



PROGRESS REPORT

On December 3, 2015 MTA met with representatives of the State Retirement Board and the Department of Higher Education to review implementation of Section 60. Following is a summary of the main topics of discussion.

1. Transfer of ORP Assets

As of December 3, 2015, ORP assets for 116 new Section 60 MSERS members had been transferred to the MSERS. This leaves some 1,100 still waiting. That number will increase as the DHE receives the remaining Election Forms

Beginning the week of December 7th, the SRB expects to increase the rate of calculation of updated service and cost numbers for the DHE. These are the numbers that the DHE needs in order to initiate the transfer of assets from ORP Providers to the MSERS.

The DHE, however, is limited in its capacity to process a major increase in updated service and cost numbers from the SRB. About half the cases have complications involving Participants and/or Providers. These complications can add months to the asset transfer process for some Participants. They also cause a backlog of cases with the DHE.

2. Retirement Plan Information Packages

Seventeen ORP Participants who submitted a timely Notice of Interest last year have still not received a Retirement Plan Information Package. These were due no later than the end of April of 2015.

There are still 64 current MSERS members who wish to purchase past ORP service to add to the creditable service they have in the MSERS. The RPIP's for this group were due no later than the end of June, 2015.

These delays are another aspect of the problem of the lack of adequate staffing at the SRB and the DHE.

3. SRB and DHE Staffing

The SRB will be adding a temporary employee, but the DHE has not hired additional employees for the Section 60 process. With two more employees, the DHE might be able to send five or six simple transfer requests to ORP Providers each day and start work on five or six of the more complicated cases each

day. That could mean 25 completed asset transfer requests each week, or 100 or so each month, but the backlog of problem cases would continue to grow.

A solution to the staffing shortage has to take into account all facets of the situation. These matters will be examined during the meeting MTA has scheduled with members of the Treasurer's staff on December 14th.

4. Locked Funds (TIAA Traditional Accounts)

The matter of transferring ORP assets from locked funds was the subject of further discussion.

Although clear procedures for handling this have not yet been spelled out, the SRB is unequivocal in its position that it will not forgo collection of these assets.

5. Unanswered Questions Pending with the SRB

Some ORP Participants have raised questions with the SRB about the service or cost calculations that appear on their Section 60 Statement of Qualifying Service, questions that have still not been answered. The SRB's lack of capacity to answer questions promptly seems to be another consequence of insufficient personnel.