



Implementation of RetirementPlus (R+) Election Changes for Employers



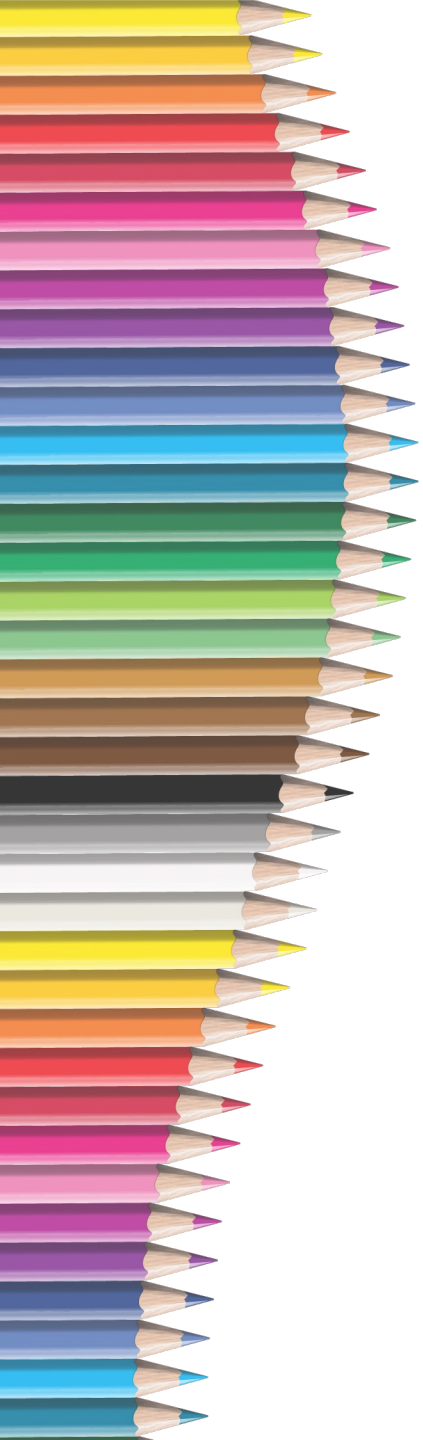
Presented by
David Percoco
Director of Transfers, Refunds and Enrollments
Massachusetts Teachers' Retirement System

May 23, 2023



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
- Part 3** **New Election Process** for Transfers received on or after 7/1/2022 with membership service prior to 7/1/2022
- 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



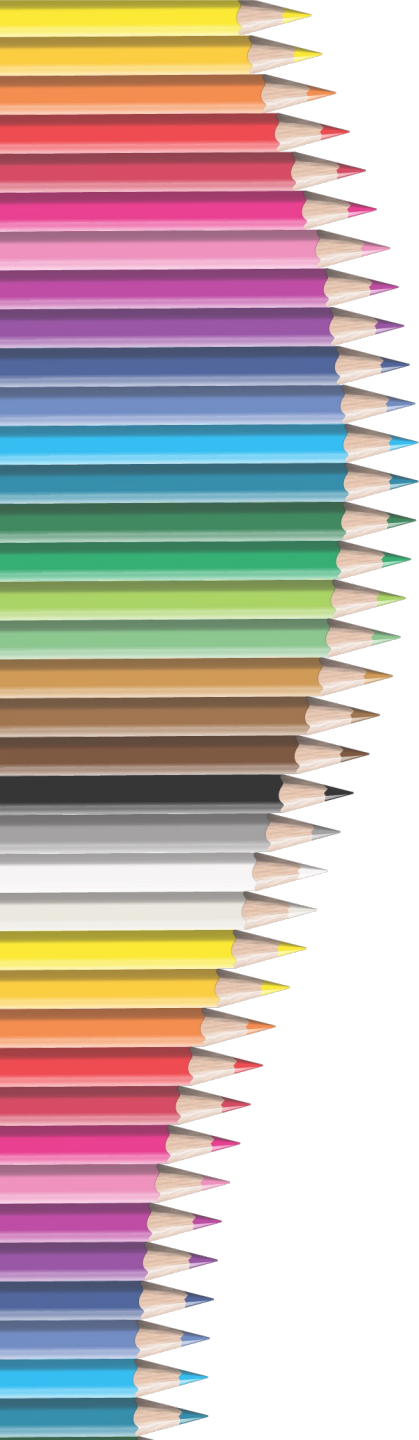
The need for Chapter 134 of the
Acts of 2022

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

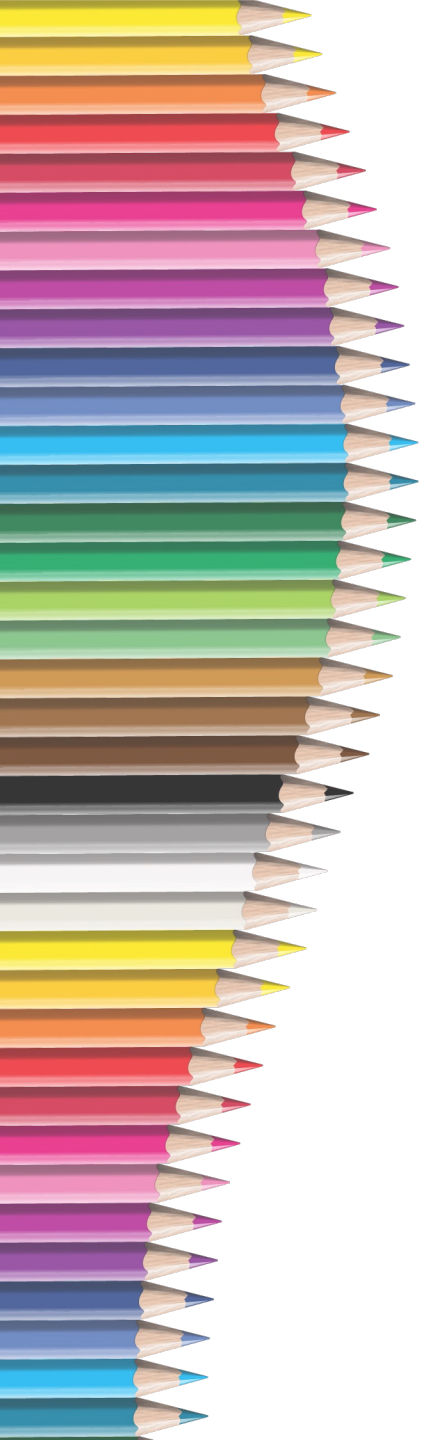
Date you established your current "effective membership date"	<u>Not participating in RetirementPlus</u>	<u>Participating in RetirementPlus</u>
April 2, 2012 and after	9% plus 2% on earnings over \$30,000/year; with 30 years of creditable service, contribution rate decreased to 6% plus 2% on earnings 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

