



## S-60/ORP implementation update #4 (3/13/15)

### Late bulletin:

If your ORP assets are with TIAA-CREF, you should contact the DHE *before* starting a TPA or SWAT, especially if you plan to retire prior to January 1, 2016. It is crucial that you understand the effects of leaving your assets in a TIAA Traditional Account versus initiating a TPA or SWAT payment plan.

This caveat also applies to those with TIAA Traditional Accounts holding less than \$5,000 who are considering liquidating this account.

Please seek further clarification at [ORP@bhe.mass.edu](mailto:ORP@bhe.mass.edu).

### PROGRESS REPORT

On 3/6/15 the MTA met with the Department of Higher Ed (DHE) and the State Retirement Board (MSRB) to review progress in implementing transfer from the ORP to the MSERS. These are the main points of that discussion.

1. **Correction of Errors in MSRB's Cost Estimates**
  - a. Two hundred cost estimates for those with pre-ORP time in the MSERS contained errors. On 2/27/15 letters with the correct cost estimates were sent to all those affected.
  - b. **Reminder:** as noted in the letters, **the deadline for returning the Election Forms and Enrollment Forms was not extended.** Forms must be received by the DHE within 180 days of the date the ORP participant received the Retirement Plan Information Package.
2. **Retirement Plan Information Packages (RPIP's) as of 3/6/15**
  - a. 1,074 RPIP's had been mailed by the DHE.
  - b. 932 more remain to be mailed by the DHE.
  - c. 136 of the latter are overdue, approximately 80 of which are ready to be sent.
3. **MSRB Workload**
  - a. The work of MSRB staff has been slowed by the influx of calls prompted by news of a possible early retirement incentive for Executive Branch employees (not including employees in public higher education).

- b. The MSRB expects a temporary abatement in these calls that will allow more time to generate the Service Statements for inclusion in the Retirement Plan Information Packages.

**3. Information from Providers**

- a. It is important for ORP participants to be able to distinguish Employer contributions from required Employee contributions and from voluntary contributions from employees, as well as assets from other retirement plans that employees may have added to their ORP account.
- b. Provider statements do not make all of these distinctions; nor do they use uniform terminology.
- c. The DHE will ask for sample account statements from each provider so that the DHE website can include explanations of the assets in the account and how they would be used in purchasing MSERS service.
- d. Meanwhile, ORP participants are advised to check their provider websites for additional information about the source of their ORP assets.

**4. Deferred Retirees**

- a. For now, deferred retirees will face a period of months during which they do not receive pension income and must pay 100% of the premium for GIC medical insurance. Once they begin receiving pension payments (from which GIC premiums are deducted), they will receive a refund of the difference between the full premium and the retiree percentage of premiums.
- b. The DHE would like to arrange that those in this category of “deferred retiree” would be able to continue their GIC coverage by paying the retiree premium rather than the entire premium. The Retirement Board is not inclined to treat former ORP participants differently from other retirees from state service unless the individual faces an unusually long lag time before receiving pension benefits.

**5. For Questions and Further Information**

- a. The DHE website contains information about the S-60 process at [www.mass.edu](http://www.mass.edu).
- b. To ask questions about a specific case involving the process of applying for a transfer and how to pay for service, including questions about the RPIP, contact [ORP@bhe.mass.edu](mailto:ORP@bhe.mass.edu).
- c. To ask about your cost estimate from the Retirement Board, contact [orpinfo@tre.state.ma.us](mailto:orpinfo@tre.state.ma.us).
- d. If questions are not answered through these avenues, please contact MTA at [orp@massteacher.org](mailto:orp@massteacher.org).