



RETIREMENT PLAN INFORMATION PACKAGE

On 2/6/15 the MTA met with the Department of Higher Ed. (DHE) and the State Retirement Board (MSRB) to get further clarification on the last steps in the Section 60 implementation process and ongoing progress. The three organizations plan to monitor the S-60 implementation process and address related questions or concerns as they arise. This update captures the key issues discussed at that meeting and provides further clarification about the implementation process, where appropriate. As is explained below, the organizations are working on multiple facets of the Section 60 process concurrently, as well as their daily operational responsibilities.

1. **DHE Status Report on Retirement Plan Information Packages:**

Both state departments (BHE and MSRB) are understaffed but are doing the best they can, given current demands. Priority is being given to responding to initial Notices of Interest that are submitted.

- a. 1,000 Retirement Packages have been sent to S-60 employees who returned their Notice of Interest forms.
- b. 1,006 Retirement Packages will be sent over the next 3 months based on the dates received.
- c. About 100 are past due, by up to 30 days.
- d. The MSRB is hiring 2 new temporary staff replacing previously hired temporary staff that had moved on to other employment and who will focus largely on ORP cost calculation issues and responding to Section 60 inquiries.

2. **Recalculation of MSERS Qualifying Service:**

The methodology for the recalculation of service for individuals with prior MSERS Qualifying Service has been revised and is currently being used for all related cost calculations. As has been reported, many cost estimates of the MSERS service that previously were sent out included errors above and beyond what an employee should owe. These cost errors applied mainly to those hired before 1995.

- a. The DHE will send a letter to all employees who received a cost statement in which the incorrect methodology was used (about 200).
- b. The letter will include the revised cost for all such qualifying service.
- c. The DHE is expected to get this letter to the affected employees in the next 2 weeks.

3. **Transfer of ORP Assets to the MSERS:**

The state discussed a possible change in the MSERS transfer of assets procedure. The final details of any such modification and the impact on the related S-60 timeline are being worked out.

4. **Retirees and “Soon-to-be” Retirees:**

The state will facilitate the completion of the transfer of ORP assets and the retirement application process for these retirees, with special attention given to those with extenuating circumstances. The goal will be to ensure that:

- a. Retirement income is retroactive to the employment termination date.
- b. GIC insurance premium contribution is not increased during the interim between the retirement date and the completion of the S-60 process.
- c. GIC will directly bill for three months after an employee retires from their position until the receipt of retirement benefits. Thereafter a direct deduction from retirement benefits is made to the GIC.
- d. For an employee on direct billing for more than three months, the GIC validates pension information with the MSRB to determine if a retiree has been approved for a pension benefit.
- e. If there is no pension information or if there is a delay due to the start of retirement benefits, the GIC will bill individuals at full premium until their pension has been approved. Where a pension is approved retroactively, the GIC will refund the difference in premium between the full cost premium and what the contribution should be based on the retirement date.
- f. The retirement application process is expedited for these employees, so retirees do not have to wait any longer to receive their first benefit payment than is customary for other MSERS retirees (currently 60 to 90 days from their retirement date).
- g. As a reminder, any other service purchases would have to be completed prior to the initiation of retirement benefits.

5. **Communication regarding the S-60 process:**

- a. The DHE is planning to update the Section 60 website and revise some of the Section 60 FAQ pages later this month.

- b. All S-60 employees should read the DHE updates, related MTA updates, and the S-60 FAQ pages before asking questions of the ORP, the MSRB, or the MTA. The answers to many of the questions are included in these documents and updates. Any time spent by the ORP or the DHE in answering questions that have been already addressed keeps the very limited staff from doing the ORP implementation work required of them.
 - c. For comprehensive information related to the S-60 process, go to the following websites:
 - i. For a detailed FAQ on the S-60 transfer process, visit the ORP website: www.mass.edu/foremployees/orp/section60faq.asp
 - ii. For updates from the DHE on the implementation process, visit: www.mass.edu/foremployees/orp/section60.asp
 - iii. Starting February 26, MTA's website will contain an ORP Toolkit where ORP information and updates will be available.
 - d. For employees with questions not addressed by the above documents, note that certain topics are handled by different departments:
 - i. For questions about receipt of overdue Retirement Packages, the completion of forms, the transfer of assets, or the use of TIAA funds, contact the DHE: ORP@bhe.mass.edu
 - ii. For questions related to the calculation of the cost for Qualifying Service, contact the SRB: orpinfo@tre.state.ma.us
- 6. Future member correspondence regarding the Section 60 implementation:**
Note that Donnie McGee has decided to step back from S-60/ORP responsibilities to focus on other MCCC work. Going forward,
- a. The MTA plans to meet monthly with the DHE and SRB and provide monthly updates following these meetings.
 - b. The MTA website ORP Toolkit will provide updates and information for members.
 - c. The MTA will provide assistance to individual members whose questions cannot be addressed through reference to posted information. Members can access MTA assistance by contacting Tim Fitzgerald at ORP@massteacher.org.
 - d. Donnie McGee has emailed members of the ORP Ad Hoc Committee to inform them that MTA will handle these S-60/ORP responsibilities from this point on.