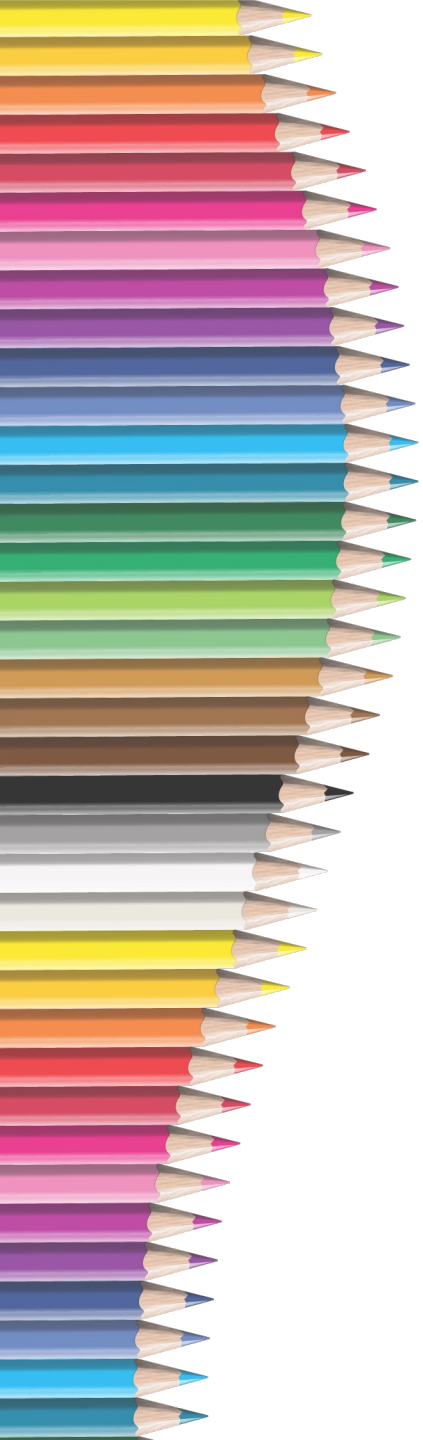
- 
- As of 7/1/2001, all new MTRS members mandated into R+, EXCEPT those transferring into MTRS from one of the other 103 retirement systems (e.g., teacher aide who became a teacher)
 - MTRS instructed employers to withhold 11% for ALL new hires until the transferring members made their R+ election, 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

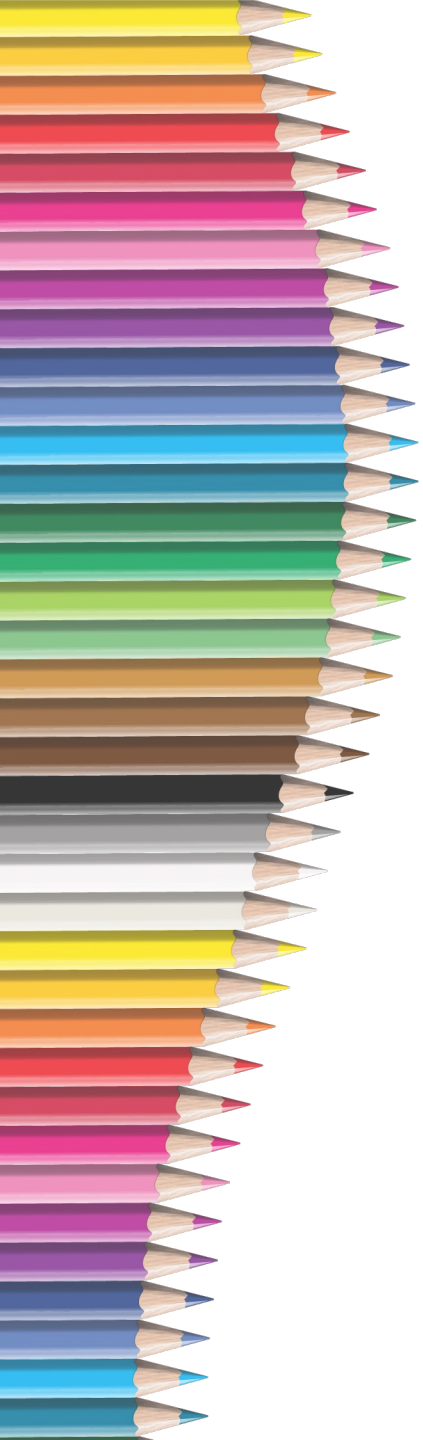
The need for Chapter 134 of the Acts of 2022

- 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



Q&A





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.

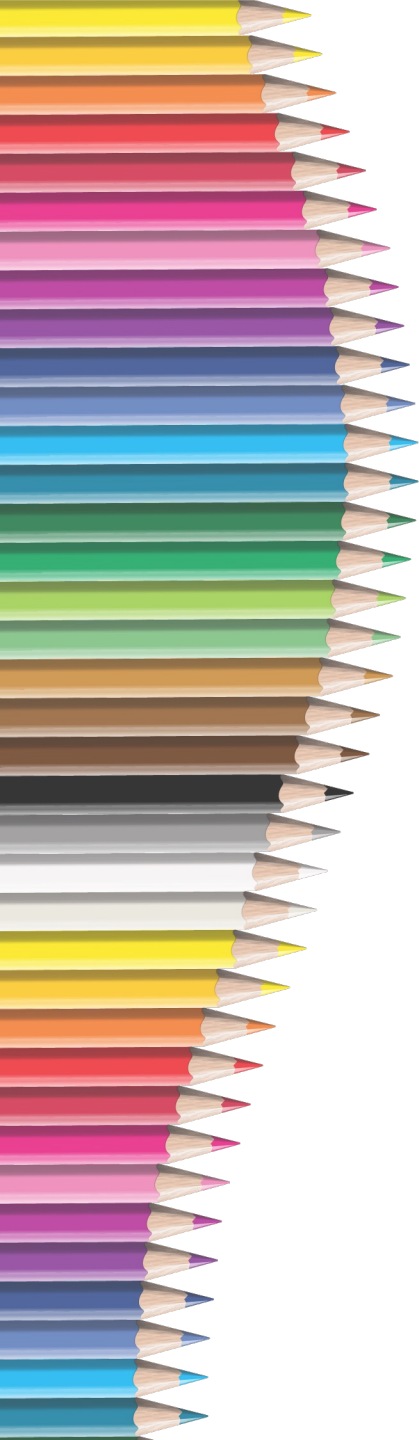
- Members **not eligible** for the election

