

RETIREMENT

Sick Leave Buyback

Faculty and professional staff who plan to retire will receive 20% sick leave buyback upon retirement. Also, upon the death of a unit member an amount equal to 20% of the value of the unit member's unused sick leave shall be paid to that unit member's estate. The method of calculating the daily rate of pay used in determining sick leave buyback for faculty is based on 160 days in an academic work year and for professional staff is based on 260 days in the work year. The methods of calculating sick leave buyback are as follows:

Annual Salary - To determine annual salary, multiply the biweekly amount on the last payroll advice slip by 26.

Sick Days - To determine the number of sick days, divide the number of sick leave hours on the last payroll advice slip by 7.5.

FACULTY

Faculty Sick Leave Buyback Amount = (Annual Salary) divided by (160) times (the number of sick days at retirement) times (.20)

In addition, faculty who retire on May 31 and begin receiving their retirement checks beginning in June are also paid the remainder of their annual salary for the months of June, July, and August.

Faculty Pay – Faculty who retire at the end of this academic year will remain on the payroll until August 28, 2011.

PROFESSIONAL STAFF

Prof. Staff Sick Leave Buyback Amount = (Annual Salary) divided by (260) times (the number of sick days at retirement) times (.20)

Vacation Payout For Professional Staff

Professional Staff retirees shall be paid an amount equal to the vacation allowance as earned but not granted in the vacation year prior to such retirement.

Early Retirement Incentive

Any unit member who has served at least ten (10) years in the Community College System, who is eligible to retire under the retirement system of the Commonwealth of Massachusetts, who is at least fifty-five (55) years of age as of the anticipated date of retirement, and who notifies the college president in writing the intent to retire not less than one (1) year in advance of the retirement date shall be eligible to receive the following early retirement incentive: **Please note that some community college presidents accept unit member's letters of the one year advance notice of the intent to retire and then allow unit members to retract the intent to retire within the year. The procedure that allows for the retraction of a letter of intent is not a contractual right, but is discretionary on the part of the college president. Of course, if a college president does allow for the retraction of an intent to retire, it must be uniformly applied for all unit members within the college.**

NB - Tax Sheltered Annuity Plan - 403B plan (*Sick Leave Buyback + Vacation Pay*)

Effective June 29, 2006, the BHE established a new policy that allows retiring MCCC unit members to defer their 20% sick leave pay and their vacation pay into a Tax Sheltered Annuity Plan (4.03B plan). This can only be done at retirement and the deferral must be made within 2.5 months of separation of service. Per IRS regulations, there are limits on the amount of money that can be deferred by each employee. See your human resource office for more information about this tax savings policy.

Early Retirement Incentive as a Percentage of Salary

Age on Date of Retirement	Retirement Date Last Fiscal Day of				
	<u>May-August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>Dec.-April</u>
55-60	30.0%	25.0%	20.0%	15.0%	10.0%
61	25.0%	20.8%	16.7%	12.5%	8.3%
62	20.0%	16.7%	13.3%	10.0%	6.7%
63	15.0%	12.5%	10.0%	7.5%	5.0%
64	10.0%	8.3%	6.7%	5.0%	3.3%

Payment shall be made after the date of retirement and may be spread over a period not to exceed twelve (12) months as determined by the President of the College or the President's designee.

Maximum Payment (*Retirement Incentive + Sick Leave Buyback* ≤ 70% of salary)

The early retirement incentive and the sick leave buyback together shall in no case exceed seventy percent (70%) of the retiree's salary as of the date of the retiree's retirement.

Creditable Service for Sabbatical Service Taken After July 29, 1991

Types of Sabbaticals	Creditable Service
1/2 year at full pay	1 Year
1/2 year with 1/2 workload at full salary	1 Year
1 full year at 1/2 workload at full salary	1 Year
1/2 year at 1/2 workload at 1/2 salary	½ Year
1 full year at 1/2 workload at 1/2 salary	½ Year
1/2 year at 1/2 salary	½ Year

NB: Unit members taking sabbaticals prior to July 29, 1991 are granted a full year of creditable service.

Cap on Post Retirement Earnings

Massachusetts General Law c. 32, § 91(b) sets two limits on retiree earnings when a unit member is "employed in the service of Commonwealth" A retiree may not work in excess of 960 hours in any calendar year and after one (1) full year of retirement, the cap on post retirement earning is the sum of the retiree's pension and additional state earnings plus \$15,000.

