics at Yale University.

Mr. Haley is a director of Towers Watson & Co. and also serves on the board of Hudson Highland Group, Inc. He previously served as a director of Watson Wyatt Worldwide, Inc. from 1992 until its merger with Towers Perrin, Forster & Crosby, Inc. in 2010.

The board of directors believes that Mr. Haley's qualifications and skills include, among other things, his experience as the Chief Executive Officer and Chairman of the Board of a large, publicly-traded consulting firm together with his knowledge of finances, human resources and compensation matters, as well as his public company directorship experience.

Marilyn R. Seymann
Age 70

Marilyn R. Seymann has served as one of our directors since 2002. Since 2008 Dr. Seymann has served as President and Chief Executive Officer of M One, Inc., a corporate strategy and governance consulting firm for public and private companies. Also, since 2009 she has served as CEO of the Bruce T. Halle Family Foundation, a charitable foundation. From 2007 to 2008 Dr. Seymann served as Chairman and Chief Executive Officer of the International Institute of the Americas, a college focused on adult education. Before that she was Associate Dean of the College of Law at Arizona State University from 2005 to 2007 and President and Chief Executive Officer of M One, Inc. from 1991 to 2005. Prior to forming M One, she held senior management positions with Chase Bank, Arthur Andersen, and was the Associate Dean of the College of Business at Arizona State University. Dr. Seymann holds a B.A. from Brandeis University, an M.A. from Columbia University, and a Ph.D. from California Western University. Among her other publications, Dr. Seymann is co-author of *The Governance Game: What Every Board Member & Corporate Director Should Know About What Went Wrong in Corporate America & What New Responsibilities They Are Faced With*.

The board of directors believes that Dr. Seymann's qualifications and skills include, among other things, her previous government experience as well as her understanding of finances, the educational system and the consulting industry and her recognized expertise in corporate governance gained through her experience in senior management and leadership positions at various companies and colleges.

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Class III Directors (for term expiring in 2015)

Richard A. Montoni
Age 61

Richard A. Montoni has served as Chief Executive Officer, President and a director of MAXIMUS since 2006. Previously, Mr. Montoni served as our Chief Financial Officer and Treasurer from 2002 to 2006. Mr. Montoni served as Chief Financial Officer for Towers Perrin, a global professional services firm, during April 2006 before rejoining MAXIMUS and his appointment as Chief Executive Officer and President. Before his employment with MAXIMUS, he served as Chief Financial Officer and Executive Vice President for Managed Storage International, Inc. in Broomfield, Colorado from 2000 to 2001. From 1996 to 2000, he was Chief Financial Officer and Executive Vice President for CIBER, Inc., a NYSE-listed company in Englewood, Colorado where he also served as a director until 2002. Before joining CIBER, he was an audit partner with KPMG, LLP, where he worked for nearly 20 years. Mr. Montoni holds a Masters Degree in Accounting from Northeastern University and a Bachelor of Science degree in Economics from Boston University.

The board of directors believes that Mr. Montoni's qualifications and skills include, among other things, his audit and financial experience together with the detailed knowledge of the operations of the Company he possesses as the current President and Chief Executive Officer.

Raymond B. Ruddy
Age 69

Raymond B. Ruddy has served as one of our directors since 2004 and Vice Chairman of the Board of Directors since 2005. Mr. Ruddy retired from MAXIMUS in 2001. Before his retirement Mr. Ruddy served as the Chairman of the Board of Directors from 1985 to 2001 and President of our Consulting Group from 1989 to 2000. From 1969 until he joined us, Mr. Ruddy served in various capacities with Touche Ross & Co., including Associate National Director of Consulting from 1982 until 1984 and Director of Management Consulting (Boston, Massachusetts office) from 1978 until 1983. Mr. Ruddy received his M.B.A. from the Wharton School of Business of the University of Pennsylvania and his B.S. in Economics from Holy Cross College.

The board of directors believes that Mr. Ruddy's qualifications and skills include, among other things, his consulting and financial experience as well as his knowledge of government programs and our consulting business from his prior service with the Company.

Wellington E. Webb
Age 71

Wellington E. Webb has served as one of our directors since 2003. Since 2003, Mr. Webb has served as President of Webb Group International, an economic development and public relations consulting firm. Mr. Webb served three terms as Mayor of the City and County of Denver, Colorado from 1991 to 2003. Prior to first being elected as Mayor, he served at the state, local, and federal levels of government in several capacities including Denver City Auditor, Executive Director of the Colorado Department of Regulatory Agencies, and Regional Director of the U.S. Department of Health Education and Welfare. Mr. Webb's distinguished public career began in 1972 when he was elected to the Colorado House of Representatives. In 2009, Mr. Webb was nominated by President Obama and approved by the Senate to be Alternate Representative of the United States of America to the Sixty-fourth Session of the General Assembly of the United Nations. In 2012, Mr. Webb was appointed to the board of directors of First Responder Network Authority (FirstNet) an independent authority within the Department of Commerce's National Telecommunications and Information Administration. Mr. Webb holds a B.A. in Sociology from the Colorado State College at Greeley and a M.A. in Sociology from the University of Northern Colorado. He also holds honorary Doctorates from the

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University of Colorado at Denver, Metropolitan State College of Denver, University of Northern Colorado, Greeley Colorado and The American Baptist Seminary, Berkeley California.

