



S-60/ORP implementation update #7 [6-8-15]

PROGRESS REPORT

MTA met with representatives from the Department of Higher Education and the State Retirement board on June 5, 2015. Following are the major points of discussion.

1. Retirement Plan Information Packages

The last eighty-four RPIP's are expected to be sent out during the week of June 8th.

2. Election forms Received and Subsequent Actions

- a. As of June 5th, the DHE had received 813 Election Forms. So far 799 ORP participants have elected to transfer to the MSERS, and 14 have elected to remain in the ORP.
- b. So far, ORP assets for 15 Section 60 transferees have been paid into the MSERS. Fourteen of those have 2014 retirement dates. In four cases, this payment was sufficient to complete the purchase of service. In ten cases, bills will be sent for the balance due.

3. Retirement Contributions

In a few instances, the retirement contribution percentage was increased by mistake when a former ORP participant began making contributions to the MSERS. Those who transfer under Section 60 are urged to check their pay advices and determine that the contribution rate is the same. Errors should be brought to the attention of the campus administrator and to ORP@bhe.mass.edu.

4. Questions about Service and Cost in RPIP's

- a. Some recipients of Section 60 Statements of Qualifying Service disagree with the amount of service or the estimated cost to purchase service. They have sent their questions to orpinfo@tre.state.ma.us, as is appropriate. Many have received no response. This lack of response is of great concern especially to those whose election deadline is close.
- b. We have asked the SRB to assist with this by sending screen shots of their calculations and the service and salary data on which they are basing the calculations in response to questions. This information could potentially resolve some questions.

- c. Meanwhile, we suggest that ORP participants who doubt the accuracy of the service or cost numbers in their RPIP Statement of Service check with their campus HR offices. This may clear up some apparent discrepancies.
- d. If the election deadline is getting uncomfortably close and a disagreement remains, we recommend that the DHE be asked for an extension. An email request can be sent to ORP@bhe.mass.edu.
- e. Signing an Election Form and an Enrollment Form and sending them to the DHE does not constitute acceptance of the service and cost numbers. The numbers are always subject to review and possible revision.

5. Purchasing Other Service after Section 60 Service Purchase

- a. Some ORP participants intend to buy service from previous employment that is not related to Section 60 service. This “buyback” cannot be accomplished until the Section 60 process is completed.
- b. For those who have already retired or who are getting close to retirement, it should be noted that this additional buyback must be completed before the SRB calculates retirement income. It is important, then, for the SRB to know if credit for additional service needs to be added before retirement income is calculated.
- c. The RPIP retirement application does not include a provision for this information, so it is recommended that a cover letter be added to indicate one’s intention to buy back other service. It is also suggested that after enrollment in the MSERS, even before the asset transfer, the buyback form be sent to the SRB. Buyback forms are available on the Retirement Board website at www.mass.gov/treasury/retirement/state-board-of-retire/forms-and-publications.html. It should be noted on the form that the buyback is in addition to Section 60 service.