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

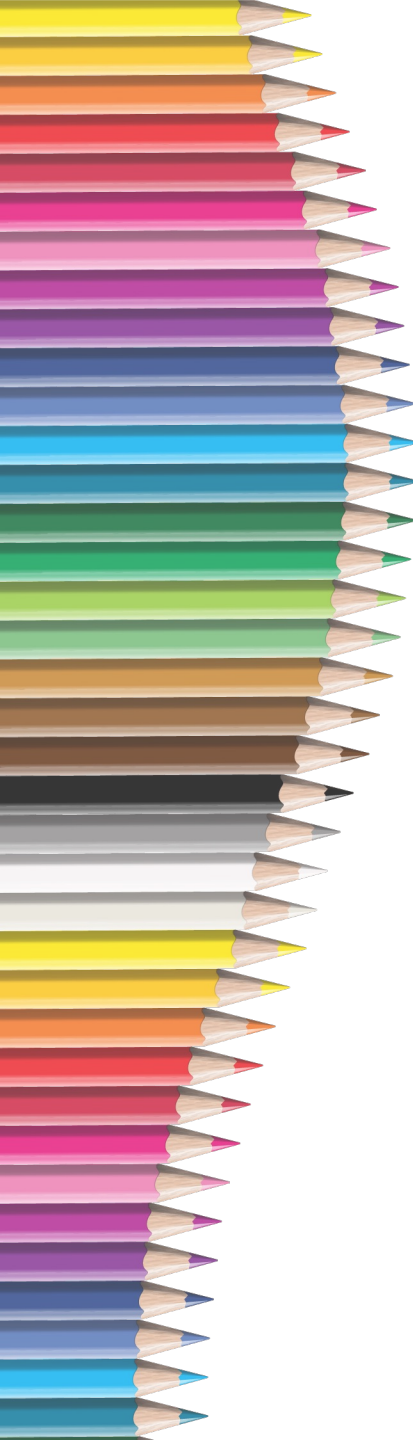
Members who receive the R+ special election packet are not in R+


- 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 Status

- 
- Election packets with ballot mailed **January 11** and again on **March 31** by our election processing vendor, *YesElections*
 - ! ▪ *YesElections* sent election credentials via email (from help@yeselections.com) on April 13 and May 8.
 - ! ▪ *YesElections* will send credential emails on **June 5, June 26**, and the final day of the election **June 30**.
 - Election period ends **June 30, 2023**

Sample Ballot





MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

January 2023
MTRS 2023 RetirementPlus (R+) Special Election

Dear Member,

Pursuant to Ch.134 of the Acts of 2022, you are eligible for this final, one-time opportunity for RetirementPlus participation.

Even if you are contributing 11% to the MTRS, you are not in R+ unless you complete and submit this election by 6/30/2023. If we do not receive your response to this special R+ election by 6/30/2023, you will not participate in R+.

Sincerely,
The Massachusetts Teachers' Retirement System

FirstName LastName
Address1
Address2
Address3
City, State, Postal Code
Country

Make your R+ Election ONLINE... OR **Make your R+ Election by MAIL...**

- 1) Go to **election website hidden on sample ballot**
Note: You must type **election website hidden** into your browser navigation bar – not in the search field of a search engine such as Google, Yahoo, or Bing.
- 2) Enter your...
Election Code: PIN:
- 3) Follow the on-screen instructions.
Note: If you disconnect from the internet before confirming your choice, your choice will not be registered, and you will need to log in again to make your election.
- 4) Online election opportunity ends at **midnight EST on June 30, 2023.**


Have questions or need help?

For cost/benefit information about R+, go to <https://mtrs.state.ma.us/rplus/>

For technical support, including website assistance,
Email Help+MTRS@yeselections.com or call 1-866-384-9978, M-F 9:00 a.m. – 5:00 p.m. EST.


For a replacement ballot
Call the MTRS at 1-617-679-6877, M-F 9:00 a.m. – 5:00 p.m. EST.

For general MTRS information
Visit www.mass.gov/mtrs



↑ If voting by mail, detach your ballot, below, and mail it back in the enclosed envelope. ↓

Sample ballot, not valid for voting.



MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

2023 R+ ELECTION

OFFICIAL MAIL-IN ELECTION

Please choose one R+ option below and return your completed mail-in election in the enclosed official envelope postmarked by June 30, 2023. You will receive a confirmation postcard within 4-6 weeks.

RetirementPlus Program
Completely fill in the circle that corresponds to the R+ option of your choice.

Member Name
Member Number


<input type="radio"/> I want to PARTICIPATE in RetirementPlus.	<input type="radio"/> I want to OPT-OUT of participating in RetirementPlus.
---	--

By mailing this election form, I understand that 1) my choice to either participate in, or opt-out of RetirementPlus is **voluntary and irrevocable**; and 2) if I choose to participate in R+, and my contribution rate was not previously 11%, I will be required to **make-up the difference** in contributions.

CONTROL NUMBER

If you are voting by mail, do NOT vote online. The first vote received is registered.


Sample ballot, not valid for voting.



MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM
Ballot Processing
PO Box 448
Mineola, NY 11501

ELECTRONIC SERVICE REQUESTED


Pre-Sorted
First Class Mail
U.S. Postage
PAID
Hicksville, NY
Permit No. 734

VOTE 

URGENT
MTRS RETIREMENTPLUS
PARTICIPATION
BALLOT ENCLOSED

First Last
123 Fake Street
City, State ZIP

Sample ballot, not valid for voting.



MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

2023 R+ ELECTION

OFFICIAL MAIL-IN ELECTION

Please choose one R+ option below and return your completed mail-in election in the enclosed official envelope postmarked by June 30, 2023. You will receive a confirmation postcard within 4-6 weeks.

RetirementPlus Program
Completely fill in the circle that corresponds to the R+ option of your choice.

Member Name
Member Number

<input type="radio"/> I want to PARTICIPATE in RetirementPlus.	<input type="radio"/> I want to OPT-OUT of participating in RetirementPlus.
---	--

By mailing this election form, I understand that 1) my choice to either participate in, or opt-out of RetirementPlus is **voluntary and irrevocable**; and 2) if I choose to participate in R+, and my contribution rate was not previously 11%, I will be required to **make-up the difference** in contributions.

CONTROL NUMBER

If you are voting by mail, do NOT vote online. The first vote received is registered.

