



Implementation of RetirementPlus (R+) Election Changes for Employers



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Agenda

- Part 1** The need for **Chapter 134 of the Acts of 2022**
- Part 2** **Special Election** for Transfers received by the MTRS between 7/1/2001 and 6/30/2022
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- Part 4** **Elimination of Election** for Transfers with prior membership service beginning on or after 7/1/2022
- Part 5** **R+ Resources** for Employers and Members



Part 1



The need for Chapter 134 of the
Acts of 2022

R+ Benefits

- Enhanced retirement benefits
- Defined benefit plan
 - Age – Service - Salary Average
 - Example: A member with a \$100,000 salary average with a maximum benefit of 80% will provide an annual pension of \$80,000.
 - R+ gets you to 80% faster
 - Additional 12% for 30 years (Tier I)
- Tier I and II [Retirement Percentage Charts](#)
- Member must be **eligible** and ***participating***
- Eligibility after 30 years of service
 - At least 20 with membership in MTRS or Boston Retirement System as a teacher

MTRS member contribution rates

Date you established your current "effective membership date"	<u>Not participating in RetirementPlus</u>	<u>Participating in RetirementPlus</u>
April 2, 2012 and after	9% plus 2% on earnings over \$30,000/year; with 30 years of creditable service, contribution rate decreased to 6% plus 2% on earnings over \$30,000/year	11%; with 30 years of creditable service, contribution rate decreased to flat 8%, and no additional 2%
July 1, 2001 through April 1, 2012	9% plus 2% on earnings over \$30,000/year	11%
July 1, 1996 through June 30, 2001	9% plus 2% on earnings over \$30,000/year	
January 1, 1984 through June 30, 1996	8% plus 2% on earnings over \$30,000/year	
January 1, 1979 through December 31, 1983	7% plus 2% on earnings over \$30,000/year	
January 1, 1975 through December 31, 1978	7%	
Before January 1, 1975	5%	



The difference between 11% and 9%+2%

- The rate for R+ is a flat 11% on all gross earnings
- One of the lower, non-R+ rates is **9% with an additional 2% taken on earnings over \$30,000/year**
 - Commonly referred to as "9+2", or "9 and 2"
 - People hear the word "plus" and think it's R+
 - 9%+2% **does not equal** 11% for R+
 - The monetary difference is \$600/year

The need for Chapter 134 of the Acts of 2022

- As of 7/1/2001, all new MTRS members mandated into R+, EXCEPT those transferring into MTRS from one of the other 103 retirement systems (e.g., teacher aide who became a teacher)
- MTRS instructed employers to withhold 11% for ALL new hires until the transferring members made their R+ election, but
 - Many members do not know what retirement system they were in during prior service, so transfers not requested in timely manner
 - MTRS' R+ regulation provided 180 days from the date we received the transfer from other system

The need for Chapter 134 of the Acts of 2022

- Members thought they were automatically in R+ due to contributing at 11% since the start of their MTRS membership
- Transfers to the MTRS may not have occurred for years after establishing membership:
 - Untimely Enrollment
 - Not notifying the MTRS of other service

The need for Chapter 134 of the Acts of 2022

- No responses to election notices counted as “No” election; defaulting members **out** of R+
- Members very upset when they apply for retirement and find out not in R+; hundreds of appeals
- Number of members affected would continue to grow without legislative action



Part 2



Special Election
for Transfers received by the MTRS
between 7/1/2001 and 6/30/2022

Eligibility for R+ Special Election

- Members **eligible** for the election:

The new law provides a final, one-time opportunity to participate in the R+ program only to those members who:

- established membership with the MTRS between July 1, 2001 and June 30, 2022, **AND**
- transferred into the MTRS from one of the other 103 Massachusetts public retirement systems between July 1, 2001 and June 30, 2022, **AND**
- did not yet submit an election.

- Members **not eligible** for the election

- Any person that was a member prior to 7/1/01 and received an election opportunity during the original R+ election

Members who receive the R+ special election packet are not in R+

- In order to be in R+, **members must complete and submit their election**
 - Even if member has been contributing at 11% the entire time, they are **NOT in R+**
 - **Our instructions and yours:** if a member does not respond to the election, they will **not be in R+**
 - You and Members can review the eligibility criteria and more on the MTRS [R+ resource center](#)
- **Election Underway**
 - Election packets with ballot mailed 1/11/23 by our election processing vendor, *YesElections*
 - Eligible members can vote **online** (must use the unique code and pin printed on ballot) or paper ballot using **only** the official ballot from *YesElections*
 - Election period ends **June 30, 2023**

Steps for Successful Implementation of R+ Special Election

- **MTRS responsibilities**
 - Communication to Employers and Members
 - **Member** communications
 - Email to all MTRS members (Oct. 7, 2022)
 - Email to all Special Election eligible members (Oct. 31, 2022)
 - Letter mailed to members without email (Nov. 10, 2022)
 - **Employer** R+ broadcasts
 - Sept. 1, Oct. 31, Nov. 28, 2022
 - Emailed each **Superintendent** a list of election eligible members in their district (Jan. 12, 2023)
 - Reminder to **eligible members** who have not submitted their special election (late March 2023)
 - Webinar for **eligible members**. School vacation week – Thursday, February 23, 2023, 9:30 AM
 - **Employers** notified of rate changes (TBD)



Steps for Successful Implementation of R+ Special Election

- **Employer steps**
 - Direct all member questions to MTRS and promote the [R+ resource center](#)
 - Remind members to respond to election
 - Review list of eligible employees and update MTRS on any changes to the district list
 - Make rate changes once notified by MTRS
 - Please do not make any rate changes at the member's request



