



# An Act relative to the Massachusetts Teachers' Retirement System

MTA Legislative Agenda, 2021-2022

**Lead Sponsors:** Sen. Cindy Friedman (D-Arlington) | Rep. Tackey Chan (D-Quincy)

## Legislation to correct a RetirementPlus (R+) enrollment issue impacting certain members of the Massachusetts Teachers' Retirement System (MTRS).

Currently, new teachers with past membership in another contributory retirement system are required to “elect” into R+, but all other new teachers are automatically enrolled in R+. Since it takes time to determine which teachers have past service, all of them have their initial contributions to the retirement system withheld at the R+ rate of 11%.

However, the inherent delays in the enrollment and transfer processes have resulted in members contributing at 11% (the R+ rate) for years in some instances, which has created significant confusion. This has led to some employers incorrectly telling teachers that they are enrolled in R+, resulting in needless and costly appeals that will continue until this issue is addressed by the Legislature.

This legislation will address this issue by:

- Eliminating the confusing R+ opt-in requirement for new teachers who transfer into either the MTRS or the Boston Retirement System (BRS).
- Giving teachers who were previously members of another retirement system, and who transferred into the MTRS or BRS between July 1, 2001 and the effective date of the legislation, with a one-time opportunity to opt out of R+ if they wish to do so.
- Requiring teachers who enroll in R+ through the bill to pay make-up contributions for any difference owed.
- Providing new teachers who were previously members of another retirement system prior the effective date of this legislation with the option to opt out of R+. Otherwise, they will be enrolled in R+ automatically.

This bill does not represent a new benefit but rather it is a clarification of R+ membership status that may impact approximately 2,000 MTRS members. Importantly, the bill *does not* add additional liability to the pension system.