Sample ballot, not valid for voting.

Election Status (as of 5/22/2023)

- **Total Votes: 2980**
 - Internet 2482
 - Paper 498
- **"IN" 2489**
- **"OUT" 490**

Election Status (as of 3/20/2023)

- **Total Votes: 1461**
 - Internet 1204
 - Paper 257
- **"IN" 1293**
- **"OUT" 168**

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)
 - Emailed each **Superintendent** an updated list of election eligible members in their district (March 20, 2023)
 - Emailed each **Superintendent** (and CC'd payroll staff) an updated list of election eligible members in their district, along with the **first round of rate change requests (May 18, 2023)**
 - Webinars for **eligible members conducted** February 23, April 4, and May 10. [Recordings posted online.](#)



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
- **! MTRS sent first round of rate change requests on May 18**
- Please do not make any rate changes at the member's request



Latest School district code	Latest School District Name	last_name	first_name	Final R+ Election	Date employer notified of final election	Rate change needed	Rate change request date	Correct Rate	Latest rate released to account	email	MTRS_Seq #
999	FAKE PUBLIC SCHOOLS	PERCOCO	RIPLEY	PARTICIPATING	5/18/2023	RATE CHANGE NEEDED	5/18/2023	11	9	fakeperson@gmail.com	8000
999	FAKE PUBLIC SCHOOLS	TIERNEY	ELFIKI	PARTICIPATING	5/18/2023	RATE CHANGE NEEDED	5/18/2023	11	9	fakeperson@gmail.com	8001
999	FAKE PUBLIC SCHOOLS	DRAYTON	ROBICHEAU	PARTICIPATING	5/18/2023	RATE CHANGE NEEDED	5/18/2023	11	9	fakeperson@gmail.com	8002
999	FAKE PUBLIC SCHOOLS	KWAN	EGAN	PARTICIPATING	5/18/2023	RATE CHANGE NEEDED	5/18/2023	11	9	fakeperson@gmail.com	8003
999	FAKE PUBLIC SCHOOLS	FERRIS	JACQUES	PARTICIPATING	5/18/2023	RATE CHANGE NEEDED	5/18/2023	11	9	fakeperson@gmail.com	8004
999	FAKE PUBLIC SCHOOLS	LUU	O'MULLANE	PARTICIPATING	5/18/2023	RATE CHANGE NEEDED	5/18/2023	11	9	fakeperson@gmail.com	8005
999	FAKE PUBLIC SCHOOLS	PHUYAL	TANZELLA	PARTICIPATING	5/18/2023			11	11	fakeperson@gmail.com	8006
999	FAKE PUBLIC SCHOOLS	DU	MELANSON	PARTICIPATING	5/18/2023			11	11	fakeperson@gmail.com	8008
999	FAKE PUBLIC SCHOOLS	DELISME	LADD	PARTICIPATING	5/18/2023			11	11	fakeperson@gmail.com	8009
999	FAKE PUBLIC SCHOOLS	MCLAUGHLIN	HOYT	No response yet				Pending election	11	fakeperson@gmail.com	8010
999	FAKE PUBLIC SCHOOLS	THYAMAGONDLU	GRAHAM	No response yet				Pending election	9	fakeperson@gmail.com	8011
999	FAKE PUBLIC SCHOOLS	STARK	HART	No response yet				Pending election	9	fakeperson@gmail.com	8012
999	FAKE PUBLIC SCHOOLS	WINTER	MELENDEZ	No response yet				Pending election	9	fakeperson@gmail.com	8013



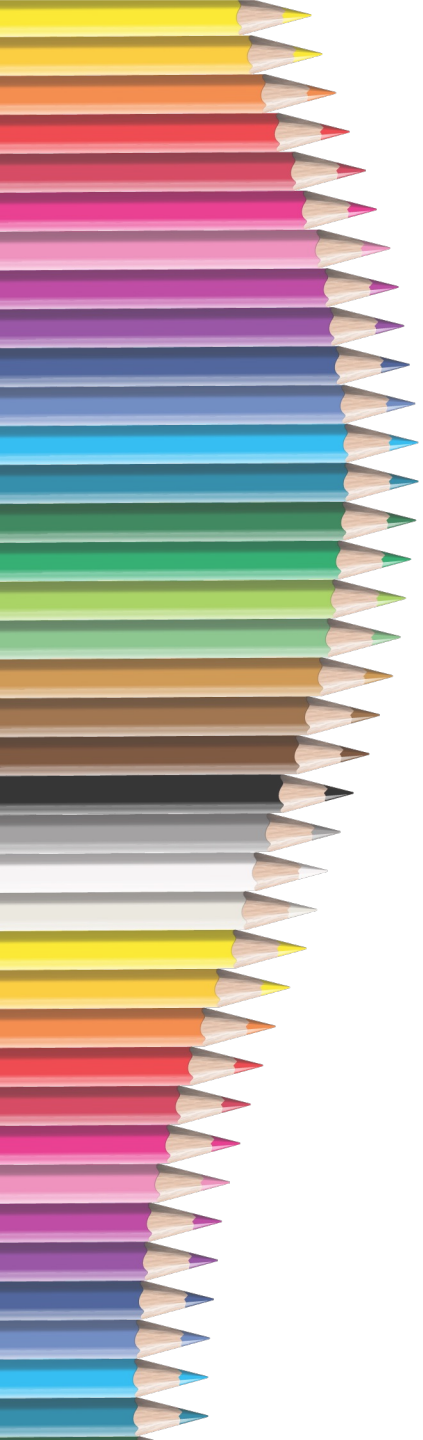
Steps for Successful Implementation of R+ Special Election

MTRS Post Election Steps

- After 6/30/23, the MTRS will determine who is currently contributing at 11%, has not responded to the election, and will request for their rates to be changed to their lower contribution rate.
- 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