The board of directors believes that Mayor Webb's qualifications and skills include, among other things, his extensive experience in state and local government and leadership skills gained during such service.

**CORPORATE GOVERNANCE
AND THE BOARD OF DIRECTORS**

Our business and affairs are managed under the direction of the board of directors in accordance with the Virginia Stock Corporation Act and our articles of incorporation and bylaws. Members of the board are kept informed of our business through discussions with the President and Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the board and its committees. Our corporate governance practices are summarized below.

Board Leadership

MAXIMUS has maintained separate Chief Executive Officer and Chairman of the Board positions since before the Company's initial public offering in 1997. Richard A. Montoni currently serves as Chief Executive Officer, and Peter B. Pond currently serves as Chairman of the Board. We believe that the separation of those roles is appropriate for us because it is a good corporate governance practice that promotes board and director independence from the management team.

Board's Role in Risk Oversight

The board of directors as a whole oversees the risk management of the Company. The Senior Vice President of Quality and Risk Management regularly reports to the board on operational and financial risks relating to the Company's projects. She also serves as our Compliance Officer and regularly reports to the board about compliance with the Company's code of ethics and policies and procedures. The Audit Committee oversees management of market and operational risks that could have a financial impact, such as those relating to internal controls and liquidity. The Nominating and Governance Committee manages the risks associated with governance issues, such as the independence and performance of the board, and the Compensation Committee is responsible for managing the risks relating to the Company's executive compensation and succession plans and policies.

Management regularly reports to the board or relevant committee on actions that the Company is taking to manage those risks. The board and management periodically review, evaluate and assess the risks relevant to the Company.

Corporate Governance Guidelines

The board of directors has adopted Guidelines for Corporate Governance that set forth the practices of the board with respect to management review and responsibility, board composition, selection of directors, operation of the board and meetings, committees of the board, director responsibilities and tenure and evaluation of the board and committees. The Guidelines are available on our Corporate Governance web page at www.maximus.com/investor-relations/corporate-governance. A printed copy is available, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190.

Director Independence

From time to time, MAXIMUS and its subsidiaries may provide services to, and otherwise conduct business with, companies of which certain members of the board or members of their immediate

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families are or were directors or officers. To comply with the New York Stock Exchange listing standards, the Guidelines for Corporate Governance establish categorical standards under which the board views the following relationships as impairing a director's independence:

a director who is currently, or in the past three years has been, employed by the Company or by any subsidiary of the Company;

a director who has accepted, or has any family member who has accepted, payments from the Company or its affiliates in excess of \$120,000 within the current fiscal year or any of the past three fiscal years (except for board services, retirement plan benefits, or non-discretionary compensation);

a director who has an immediate family member who is, or has been in the past three years, employed by the Company or any subsidiary of the Company as an executive officer;

a director who is a partner, controlling shareholder or an executive officer of any for-profit business to which the Company made, or from which it received, payments (other than those which arise solely from investments in the Company's securities) in the current fiscal year or in any of the last three fiscal years that exceed 2% of consolidated gross revenue for the business, or the Company, for that year, or that exceed \$1,000,000, whichever is greater;

a director who is employed as an executive officer of another company where any of the Company's executive officers serves on that other company's compensation committee, or such a relationship has existed within the past three years; and

a director who (a) has been a partner or employee of the Company's outside auditor within the past three years, (b) has an immediate family member who is a current partner of such a firm, (c) has an immediate family member who is a current employee of such a firm and personally works on the Company's audit, or (d) had an immediate family member who was, within the last three years, a partner or employee of such a firm and personally worked on the Company's audit within that time.

Apart from the categorical standards, the board of directors also assesses the materiality of a director's relationship with us to ensure that there is no material relationship that would adversely affect the director's independence.

The board of directors in its business judgment has determined that the following eight directors are independent as defined by New York Stock Exchange listing standards: Russell A. Beliveau, John J. Haley, Paul R. Lederer, Peter B. Pond, Raymond B. Ruddy, Marilyn R. Seymann, James R. Thompson, Jr. and Wellington E. Webb. None of our independent directors, their immediate family members, or employers, is engaged in relationships with us that the categorical standards cover and, as a result, each independent director meets our categorical standards. In addition, with the exception of Governor Thompson, none of the independent directors has any relationship with us, other than being one of our directors.

