



Pension Reform Act - Questions & Answers

1. What Is Section 60?

Section 60 of the state's Pension Reform Act of 2011 provides a one-time, irrevocable opportunity for certain Optional Retirement Program (ORP) participants to change their retirement plan from the ORP to the Massachusetts State Employees' Retirement System (MSERS). Additionally, these participants, subject to the approval of the State Retirement Board (SRB), may be authorized to purchase creditable service under the MSERS equal to the time they participated in the ORP, and if applicable, eligible years of service immediately prior to their enrollment in the ORP.

NOTE: Information about creditable service and the cost to purchase that service will be provided by the Retirement Board during the implementation process.

2. Which ORP Participants Are Eligible Under Section 60?

Active ORP participants and those on an approved leave of absence are eligible for a second choice of retirement plan coverage under Section 60. Active participants are those currently making contributions to the Plan.

The Department of Higher Education (DHE), as the ORP Plan Administrator, identified eligible participants on October 5, 2013. This was the end of the pay period during which the DHE received the favorable ruling from the Internal Revenue Service. The DHE will monitor the eligible population to ensure that no one loses her or his eligibility between now and the effective date of the implementation (e.g. those eligible participants whose status under the ORP becomes "Inactive" prior to the implementation). Inactive Participants are those who no longer contribute to the ORP, but retain their assets in the Plan.

ORP participants who are Retirees, Deferred Retirees and Disabled will not be eligible to change their retirement plan coverage under Section 60.

3. How Will I Know If I Am Eligible To Change Plans Under Section 60?

While receipt of this correspondence is an initial indicator of your potential eligibility to change plans under Section 60, the DHE will conduct a final and authoritative determination of the eligible population immediately prior to the effective date of the implementation.

At that time, the DHE will send an official notice of eligibility to affected participants.

4. Why Are The DHE, Retirement Board And MTA Amending Section 60?

After careful and repeated reviews of the current Section 60 language, the three organizations have agreed on the need to revise the language to provide reasonable terms and time periods in order to create an efficient and effective process for ORP participants who elect to change retirement coverage to the MSERS.

The three organizations are collaborating on the amendment and legislative processes in order to minimize further delays in bringing the opportunities of Section 60 to fruition.

5. When Do The Three Organizations Expect To Implement The Section 60 Process?

The DHE, Retirement Board and the MTA will propose an Effective Date of the implementation to legislators as part of the amendment process. While no one can predict the time needed to complete the legislative process, the three organizations intend to implement Section 6 during the 2014 spring semester.

6. What if I Am At OR Near Retirement?

If you are planning to retire within the next twelve months, you should very carefully compare your financial situation with the features and potential income under each of the two plans, in order to decide under which plan you wish to retire.

7. How Can I Prepare Myself For Making This New Choice Of Retirement Plan Coverage?

You should use the time between now and the effective date of the implementation to carefully review both plans' features and provisions to determine which would better suit your own financial, career and retirement plans. This is especially important for those at or near retirement.

8. Is There Information That Compares The ORP and SERS Plans?

- a) The ORP web pages include information about the Plan, as well as a section you may find helpful in comparing the two plans ("Choosing a Retirement Plan").
 - Access ORP information: www.mass.edu/orp
 - o select "**Participant**" button and the menu will be on the left side of the screen
- b) Additionally, the State Board of Retirement offers an excellent "Guide" to benefits under the MSERS. You should use the rules that were in effect when you first joined the ORP.
 - Access MSERS information: [MSERS Benefit Guide](#)
- c) The Retirement Board is currently conducting a series of general presentations about the MSERS across the state called "*Smart Retirement Seminars*".
 - Access the seminar schedule and register to attend: [SMART Retirement & Beyond Seminars](#)