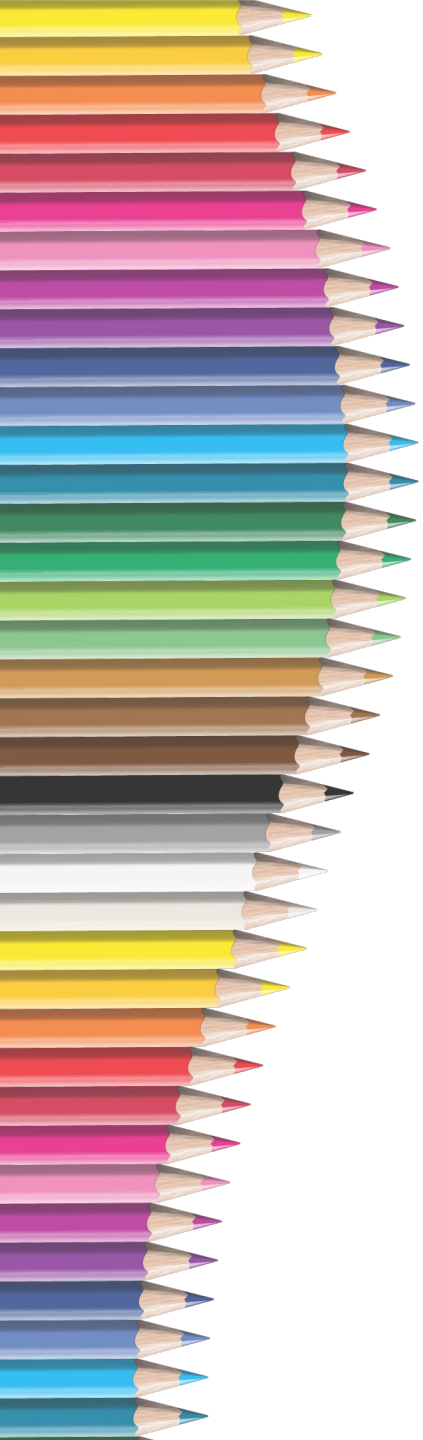
Steps for Successful Implementation of R+ Special Election

- **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!



Q&A





Part 3

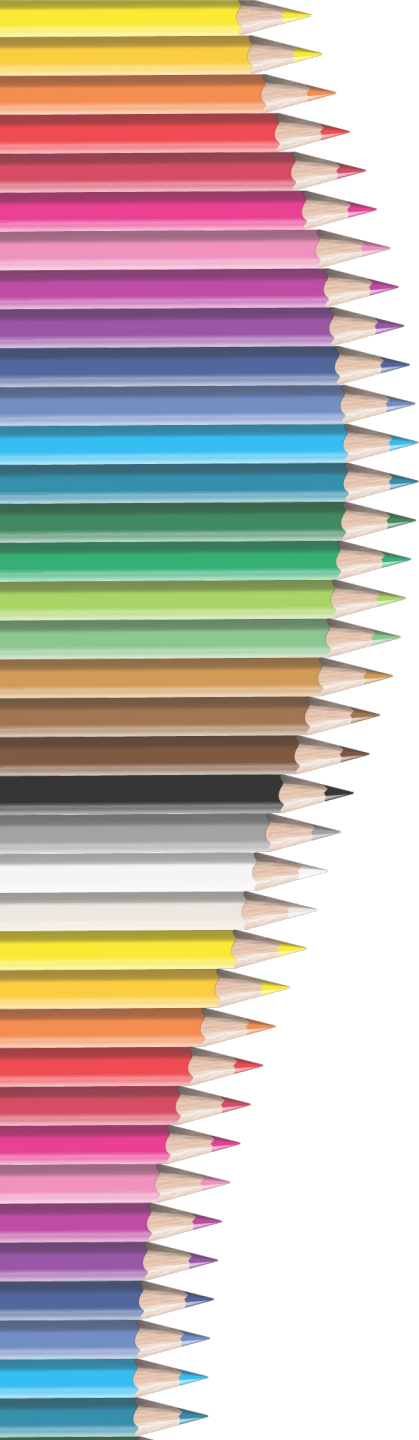


New Election Process for Transfers
received on or after 7/1/2022 with
membership service prior to
7/1/2022

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

Sample out-out participation form



MAIN OFFICE 500 Rutherford Ave., Suite 210, Charlestown, MA 02129 ■ 617-679-MTRS (6877) ■ Fax 617-679-1661



RetirementPlus (R+) participation form

For members transferring into the MTRS from another Massachusetts contributory retirement system

***** IMPORTANT: RESPONSE REQUIRED BY DATE BELOW *****

**Complete and return ONLY
this form no later than:**

INSTRUCTIONS

Complete Part 1 and then have a payroll official at your school district complete Part 2. Once completed, make a copy for your records and then mail your completed form to the MTRS in the provided return envelope, attn: "TREU."

Note: If you do not respond by the date listed in the red box at the top of this form, you will automatically participate in RetirementPlus and will not have another opportunity to opt-out.

PART 1 CONFIRM YOUR PERSONAL INFORMATION

a) Name

b) Member number

c) Last four of SSN

RetirementPlus participation

All new members of the Massachusetts Teachers' Retirement System are required to contribute 11% of their salary and participate in RetirementPlus (R+), which grants an increased benefit if certain criteria are met. However, since you have transferred in service from another MA contributory retirement board, you have a one-time opportunity to opt-out from participating in R+ (forfeiting any rights to the increased R+ benefit) and revert to the contribution rate you were paying during your service with your previous board. For details, please consult the RetirementPlus (R+) participation FAQ sheet provided with this form.

Make your participation decision and sign below:

I want to PARTICIPATE in RetirementPlus. I want to OPT-OUT of participating in RetirementPlus.

I understand that 1) my choice to either participate in, or opt-out of, RetirementPlus is voluntary and irrevocable and that I cannot change my choice once this form is submitted; and 2) if I continue to participate in R+, and my contribution rate was not previously 11%, I will be required to make-up the difference in contributions.

Signature Date



Part 2 must be completed by a payroll official of your current school district. Once completed, please return the entire form to the MTRS, attn: "TREU." If you are currently an INACTIVE member you may skip Part 2.

DATE RECEIVED BY
PAYROLL OFFICIAL

PART 2 PAYROLL OFFICIAL ACKNOWLEDGMENT

I, the undersigned school district Payroll Official, hereby acknowledge receipt of this member's RetirementPlus participation, and have adjusted their MTRS contribution rate accordingly.

