

## Questions and Answers:

### ***An Act to provide a retirement enhancement opportunity for certain members of the Massachusetts Teachers' Retirement System***

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#### ELIGIBILITY

**Q: Who is eligible for this retirement enhancement opportunity?**

**A:** To be eligible for this opportunity, you must be a member of the Massachusetts Teachers' Retirement System (MTRS) AND you must also be eligible to retire\* at the time of the passage of this act (see next question) \*.

**Q: How do I know if I am “eligible to retire”?**

**A:** If you were hired before April 2, 2012, you are eligible to retire if you are EITHER at least 55 years old with at least 10 years of service OR have 20 years of service regardless of your age. If you were hired on or after April 2, 2012, you must be at least 60 years old with 10 years or more of service.

**Q: What if I am already planning on retiring this year regardless of this bill? Will I still be able to retroactively purchase years under this plan if it passes?**

**A:** As currently drafted, the bill allows individuals who submit paperwork to retire on or after January 1, 2021 but before the act is put into effect to be able to purchase credit as provided under this bill as long as they meet the eligibility requirements at the time of their retirement. It

is recommended that you speak to a retirement consultant about your specific retirement options outside of the context of this bill if you are considering retirement.

**Q: Does this bill cover other retirement systems outside of the MTRS?**

**A:** No, this bill is specifically related to members of the MTRS. The Boston Teachers Retirement System and other municipal and county retirement systems are not included. The legislature does have the ability to modify this bill to expand eligibility if they so choose. It is possible that the passage of this bill could expand pathways for similar legislation at the local level.

**Q: Do I have to be a member of Retirement Plus in order to be eligible for this bill?**

**A:** No, you do not have to be a member of Retirement Plus in order to be eligible for this bill, but it would likely impact the number of years needed to get to your maximum benefit (see MTRS Pension Charts: <https://mtrs.state.ma.us/members/retirement-percentage-charts/>).

**Q: Do I have to have health concerns in order to be eligible for this bill?**

**A:** No, you do not have to have health concerns in order to participate in this program. The only requirements are based on age, years of service and membership in the MTRS as stated above.

**Q: Do I have to be working full time in order to be eligible for this program?**

**A:** No, if the other eligibility requirements are met, half-time (or greater) employees who are considered active MTRS members are eligible as well as full time employees.

**Q: Am I still eligible if I have already bought back years of service from when I was working in a different state or position?**

**A:** Yes, this program is independent of other buyback programs and will have no impact on other buyback services. If you have previously bought back years of service, for example from time as a substitute teacher or teacher in a private school, you would still be eligible to purchase these years if you meet this bill's eligibility requirements.

**Q: What if I cannot meet the requirements until after 2022? Will the provisions of this bill be extended?**

**A:** The intent of this bill was to aid teachers who wish to retire in the summer of 2021 or the summer of 2022. The legislature does have the ability to amend the bill if they see fit to do so. As it is currently written, in order to purchase years under this bill you must meet the eligibility requirements at the time of its passage.

## PURCHASING SERVICE AND AGE

**Q: How many years can I purchase in service and/or age?**

**A:** Under this act, eligible MTRS members would be able to purchase up to 5 years of service or up to 5 years of age or a combination of the two not to exceed 10 years. The maximum years permitted to purchase would be 5 years of service and 5 years of age, for 10 years total.

**Q: Can I “mix-and-match” years of service and age to reach the maximum of 10 years? For example, can I purchase 6 years of service and 4 years of age or 10 years of service and 0 years of age?**

**A:** No, the maximum for each, years of service and years of age, is 5 years and purchasing fewer than 5 years of one credit to purchase greater than 5 years of the other is not permissible.

**Q: Can I purchase parts of a year of service or age? For example, can I purchase 3 and a half years of service and 3 and a half years of age?**

**A:** If the years of service and age purchased are each below 5 years, yes purchasing part of a year is acceptable. For example, you could purchase 3.5 years of service but not 5.5 years as that exceeds the maximum for service.

**Q: How do I calculate what impact purchasing service or age through this bill will have on my pension? How many years do I need to purchase to hit 80%?**

**A:** Members can calculate their adjusted pension by using the MTRS Pension Charts or Pension Estimator which can be found at the links below. Please note that the Pension Estimator was not designed to estimate the effects of this bill, but it is a useful tool.

