RetirementPlus (R+) Special Election Implementation Update

MTRS
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

March 13, 2023

Election Status (as of 3/13/2023)

- Total Votes: 1391 of 7895 (17.6%)
  - Internet 1173
  - Paper 218

- "IN" 1247
- "OUT" 144

Timeline

- **1/11/23** - Election packets with ballot mailed 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*
- **3/31/23** - Midpoint mailing to those who have NOT voted (as of 3/24/23)
- **6/30/2023** - Election period ends
  - Online votes must be submitted by midnight on June 30
  - Paper ballots must be postmarked by June 30

Communication to Members

- **10/7/22** - Email to all MTRS members –
- **10/31/22 -** Email to all Special Election eligible members
- **11/10/22** - Letter mailed to members without email
- **2/23/23** - Webinar for eligible members - School vacation week
- **3/31/23** - Second mailing for members who have not voted
- **Early April (TBD)** - Second seminar for all eligible members

Communication to Employers

- **Employer** R+ broadcasts
  - Sept. 1, Oct. 31, Nov. 28, 2022
- **1/12/23** - Emailed each **Superintendent** a list of election eligible members in their district
- **2/1 and 2/7** - Employer webinar
- **Mid March** - Emailed each **Superintendent** an **updated** list of election eligible members in their district who have not yet voted
- **3/21/23**: Employer update webinar

MTRS Post Election Steps

- 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

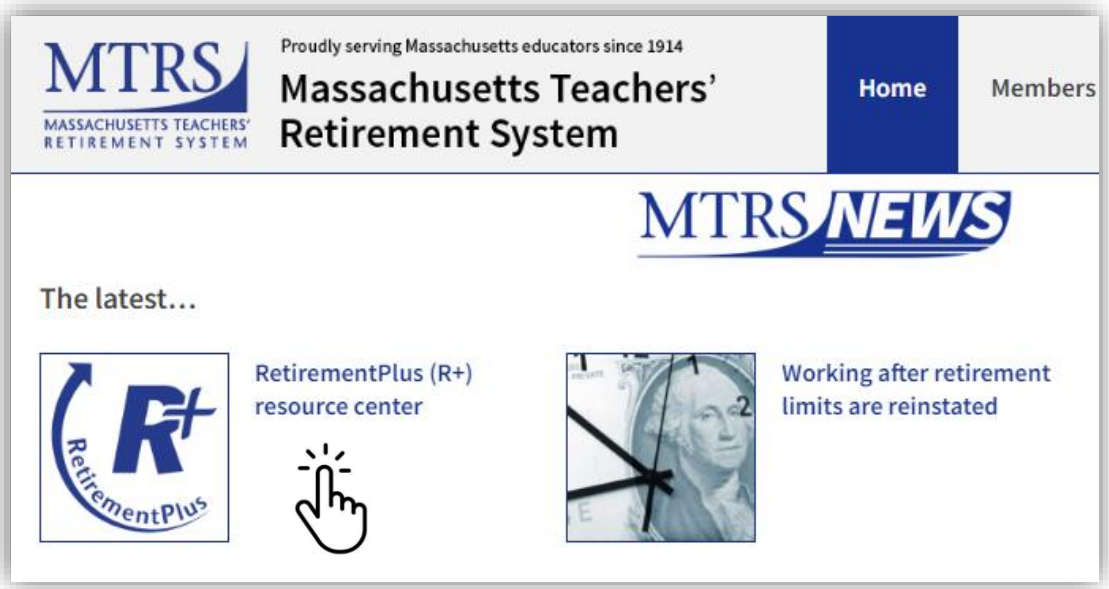
- If member elected to opt-out of R+ and **has paid 11%** during any of their MTRS service, the member will **receive a refund** of the excess contributions

MTRS Post Election Steps

- 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

RetirementPlus (R+) resource center

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



How should I decide whether to participate?

- **Will you work long enough to meet the service requirements for R+?**
  - At least 30 years of total creditable service, and
  - at least 20 of which must be as a member of the MTRS

- If "**No**"
  - You will not be eligible for the R+ enhanced benefits, so you may want to elect to **Opt-out** of R+

- If "**Yes**"
  - Determine if R+ is better than regular retirement for you
  - Go to the Retirement Percentage Chart for your Tier (1 or 2), find your age and service combination when you plan to retire, and compare the percentage under regular retirement versus R+
  - Then, compare your cost to participate in R+ to the increase in benefits using the **R+ Decision Tree**

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%

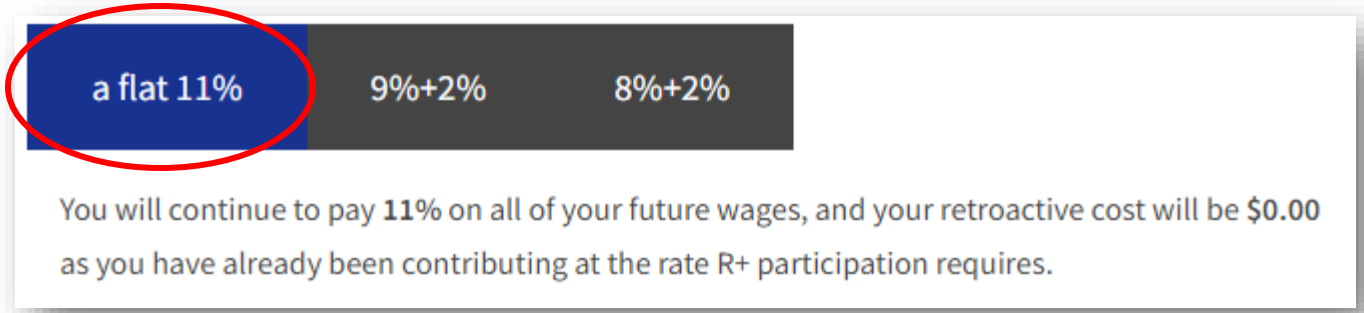
You will pay **11%** on all of your future wages, and your retroactive cost will be **$600/year** for each year of your MTRS service.

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



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**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 8% + 2%	And your average salary during your MTRS membership was:	Then, for each year you have been a member of the MTRS, you will owe:
	$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/yr x 10 years = $13,000).

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**