Signature Date

INSTRUCTIONS

PAYROLL OFFICIAL: Please complete Part 2 of this form, save a copy for your district's records, and return the completed original to your employee.

a) Name

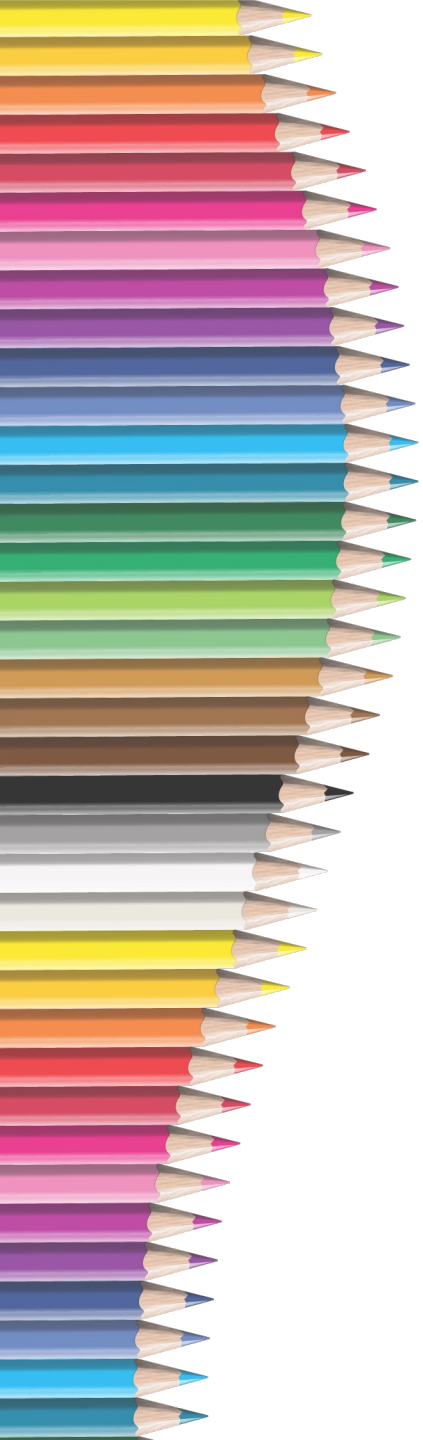
b) Title

c) Phone

d) School district

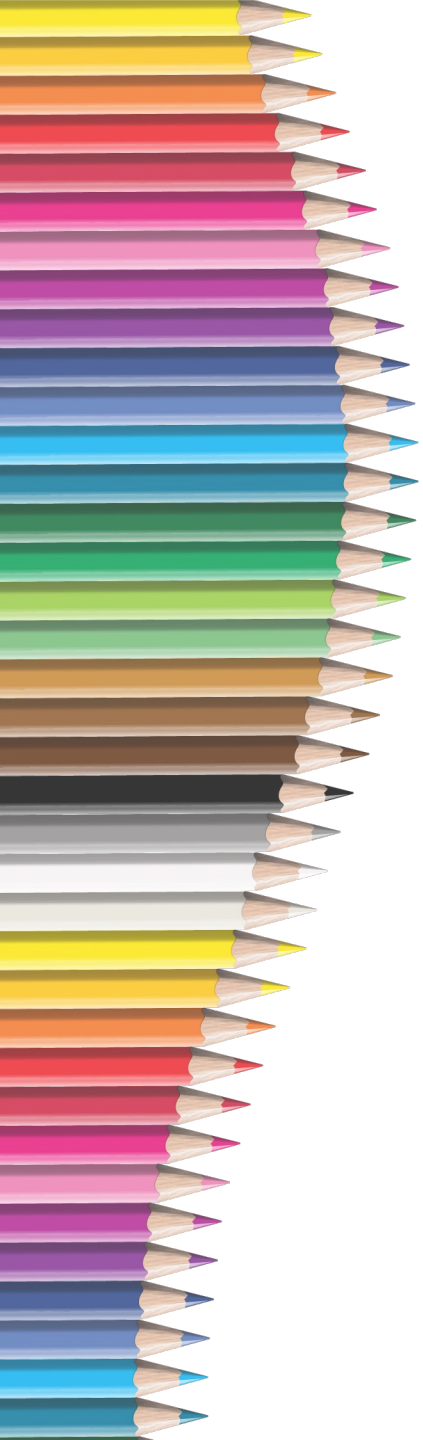
PAYROLL OFFICIAL: Return completed original form to your employee.

MEMBER: Mail completed original form to the MTRS, attn: "TREU," in the provided reply envelope.