MTRS Pension Charts: <https://mtrs.state.ma.us/members/retirement-percentage-charts/>

MTRS Pension Estimator: <https://mtrs.state.ma.us/members/retirement-benefit-estimator/>

**Q: How much will purchasing years cost me?**

**A:** The bill specifies that the cost of purchasing service and age will be determined by an analysis from the Public Employee Retirement Administration Commission (PERAC) in accordance with IRS rules. Until this analysis is complete, we do not know what a cost estimate may be.

**Q: Can the state or my district help with some of the cost of purchasing years?**

**A:** Yes, the bill does give the option for the state and/or employer to assist in covering the cost of purchasing years but the bill does not mandate that they do so.

**Q: Can I pay for the years purchased in installments or do I have to pay the lump sum?**

**A:** The bill allows the MTRS to determine the specifics of how years can be purchased including whether purchasing installments will be an option.

**Q: Can I use funds from my 403(b) or 401(k) accounts to pay for purchasing these years?**

**A:** This would be something you would need to discuss with your plan advisor, but the intent of the bill is to allow this wherever possible, as this has been done by individuals purchasing service under existing statutes.

**Q: Will this program negatively impact the stability of MTRS or the pensions of current or future retirees in the system?**

**A:** No, the intent of this bill is to have no impact on the stability of the state's pension system including the MTRS. Individuals who take part in this opportunity will be purchasing their own years of service/age (which can be offset by their employer or the state), there will be no negative ramifications to the pension system. Teachers who are not retiring under this program will not have their retirement contributions increased to fund the program and the pensions of those who are already retired will not be affected either.

## APPLICATION AND RETIREMENT TIMELINE

**Q: When can I retire under this act?**

**A:** Individuals who purchase years under this act will retire during the summer of 2021 (June 30-August 31, 2021) or during the summer of 2022 (June 30-August 31, 2022) depending on when the bill is put into effect. There is an exception for those who are classified by the CDC as being at high-risk for severe illness from COVID-19, see question below.

**Q: Is there special consideration given to individuals who are concerned about going back into the classrooms due to health concerns in the context of COVID-19?**

**A:** Those defined by the CDC as being at high risk for severe illness from COVID-19 would be eligible to retire under this act directly after their local authority has approved the act but before August 31, 2022, or the cancellation of the governor's state of emergency, whichever is later. In other words, individuals who are classified as being at high risk would not have to wait to retire during the retirement windows of summer 2021 and summer 2022 if the act is adopted before those windows.

**Q: What if I am already planning on retiring this year regardless of this bill? Will I still be able to retroactively purchase years under this plan if it passes?**

**A:** As currently drafted, the bill allows individuals who submit paperwork to retire on or after January 1, 2021 but before the act is put into effect to be able to purchase credit as provided under this bill as long as they meet the eligibility requirements at the time of their retirement. It is recommended that you speak to a retirement consultant about your specific retirement options outside of the context of this bill if you are considering retirement.

**Q: Should I plan my retirement around this bill?**

**A:** It is not recommended that anyone plans their retirement around something that is uncertain and subject to change. We hope that anyone who is considering retirement has spoken to an MTA retirement consultant about their options so that they can really understand the numbers better.

**Q: Can I purchase years under this bill now and then wait to retire later?**

**A:** As the bill is currently drafted, the focus is on allowing people to retire by the summer of 2022 and banking years purchased under this bill to retire later is not currently written in the bill. The legislature does have the ability to make changes to the bill and it's possible that they chose to allow this but at this time this is not included.

**Q: If Governor Baker's state of emergency ends will that affect the bill?**

**A:** This would only apply to teachers at high risk for severe illness from COVID-19 seeking to retire outside of the summer of 2021/2022 retirement dates. As long as these teachers are covered under the CDC's classification, they would be unimpacted by the change.

## LOCAL OPTION AND BACKFILL PROVISION

**Q: If this bill passes will my district be mandated to participate in the program?**

**A:** No, this bill provides a local option for local authorities to adopt the act or not.

**Q: What is the process that districts will take to approve the bill?**

**A:** The intent of the bill is to allow the district enough time to backfill any vacancies created by this program. The bill currently requires for 2021 that the employer and its governing body accept the act after its passage and states that the application period will begin 7 days after this acceptance and end on July 31, 2021. Teachers would retire under this program in 2021 between June 30, 2021 and August 31, 2021. In 2022, any locality must accept this act on or after January 1, 2022 and the application period in 2022 will start 7 days after the locality accepts the act and end on July 31, 2022. Teachers would retire under this program in 2022 between June 30, 2022 and August 31, 2022. Again, these dates could be modified by the legislature.