Steps for Successful Implementation of R+ Special Election

▪ MTRS Post Election Steps

- Confirm rate change after processing district's deduction report
 - If member elected to participate in R+ and **has always paid 11%**, we will simply send member a **confirmation**
 - If member elected to participate in R+ and **has not paid 11%** during part, or all of their MTRS service, we will send them an **invoice with installment options** for amounts over \$1,000
 - If member elected to opt-out of R+ and **has paid 11%** during any of their MTRS service, the member will **receive a refund** of the excess contributions

Steps for Successful Implementation of R+ Special Election

- **MTRS Post Election Steps, Continued**
 - Election notices sent to 8,000 members and it will take **at least 6 months after the end of the election period on 6/30/2023** to complete the steps listed on the previous slide
 - **Retiring members will be prioritized**, they should not delay filing a retirement application
 - **MTRS and Employers**, we're in this together. Consistent messaging is key—don't hesitate to reach out to us!



Part 3



New Election Process for Transfers
received on or after 7/1/2022 with
membership service prior to
7/1/2022

New Election Process for Transfers received on or after 7/1/2022 with membership service prior to 7/1/2022

- **Opt-Out** Provision
 - Members enrolled in the MTRS with service in another MA Contributory Retirement System prior to 7/1/22 who have service transferred to the MTRS on or after 7/1/22 must now **opt out of R+**
 - 180 days from the date the MTRS receives the transfer
 - The **opt in** provision has been **eliminated**.
 - If they fail to elect out, they are **defaulted into R+**
 - If they do not meet the requirements of R+ at the time of retirement, they will receive a refund of their additional R+ retirement contributions
 - **Please continue to take 11% contributions for all new members you register for the MTRS**
 - R+ status and rate can be viewed in MyTRS



Part 4



Elimination of Election for Transfers
with prior membership service
beginning on or after 7/1/2022

Members who establish membership service in a local retirement system on or after 7/1/22 and subsequently transfer to MTRS

- R+ election provision **eliminated**
 - Members will be **mandated into R+**, just like all new hires with no prior service in a retirement system
 - Like newly hired members, if they do not meet the requirements for R+ at the time of retirement, they **will not receive a refund of the difference between 11% and the lower rate withheld** from their prior retirement system
 - **Please continue to take 11% contributions for all new members you register for the MTRS**
 - R+ status and rate can be viewed in MyTRS



MTRS Membership Date	Date the MTRS receives the transfer from the other MA public retirement system	RetirementPlus Election
Between 7/1/2001 and 6/30/2022	Between 7/1/2001 and 6/30/2022	<ul style="list-style-type: none">• If we did not receive a Member's R+ election by 12/31/2022, they are included in the special R+ election period ending 6/30/2023.• If we do not receive a Member's response to the special R+ election period by 6/30/2023, they will not participate in R+.
On or after 7/1/2001 with service starting in the other MA public retirement system prior to 7/1/2022	On or after 7/1/2022	<ul style="list-style-type: none">• A Member will automatically be enrolled in R+ unless they opt-out within 180 days.• If Members participate in R+ but do not qualify for the benefit at the time of retirement, they will receive a refund of excess contributions.
On or after 7/1/2022 with service starting in the other MA public retirement system on or after 7/1/2022	On or after 7/1/2022	<ul style="list-style-type: none">• Participation in R+ is mandatory, just as for all new teachers.• If a Member does not qualify for the R+ at the time of retirement, they will not be eligible for a refund.



Part 5



R+ Resources for Employers and Members

RetirementPlus (R+) resource center

- <http://www.mass.gov/mtrs>



The screenshot shows the MTRS website homepage. At the top left is the MTRS logo with the text "MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM". To its right is the tagline "Proudly serving Massachusetts educators since 1914" and the main title "Massachusetts Teachers' Retirement System". On the right side of the header are two navigation buttons: "Home" (highlighted in blue) and "Members". Below the header is a section titled "MTRS NEWS". Underneath, the text "The latest..." is followed by two news items. The first item features the RetirementPlus (R+) logo, which consists of a blue circle with an arrow pointing clockwise around a large "R+" and the text "RetirementPlus" below it. To the right of the logo is the text "RetirementPlus (R+) resource center" and a hand cursor icon. The second item features a small image of a clock face with a portrait of Benjamin Franklin, and to its right is the text "Working after retirement limits are reinstated".



RetirementPlus (R+) resource center

- R+ Changes overview video
- R+ Special Election video
- Decision information (eligibility, benefits & costs)
- **Members** can request a **replacement ballot**
 - MTRS will verify eligibility before sending
- **Direct all member questions to the MTRS**
 - **RetirementPlus@trb.state.ma.us**

Important items from Today

- **Direct all member questions to the MTRS**
 - **RetirementPlus@trb.state.ma.us**
- Everyone who received a Special Election package is not currently in R+, and if they want to be in R+ **they must elect in**
- If the member believes they are already in R+, please tell them to **fill out and submit their election**
- If member does not respond to election, they will **not be in R+**
- **Do not change any rates until we notify you** about any rate changes, and then please adjust the rate on your next pay date
- The election window closes on **Friday, June 30, 2023**. All elections must be received online or postmarked by June 30, 2023



Thank you

Thank you for attending today!

Questions?

For more information...

- <https://mtrs.state.ma.us/rplus>
- RetirementPlus@trb.state.ma.us