Q&A





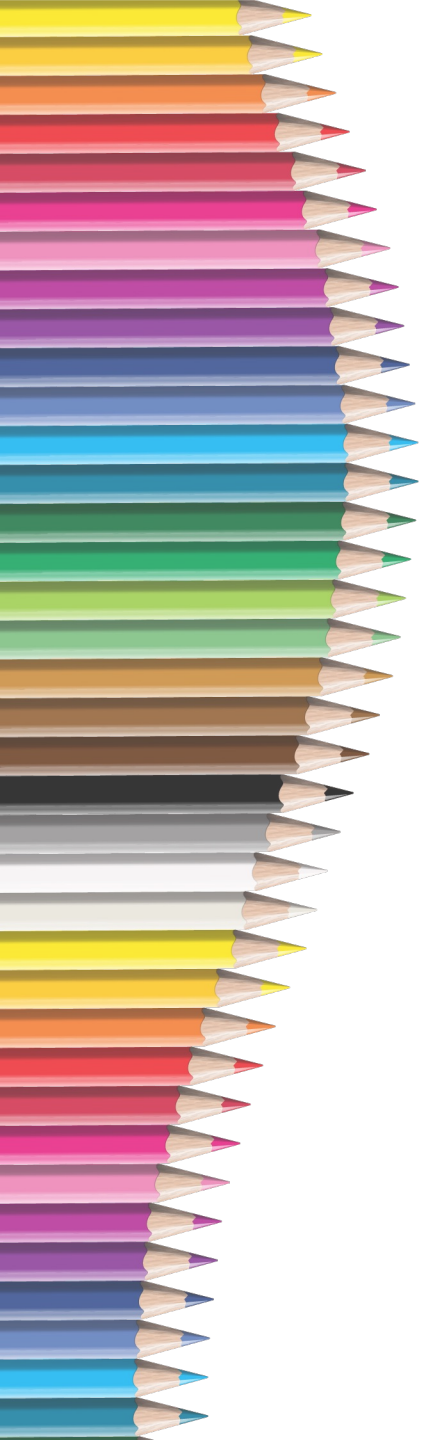
Part 4



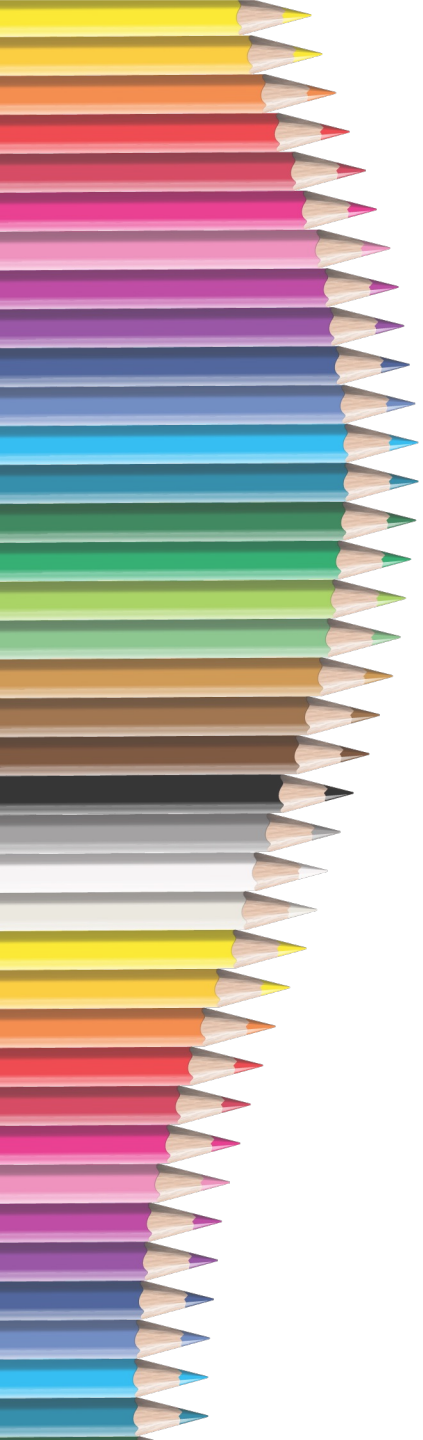
Elimination of Election for Transfers
with prior membership service
beginning on or after 7/1/2022

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

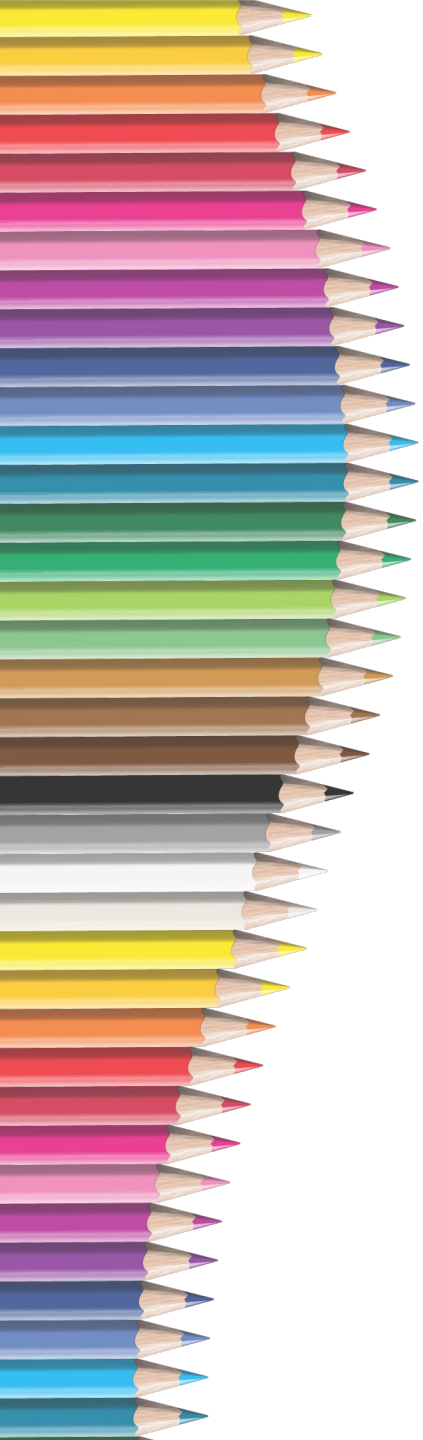


MTRS Membership Date	Date the MTRS receives the transfer from the other MA public retirement system	RetirementPlus Election
Between 7/1/2001 and 6/30/2022	Between 7/1/2001 and 6/30/2022	<ul style="list-style-type: none">• If we did not receive a Member's R+ election by 12/31/2022, they are included in 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.