**Q: Wouldn't this create a teacher shortage? How does the bill address this problem?**

**A:** There are several mechanisms to avoid teacher shortages as a result of this program. First, a locality does not have to adopt this act if it believes that it will not be able to fill vacancies created by the program. If a locality does adopt this act, the bill specifies that it must have a plan for how to backfill any positions that are made vacant. Districts who adopt the act but fail to meet their backfill obligations will be required to pay the cost of the service and age purchased through a deduction from their Chapter 70 allocation. In addition, the MTA has also proposed legislation to help create additional alternatives to the Massachusetts Tests for Educator Licensure (MTEL) which will expand the pool of available and qualified teachers. [An Act ensuring diversity in public education](#) will allow for more affordable and accessible pathways to educator licensure and will also help the Commonwealth take a meaningful step toward diversifying the educator workforce. The MTA is also promoting the adoption of a scholarship program specifically for individuals who will go on to teach in high needs districts.

Both initiatives will help increase the number of teachers available without having any negative impact on the quality of teachers available to educate our students.

**Q: How will this program affect the financial situation of districts where teachers retire early?**

**A:** The bill is intended to create cost savings for school districts, which would be realized through a reduction in payroll costs. This would be achieved as older, higher paid teachers retired and are replaced with newer teachers, many of whom would be just entering the profession. Any additional costs (health care for example) would be offset by these payroll savings. If a district did not believe it would achieve cost savings it could opt out by taking no action on the adoption of the act.

**Q: If the bill passes, will districts limit the number of teachers who can participate?**

**A:** The bill as drafted does not allow employers to limit the number of teachers eligible to participate in this program, but it is possible that the bill is modified through the legislative process.

## LEGISLATIVE PROCESS AND ADVOCACY

**Q: What if the bill does not pass before the end of the 2022 school year? Will the option be extended?**

**A:** The legislature is under no obligation to extend these deadlines, while the legislature has the power to extend the application period, it would need to do so before the end of the formal legislative session on July 31, 2022.

**Q: How can I keep track of how the bill is doing?**

**A:** We recommend that you check our [website](#) regularly for updates on a bill hearing and other actions. You can also keep an eye out on the State House's pages for the Senate and House versions of the bill to see when any updates are posted.

[Retirement Enhancement Bill - Senate](#)

[Retirement Enhancement Bill - House](#)

**Q: How can I advocate in support of this bill and other MTA priorities?**

**A:** Visit [massteacher.org/legislation](https://massteacher.org/legislation) to find resources on this bill and the MTA's entire legislative agenda. You will find fact sheets and "Take Action" email templates for bills there as well as further information. To find this bill, go to *An Act to provide a retirement enhancement opportunity for certain members of the Massachusetts Teachers' Retirement System* listed under the menu option Ensuring a Dignified Retirement. You can see if your legislators have signed on as co-sponsors by clicking on the links provided there for the Senate and House versions of the bill. You can also get involved in your local community through MTA's Grassroots Division who will be working to organize meetings with members and legislators throughout the legislative session. To learn more about MTA Grassroots and their Senate District Coordinators program go to [massteacher.org/grassroots](https://massteacher.org/grassroots).

## OTHER RETIREMENT LEGISLATION

**Q: Where can I go to learn more about the other retirement bills on the MTA's legislative agenda?**

**A:** The MTA is also supporting *An Act to provide fair and affordable public retiree benefits* which would ensure greater economic security for retired public servants and *An Act relative to the Massachusetts Teachers' Retirement System* which would correct a Retirement Plus enrollment issue impacting approximately 2,000 MTRS members. You can find more information about both these bills and other MTA legislative priorities by going to [massteacher.org/legislation](https://massteacher.org/legislation).

**Q: Where can I go to learn more about the bill which would give a 3-year retirement credit to essential public workers who have worked during the pandemic?**

**A:** *An Act relative to providing a COVID-19 retirement credit to essential public-sector workers* has been filed by Representative Jonathan Zlotnik and Senator John Velis. If passed it would provide public employees employed by the Commonwealth of Massachusetts, its political subdivisions, state and community colleges and universities under the board of higher education and the University of Massachusetts, a 3-year retirement credit for work conducted at a worksite outside their personal residence during the COVID-19 state of emergency. You can find information for this bill here: <https://malegislature.gov/Bills/192/HD1794>.