Creditable Service Buybacks

Veterans' Creditable Service

Chapter 32 §4 (h)

Any member in service who qualifies as a Veteran according to *Chapter 32*§I can purchase up to four years of creditable service for his or her military service. Chapter 468 of the Acts of 2002 amended the law removing the requirement that a member in service have ten years of creditable service in order to purchase military service credit.

Peace Corps

Chapter 468 of the Acts of 2002

Members who served as volunteers in the Peace Corps are eligible to purchase up to 3 years of this service only if they completed 10 or more years of membership service as a public school teachers or public school guidance counselor.

The cost to purchase this time is an amount equal to the contributions the member would have paid into the retirement system had they been a member during their volunteer service based upon the annual salary the member received in the first year of membership service after that volunteer service.

03 Service

Chapter 324 of the Acts of 1973

Those individuals performing 03 service are considered to be contract workers, or consultants and shall not be considered employees of the Commonwealth for the purposes of retirement under the contributory retirement system for public employees. The only 03 service which is eligible to be bought back is that which was rendered prior to August 17, 1973.

03 Creditable Service Law – Section One of Chapter 161 of the Acts of 2006

The 03 creditable service law went into effect on October 17, 2006, and applies to current state employees who completed one or more years of 03 (contract/consultant) service in jobs similar to the state positions for which they were eventually hired. Members must have opted for the State Retirement Plan to be eligible. G. L. c. 32 § 4(1)(s) authorizes eligible members of the State Retirement System to purchase for creditable service up to four years of prior state contract service that had been paid for out of an "03" subsidiary account: if this prior service immediately preceded the establishment of membership in the State Retirement System; if the job description for the prior service was substantially similar to the job description of the job that established membership; and, if the member already has ten years of creditable service with the State Retirement System at the time of seeking this creditable service. The Law further states "upon completion of the [buy-back] payments, the member shall receive the same credit for the period of previous service as a contract employee as would have been allowed if the service had been rendered by the member as a state employee."

The Division of Administrative Law Appeals (DALA) has rendered two decisions that state eligible unit members who seek creditable service under G.L. c. 32, § 4(1)(s) for contract service as a full-time Instructor at a community college that preceded the employment full-time with membership in the same job, is entitled to have creditable service calculated using a nine months-academic year and not a twelve months-calendar year. Under appeal at the SJC.

The process for buyback involves:

1. Submission of the completed 03 Buyback Form,
2. A request for confirmation of your years of service by the State Retirement Board to the employer where such service was performed,
3. A determination of your eligibility for this credit by this Board, and

4. An official notification sent to you of that decision.
5. If eligibility has been approved, you have 180 days to purchase the service in a lump sum or 180 days to set up an installment plan with this Board to purchase such service.

Though the law applies to employees currently vested in the State Retirement Plan, Chapter 161 will also be applicable to employees in the State Retirement Plan once they become vested - complete 10 years of service. At that point, such employees could apply for eligibility for the provisions of this law, using the forms in place at that time.

Creditable Service Policy of November 16, 2001

If you were not an 03 employee but are seeking retirement credit for related work for the state at less than full-time capacity, apply for eligibility of retirement credit under the Creditable Service Policy of November 16, 2001. Under this policy, current employees of the state retirement system who worked at least half-time but less than full-time prior to January 28, 1993, will be credited with full-time creditable service for such employment. No buyback of this time is necessary. If approved, full-time credit is automatic.

CET

If the individual was employed under the CETA program by a city or town, they are responsible for providing the Buy Back Department with official documentation of the dates of their employment and the salary that they received. If the individual was employed under the CETA program by the state, then the appropriate agency is responsible for date and salary information.

The cost to purchase this time is an amount equal to that which would have been withheld as regular deductions from the member's regular compensation for such period had the individual been a member of the State Retirement System during this period plus interest.

Out-of-State Teaching Time

Chapter 32, §3(4)

Any member who is employed in a teaching position or as a principal, supervisor or president in a school or college is eligible to buy back service rendered in another state for time that they were a teacher, principal, supervisor or superintendent in any public day school college.

Also included in this law are those individuals who were employed in an overseas dependent school conducted under the supervision of the Department of Defense of the United States' government and in the public schools of the Commonwealth of Puerto Rico. The maximum credit allowable for this time is five years of the maximum credit of ten years for out of state teaching service.

Right to a Termination Retirement Allowance.

If your position is either eliminated, abolished or if you are laid off or terminated you may qualify for a so-called Section 10 allowance provided you have at least 20 years of creditable service and meet other requirement. Pension is calculated both as Section 10 (1/3 of three year average plus annuity) or superannuation whichever is higher amount is given.