Q&A





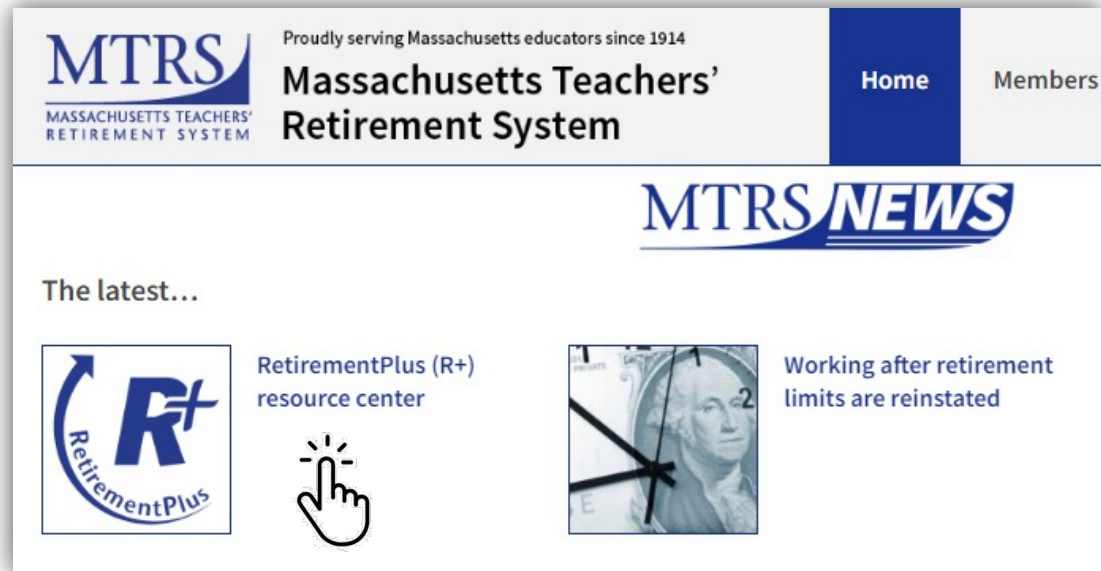
Part 5



R+ Resources for Employers and Members

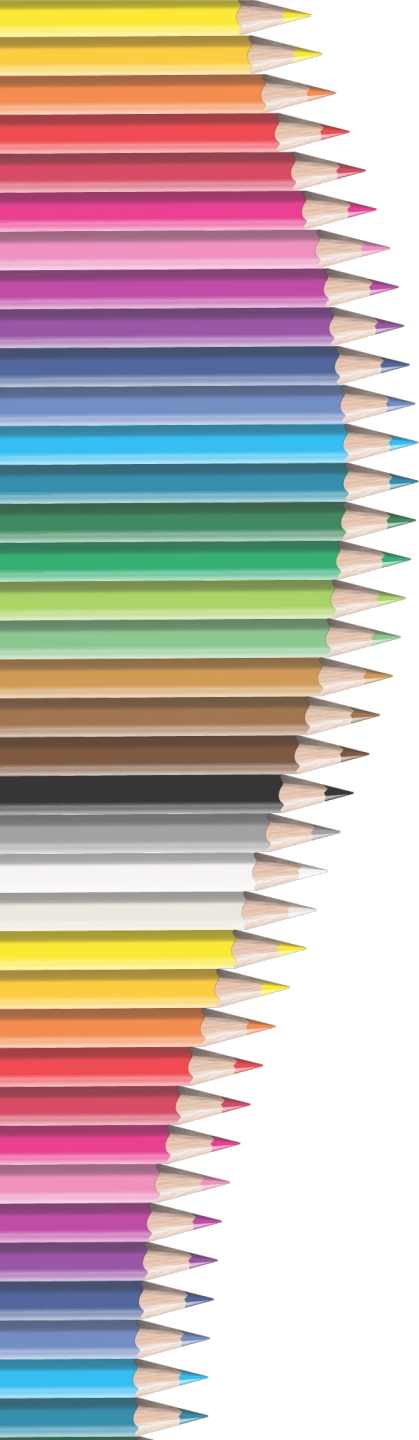
RetirementPlus (R+) resource center

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



The screenshot shows the top portion of the MTRS website. 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 this, it says "The latest...". There are two news items: the first features the RetirementPlus (R+) logo and the text "RetirementPlus (R+) resource center" with a hand cursor icon; the second features a clock face and 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 via email**
 - MTRS will verify eligibility before sending
 - **Direct all member questions to the MTRS**
 - **RetirementPlus@trb.state.ma.us**

I will meet the requirements for R+, how much will it cost?

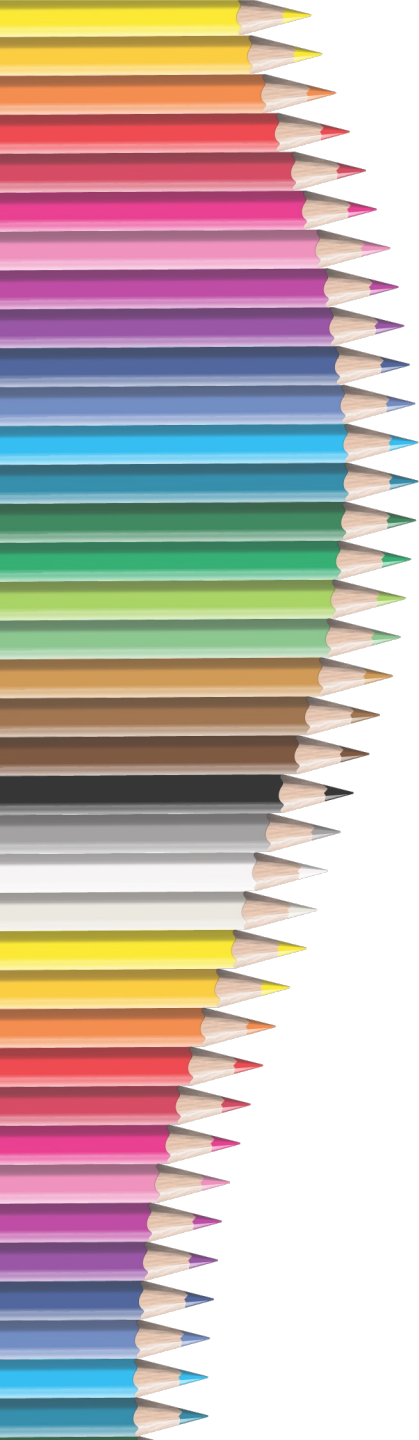


R+ Decision Tree

<https://mtrs.state.ma.us/rplus/>

a flat 11%	9%+2%	8%+2%
You will pay 11% on all of your future wages, and your retroactive cost will be \$600/year for each year of your MTRS service.		
For example*:		
If your Contribution Rate since you joined the MTRS is 9%+2%	And you have 5 years of prior MTRS service	You will owe: \$600 x 5 yrs = \$3,000
	And you have 10 years of prior MTRS service	You will owe: \$600 x 10 yrs = \$6,000
	And you have 15 years of prior MTRS service	You will owe: \$600 x 15 yrs = \$9,000
*these examples are for illustrative purposes only. All final costs will be calculated once you have made your election and have been issued an invoice.		

R+ Decision Tree



a flat 11%	9%+2%	8%+2%
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You will continue to pay **11%** on all of your future wages, and your retroactive cost will be **\$0.00** as you have already been contributing at the rate R+ participation requires.

R+ Decision Tree

a flat 11%

9%+2%

8%+2%

You will pay **11%** on all of your future wages, and your retroactive cost will be **\$600/year** for each year of your MTRS service.

For example*:

If your Contribution Rate since you joined the MTRS is 9%+2%

And you have 5 years of prior MTRS service

You will owe:
\$600 x 5 yrs =
\$3,000

And you have 10 years of prior MTRS service

You will owe:
\$600 x 10 yrs =
\$6,000

And you have 15 years of prior MTRS service

You will owe:
\$600 x 15 yrs =
\$9,000

**these examples are for illustrative purposes only. All final costs will be calculated once you have made your election and have been issued an invoice.*

R+ Decision Tree

a flat 11%

9%+2%

8%+2%

You will pay **11%** on all of your future wages, and your retroactive cost will depend on your wages during your prior MTRS service. For illustrative purposes, the chart below lists annual costs for average wages in \$10,000 increments:

For example*:

If your Contribution Rate since you joined the MTRS is	And your average salary during your MTRS membership was:	Then, for each year you have been a member of the MTRS, you will owe:
8% + 2%	\$40,000	\$1,000/year
	\$50,000	\$1,100/year
	\$60,000	\$1,200/year
	\$70,000	\$1,300/year
	\$80,000	\$1,400/year
	\$90,000	\$1,500/year
	\$100,000	\$1,600/year
	\$110,000	\$1,700/year
	\$120,000	\$1,800/year

For example*: Sarah Teacher has 10 years of prior MTRS service and her average wages during that service were \$70,000, thus, her retroactive cost would be \$13,000 ($\$1,300/\text{yr} \times 10 \text{ years} = \$13,000$).

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