Governor Thompson is Senior Chairman of the law firm of Winston & Strawn in Chicago. Winston & Strawn has provided certain legal services to MAXIMUS from 2000 to the present. In 2012, 2011 and 2010, MAXIMUS paid Winston & Strawn \$341,015, \$248,748 and \$150,609, respectively, for legal and business consulting services. Outside of the scope of the categorical standards, the board of directors examined this relationship from a general "facts and circumstances" point of view. That is, the board considered the amounts paid to Winston & Strawn in light of the facts and circumstances involving the relationship, both from the Company's standpoint and from the standpoint of Winston & Strawn. In addition, we engaged Winston & Strawn in accordance with our normal procedures for engaging service providers of these types of services. The board concluded that Governor Thompson's relationship with Winston & Strawn does not impair his independence.

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Code of Ethics

We have adopted a code of ethics that applies to all employees including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. That code, our Standards of Business Conduct and Ethics, can be found posted on our Corporate Governance web page at www.maximus.com/investor-relations/corporate-governance. A printed copy is available, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190. The board regularly reviews our code of ethics, and any amendment of our code of ethics will be reflected on our website.

Board and Committee Meeting Attendance

Our board expects that its members will prepare for, attend and participate in all board and applicable committee meetings. Our board of directors held eight meetings during fiscal 2012. During our 2012 fiscal year, each director attended at least 75% of the aggregate of all board and applicable committee meetings held during the period that he or she served as a director.

Executive Sessions

Executive sessions where non-management directors meet on an informal basis are scheduled either at the beginning or at the end of each regularly scheduled board meeting. Peter B. Pond, the Chairman of the Board, serves as chairman for executive sessions.

Communications with Directors

Any director may be contacted by writing to him or her c/o MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190. Communications to the non-management directors as a group may be sent to the same address, c/o the Chairman of the Nominating and Governance Committee. We promptly forward such correspondence to the indicated directors.

Committees of the Board

The standing committees of the board of directors are the Audit Committee, the Nominating and Governance Committee and the Compensation Committee.

Audit Committee

The Audit Committee assists the board of directors in fulfilling its responsibility to oversee management's conduct of our financial reporting processes and audits of our financial statements. The Audit Committee specifically reviews the financial reports and other financial information provided by the Company, our disclosure controls and procedures and internal accounting and financial controls, the internal audit function, the legal compliance and ethics programs, and the annual independent audit process. The Audit Committee operates under a written charter originally adopted by the board in 2000, as subsequently amended. The Audit Committee's charter, as amended and currently in effect, is available on our Corporate Governance web page at www.maximus.com/investor-relations/corporate-governance. A printed copy is available, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190.

The members of the Audit Committee are Peter B. Pond (Chair), Paul R. Lederer, Raymond B. Ruddy, Marilyn R. Seymann, and Wellington E. Webb, each of whom is independent as defined by applicable New York Stock Exchange listing standards and SEC regulations governing the qualifications of audit committee members in effect on the date of this proxy statement. The board of directors has

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determined that all of the committee members are financially literate as defined by the New York Stock Exchange listing standards and that Mr. Pond qualifies as an audit committee financial expert as defined by regulations of the SEC.

The Audit Committee held four meetings during fiscal 2012. For additional information regarding the committee, see "Audit Information Report of the Audit Committee" below.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of John J. Haley (Chair), Paul R. Lederer, Peter B. Pond, Marilyn R. Seymann, and Wellington E. Webb, each of whom is independent as defined by applicable New York Stock Exchange listing standards governing the qualifications of nominating and governance committee members in effect on the date of this proxy statement. The Nominating and Governance Committee operates under a written charter originally adopted by the board in 2003, as subsequently amended. The Nominating and Governance Committee's charter, as amended and currently in effect, is available on our Corporate Governance web page at www.maximus.com/investor-relations/corporate-governance. A printed copy is available, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190. The Nominating and Governance Committee met two times during fiscal year 2012.

The purpose of the Nominating and Governance Committee is to identify, evaluate and recommend candidates for membership on the board of directors, to establish and assure the effectiveness of the governance principles of the board and the Company and to establish the compensation of our directors. The Nominating and Governance Committee is responsible for assessing the appropriate mix of skills, qualifications and characteristics for the effective functioning of the board in light of the needs of the Company. The committee considers, at a minimum, the following qualifications in recommending to the board potential new directors, or the continued service of existing directors:

personal characteristics, such as highest personal and professional ethics, integrity and values, an inquiring and independent mind, with a respect for the views of others, ability to work well with others and practical wisdom and mature judgment;

broad, policy-making level experience in business, government, academia or science to understand business problems and evaluate and formulate solutions;

experience and expertise that is useful to the Company and complementary to the background and experience of other directors;

willingness and ability to devote the time necessary to carry out duties and responsibilities of directors and to be an active, objective and constructive participant at meetings of the board and its committees;

commitment to serve on the board over a period of several years to develop knowledge about the Company's principal operations;

willingness to represent the best interests of all shareholders and objectively evaluate management performance; and

diversity of background and experience.