Credit for Teachers for Nonpublic School Service (aka Nun's Bill)

Chapter 32, §3(4A)

Members who previously taught pupils or acted as an administrator in a nonpublic school prior to January 1, 1973 are eligible to purchase this service for retirement purposes.

Credit is not allowed if the member is eligible to receive retirement benefits from the nonpublic school system in which he or she served or if this service is covered by Social Security. The member must submit a copy of his or her "Earnings or Benefit Estimate Statement" which can be obtained from the Social Security Administration.

The number of years of nonpublic school teaching time a member is entitled to buy back can not exceed the number of years of teaching service in Massachusetts with a maximum of 10 years.

Elected Officials

Chapter 32, §4(1)(o)

Selectman, Alderman, City Councilor or School Committee Members are the only elected officials that are allowed to purchase creditable service in this capacity. In order to be eligible, these individuals had to have been elected prior to January 1, 1986 and had to have received no compensation for this service. The cost to purchase this time is a sum equal to the amount which would have been paid into the system during the period if the position had been compensated at the rate of \$2,500 per year plus interest.

Intermittent Police Officers & Call Fire Fighters

Chapter 32, §4(2)(b)

Members who served as Intermittent Police Officers and Call Fire Fighters are eligible to buy back up to five years of time served in this capacity.

These individuals must show proof that they were on the city or towns list of Intermittent Police Officers or Call Fire Fighters and were eligible for assignment to duty.

This intermittent call service had to have been followed by appointment of the individual as a permanent member of the fire department in order for it to be credited.

Library Trustee

Chapter 32, §4(1)

Any member who served as a library trustee for a city or town, in a position in which he or she received no compensation, may be eligible to purchase credit for this time.

The cost to purchase this time is a sum equal to the amount which would have been paid into the system during the period if the position had been compensated at the rate of \$2,500 per year plus interest.

Educational Collaborative

Chapter 32, §4(1)

Members are eligible to purchase creditable service for time served as an employee of III educational collaborative prior to the state take over of these agencies.

The Buy Back Department has a list of the Collaboratives which were taken over by the state and are eligible for this type of buy back.

Part-time, Provisional, Temporary, Temporary Provisional, Seasonal or Intermittent

Chapter 32, §4(2)(c)

According to an administrative regulation approved by the Board, individuals are not allowed to purchase creditable service for time which was not full time service for at least six consecutive months, was not followed immediately by membership service and occurred after September of 1993. This includes service which was considered to be part-time, provisional temporary, temporary provisional, seasonal or intermittent.

Part-time employees will only receive credit for service based on the number of hours worked in proportion to a regular workweek.

Also included in this category are members who were employed as substitute teachers prior to 1993. In order to purchase this service, they are required to provide documentation of the number of days they were employed and the salary earned.

ORP (Optional Retirement Plans)

Those teachers who opted out of the State Retirement System and joined an Optional Retirement Plan waived their rights to buy back this time when they had their accounts transferred. These individuals are not eligible to buy back the service that transferred to ORP or purchase the service for the period when they were contributing directly to ORP.

Take Over By the Commonwealth

Chapter 32, §4(d)

Any person who becomes a member by reason of being taken over by the Commonwealth (Quasi) shall be credited with the service had it been rendered as a member of the State Board of Retirement.

Madden Decision

The Madden Decision is not applied to time that is bought back.

In order to qualify for this time, individuals had to have been members in the system during such part-time service and can not have refunded the money for such period.

Accidental Disability Retirement: To qualify for an Accidental Disability Retirement you must suffer an illness or injury while in the performance of your duties (work related). Accidental Disability Retirement is calculated at 72% of the member's salary on the date of injury or the last 12 months working average plus annuity. Eligibility is immediate and the pension is not federally taxable.

Ordinary Disability Retirement: To qualify for an Ordinary Disability Retirement you must suffer an illness or injury that keeps you from performing your duties at work. To qualify for an Ordinary Disability you must have at least 10 years of full-time creditable service. Non-veterans will have their age raised to 55 and have their retirement calculated under regular retirement. Veterans receive 50% of the last year's salary average under option A. The Ordinary Disability pension will be federally taxable.

Disability Retirement applications require approval from both the State Board of Retirement and the Public Employee Retirement Administration Commission (PERAC).

See:

http://www.mass.gov/treasury/searchresults.html?output=xml_no_dtd&client=massgov&proxystylesheet=massgov&ie=UTF-8&sort=date%3AD%3AL%3Ad1&oe=UTF-8&q=creditable+service&site=CTREx&x=21&y=11