



## PROGRESS REPORT

MTA met with representatives from the Department of Higher Education and the State Retirement Board on May 4, 2015. Following are the major points of discussion

### 1. Retirement Plan Information Packages

The DHE has sent out 2,012 RPIP's. Eighty-four more remain to be sent. This phase of the Section 60 process is nearing completion. Despite some earlier delays, the DHE is almost back on schedule.

### 2. Election Forms Received

As of May 4<sup>th</sup>, the DHE had received 682 Election Forms. Of those, 675 were elections to transfer to the MSERS, and seven were elections to remain in the ORP.

### 3. Impact of the New Early Retirement Incentive Plan

- a. Employees of U Mass, the state universities and the community colleges are not eligible for the new early retirement incentive plan, but the ERIP will have an effect on some aspects of the Section 60 process because of a sharp increase in the workload of State Retirement Board staff over at least the next month.
- b. Those who work on Section 60 service and cost calculations will also be responsible for responding to a likely spike in buyback requests prompted by the ERIP.
- c. SRB staff who process Section 60 retirement applications will also have to contend with what could be a major influx of ERIP retirement applications.

### 4. Asset Transfers and Payment of Balances

- a. The DHE has begun the process of transferring assets from ORP accounts to the SRB. This phase of the Section 60 process depends on updated calculations of service and costs by the SRB. As noted above, the SRB staff handling service and cost calculations will have to deal with substantially more work as a result of the ERIP. This is expected to slow the pace of asset transfers.
- b. After the transfer, the State Retirement Board will send an invoice if there is a balance due. The MSERS member will have 35 days to pay a balance if it is to be paid in a single lump sum (rather than through a payroll deduction plan or a TPA or SWAT).

- c. Details about payment methods are spelled out in the answers to Questions 10 – 13 on the DHE website at [www.mass.edu/forfacstaff/orp/section60faws.asp](http://www.mass.edu/forfacstaff/orp/section60faws.asp).
- d. Although this topic was not part of the discussion on May 4<sup>th</sup>, it is relevant to the matter of payment for purchase of service: the MTA S-60/ORP Toolkit has information about loans through Berkshire Bank. MTA members can contact Leigh Ann Spears at Berkshire Bank at 413.564.6571.