As described above, diversity is one of several factors that the committee considers in evaluating director nominees. The Nominating and Governance Committee defines "diversity" broadly to include diversity with respect to background, experience, viewpoints, skill, education, national origin, gender, race, age, culture and current affiliations.

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The Nominating and Governance Committee will consider shareholder recommendations for candidates to serve on the board of directors and would evaluate any such candidate in the same manner described above. Shareholders entitled to vote for the election of directors may submit candidates for consideration by the committee if it receives timely written notice, in proper form, for each such recommended director nominee. If the notice is not timely and in proper form, the nominee will not be considered by the committee. To be timely for the 2014 annual meeting, the notice must be received within the time frame set forth in "Shareholder Proposals for Our 2014 Annual Meeting of Shareholders" below. To be in proper form, the notice must include each nominee's written consent to be named as a nominee and to serve, if elected, and information about the shareholder making the nomination and the person nominated for election. These requirements are more fully described in Article I, Section 6, of our bylaws, a copy of which will be provided, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190.

Under the process we use for selecting new board candidates, the President and Chief Executive Officer, the Nominating and Governance Committee or other board members identify the need to add a new board member with specific qualifications or to fill a vacancy on the board. The Chairman of the Nominating and Governance Committee will initiate a search, working with staff support and seeking input from board members and senior management, hiring a search firm, if necessary, and considering any candidates recommended by shareholders. An initial slate of candidates that will satisfy the criteria and otherwise qualify for membership on the board may be presented to the Nominating and Governance Committee. A determination is made as to whether Nominating and Governance Committee members or board members have relationships with preferred candidates and can initiate contacts. The President and Chief Executive Officer and at least one member of the Nominating and Governance Committee interviews prospective candidates. The Nominating and Governance Committee meets to conduct further interviews of prospective candidates, if necessary or appropriate, and to consider and recommend final candidates for approval by the full board of directors.

Compensation Committee

The Compensation Committee is responsible for reviewing, approving, and overseeing the administration of our compensation and benefit programs, evaluating their effectiveness in supporting our overall business objectives and ensuring an appropriate structure and process for management succession. Specifically, the committee is responsible for:

evaluating the performance and setting the compensation of the Chief Executive Officer and other members of senior management,

reviewing the Company's compensation policies and practices,

reviewing executive succession plans, and

reviewing our executive development programs, including the performance evaluation process and incentive compensation programs.

The Chief Executive Officer provides the Compensation Committee with the financial and strategic performance accomplishments of the executive management team and recommends raises, bonuses and long-term equity awards for those executives. To assist in its efforts to meet the objectives outlined above, the Compensation Committee retains Pay Governance, LLC, an independent consulting firm, to advise it on a regular basis on executive compensation programs. Pay Governance provides information to the Compensation Committee so that it can determine whether the company's executive compensation programs are reasonable and consistent with competitive practices. The Compensation Committee operates under a written charter originally adopted by the board in 2003, as subsequently amended. The Compensation Committee's charter, as amended and currently in effect, is available on

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our Corporate Governance web page at www.maximus.com/investor-relations/corporate-governance. A printed copy is available, without charge, to any shareholder upon written request to the Secretary of the Company, whose address is MAXIMUS, Inc., 1891 Metro Center Drive, Reston, Virginia 20190.

The members of the Compensation Committee are Marilyn R. Seymann (Chair), Russell A. Beliveau, John J. Haley, Paul R. Lederer, Peter B. Pond and Raymond B. Ruddy, each of whom is independent as defined by applicable New York Stock Exchange listing standards governing the qualifications of compensation committee members in effect on the date of this proxy statement.

The Compensation Committee held four meetings during fiscal year 2012. For additional information regarding the committee, see "Compensation Committee Report" below.

Annual Meeting Attendance

We encourage members of the board of directors to attend the annual meeting of shareholders. All of our directors attended the 2012 annual meeting of shareholders.

EXECUTIVE OFFICERS

Our executive officers and their respective ages and positions are as follows:

Name	Age	Position
Richard A. Montoni	61	Chief Executive Officer, President and Director
Mark S. Andrekovich	51	Chief of Human Capital and President Tax and Employer Services
Bruce L. Caswell		