



S-60/ORP IMPLEMENTATION UPDATE #14 (1/12/16)

**PROGRESS REPORT**

On January 7, 2016 MTA met with representatives of the State Retirement Board and the Department of Higher Education to review implementation of Section 60. Following is a summary of the main topics of discussion.

**1. Transfer of ORP Assets**

As of January 7<sup>th</sup>, ORP assets for 123 Section 60 MSERS members had been transferred to the SRB. Recently the SRB experienced delays in cashing some checks, but is now current through mid-December. The process has become more streamlined, and no further delays are expected.

MSERS members whose assets have been transferred pursuant to Section 60 and who would like to determine whether checks have cleared can either contact their Providers or call the SRB at (617) 367-7770 and ask for the Buyback Department.

The SRB has begun sending more updated cost calculations to the DHE. The DHE needs these calculations before it can request the transfers from the Providers, so it is encouraging to hear that more progress is being made in this area. However, this is creating a backlog in the DHE. The DHE is taking steps to hire temporary staff this month to work on asset transfers.

**2. Retirement Plan Information Packages**

There remain 17 ORP Participants who have not received a Retirement Plan Information Package and 4 current MSERS members who are waiting for similar information concerning the purchase of past ORP service.

It appears that these cases involve anomalies in employment histories that the SRB and the DHE have not resolved.

**3. Retirement Applications during Section 60**

Because of the complexities in the Section 60 process, it is preferable for those in Section 60 who want to apply for retirement to submit a retirement application to the DHE (rather than directly to the SRB). The DHE will send the form to the SRB within the period for submitting a retirement application. This allows the DHE to know when a Section 60 employee is intending to retire; the DHE is prioritizing the

transfer of ORP assets for those approaching retirement. The DHE marks the application as “S-60” so that the SRB will also be aware of the employee’s Section 60 status.

#### **4. Retirement and Non-Section 60 Service Purchases**

Some MSERS members who transferred into the MSERS pursuant to Section 60 intend to purchase other service, such as time from “03” employment, military service, or other public employment.

Such service cannot be purchased until Section 60 service has been paid for.

For those who were already in the MSERS prior to Section 60 and who want to purchase earlier ORP time to add to their creditable service this is not always the case. It may be possible to purchase some of the non-ORP time before completing the purchase of ORP time.

In any event, anyone close to retiring who is in the midst of the Section 60 process needs to complete the “buyback” forms and submit them to the SRB before the retirement date, even though the process of purchasing the time may not start until after completion of the Section 60 process.

Information and forms concerning the purchase of these other kinds of service can be found at [www.mass.gov/treasury/retirement/state-board-of-retire/forms-and-publicstions.html](http://www.mass.gov/treasury/retirement/state-board-of-retire/forms-and-publicstions.html).

#### **5. Advance Payments**

In limited circumstances the SRB can arrange for a retiree to request a draw against future retirement income. The SRB is reviewing how this can be done for Section 60 retirees.

#### **6. Locked Funds**

The SRB and the DHE are in discussions about methods for monitoring payments from TIAA Traditional accounts and differentiating employee-funded assets from employer-funded assets to ensure full payment of Section 60 obligations.