Westfield
STATE UNIVERSITY

Benefits Overview for Retirement

(MSERS)

2026-2027

Last updated: 08/01/26

DISCLAIMER

- This presentation provides a **general overview** of benefits and is **not a guarantee** of coverage or eligibility.
- **Information is subject to change at any time**.
- In case of **conflicts or discrepancies**, the **official plan documents and agency determinations prevail**.
- For complete and authoritative details, refer to the **plan documents** or contact the **plan administrators**.

Key Features

Massachusetts State Employees Retirement System (MSERS)

Administered by the Massachusetts State Retirement Board (MSRB)

Key Features - MSERS

The Basics

DESCRIPTION	MSERS
Plan Type	Defined benefit (pension)
Internal Revenue Section Code	401(a)
Vesting	After 10 years of creditable service
Criteria to Join	All employees auto enrolled • At least 50% full time benefited position • Certain employees may choose ORP as an alternative to the pension

Key Features - MSERS

Contributions, Investments and Service

DESCRIPTION	MSERS
Contribution Rate	Employee Contribution: 9% of annual regular salary to $30,000, then additional 2% > $30,000 ---Rates differ prior to 07/01/1996
Contribution from the Commonwealth	Commonwealth ensures full funding for promised benefits

Key Features - MSERS

Contributions, Investments and Service

DESCRIPTION	MSERS
Plan Investments	Commonwealth manages all investments
Ability to Purchase Years of Service	Members may purchase eligible past service years to increase their retirement income

Key Features - MSERS

Retiring

DESCRIPTION	MSERS
Eligibility to Begin Benefit Payments	Any time after terminating employment and eligible to retire
Benefit Amounts	Amount of income is based on: - age - length of creditable service - level of salary - group classification - payment option

Key Features - MSERS

Retiring

DESCRIPTION	MSERS
Payment Options	Lifetime income, payable under options which can provide survivor benefits **Spouse must sign as witness for the benefit chosen by the retiring employee*

Key Features - MSERS

Retiring

DESCRIPTION	MSERS
Exempt from Massachusetts Tax	Yes, when paid to retirees residing in Massachusetts or reciprocal states
Cost-of-Living Adjustments	Adjustments may be provided by legislative act each year

Key Features - MSERS

Retiring

DESCRIPTION	MSERS
Re-employment After Retirement	Members may continue their retirement income with **maximum workload requirements.** Members may discontinue their retirement income to work without limitation of their hours.

Key Features - MSERS

Additional Benefits

DESCRIPTION	MSERS
Retiree Health Care, Dental & Life Insurances	Eligible for GIC retiree benefits when collecting pension payments
Disability Benefits	Disability pensions are payable to vested participants. Benefits are payable to non-vested participants if they are disabled on the job. *Optional long-term disability (LTD) insurance available via GIC*

Key Features - MSERS

Additional Benefits

DESCRIPTION	MSERS
Pre-retirement Death Benefits	Depending on your vested status, lifetime income or lump sum benefits can be payable to your spouse or survivors. *Members may also purchase optional life insurance through the Group Insurance Commission.*

Key Features - MSERS

Additional Benefits

DESCRIPTION	MSERS
In-service Withdrawals & Loans	Not available
Portability	**Non-vested** members may withdraw their contributions to roll into another employer's plan or a Rollover IRA. **Vested** members may rollover all funds into another employer's plan or a Rollover IRA, but would forfeit their rights to an employer-funded pension.

Questions and Short Break

MSERS Benefits Overview

MSERS

Massachusetts State Employees Retirement System

Administered by State Retirement Board

MSERS Topics

Introduction
MSRB Operations
Defined Benefit Plan

Eligibility & Plan Rules
Contribution Rates
Creditable Service
Types of Retirement
Eligibility for Retirement
Option D

Retirement Options
Options A, B, or C
Calculate Estimated Pension

Post Retirement
COLA
Taxes
Working in Retirement

Closing
MSRB Contact Info

Introduction

- MSRB Operations
- Defined Benefit Plan

MSRB Operations

- MSRB = Mass. State Retirement Board
  - Offices **closed** to the public
  - Phone lines open **8am-5pm**
  - Limited drop off hours **10am-3pm** at the Boston and Springfield offices
  - **Virtual** 1:1 via Teams or **Phone** Appointments can be requested and MSRB will schedule

  - Check website for updates at mass.gov/retirement

$$\frac{(\text{service x age factor})}{}$$

x

salary average

DEFINED BENEFIT PLAN

- The State Retirement Board guarantees a specific retirement benefit amount based on the above formula and meeting of eligibility rules

Eligibility & Plan Rules

- Contribution Rates
- Creditable Service + Purchases
- Types of Retirement
- Eligibility for Retirement
- Option D

Contribution Rates

- **Mandatory** for all in-service members
  - *in lieu of social security tax*
  - via **pre-tax** payroll deductions
  - from regular salary for most employees

- Since July 1, 1996, the contribution rate is
  - 9% on your 1st $30,000, then
  - 11% over $30,000

9%

+

2%

Creditable Service

- Full time employees earn 1 year of creditable service for each year completed.
  - Pro-rated for less than full time basis
  - Employees whose work years are less than 52 weeks and *are not salaried*, may qualify for a full year of service if designated as seasonal school employees.
    - Special rules apply and MSRB makes final determination.

Creditable Service Purchases

- You may be eligible to buyback service to increase your pension benefit.
  - Refunded prior service
  - Service to another Massachusetts public retirement system
  - Out of State teaching
  - Contract service
  - Military service

Types of Retirement

- **Superannuation** – regular retirement (most common)
- **Accidental Disability** – incapacitating work-related injury or illness
- **Ordinary Disability** – incapacitating injury or illness
- **Termination Allowance** – involuntarily terminated
    - Only for eligible members entering service prior to 04/02/12

Eligibility for Retirement

If hired *before* April 2, 2012:

- Must be ***at least age 55*** with a minimum of 10 years creditable service, or
- Be any age with a minimum of 20 years creditable service.
- Average of highest **36** consecutive months **base salary.**

If hired *on or after* April 2, 2012:

- Group 1 must be ***at least age 60*** with a minimum of 10 years creditable service. (Group 2, age 55*)
- Average of highest **60** consecutive months **base salary.**

* Must have worked the duties of the Group 2 position for at least 12 months immediately prior to termination or retirement.

Option D

Active Employees Survivor Benefits

- Option D would provide your beneficiary with a **lifetime pension** benefit equal to the **full Option C allowance** you, the member, would have received if you had retired on your date of death.
  - If you, the member, died prior to turning 55, the benefit will be calculated as though you were 55 on your date of death.
  - If you are older than age 55 when you pass, your actual age would be used.
- Active employees can complete a form naming ONE beneficiary, either spouse, unmarried former spouse, child, parent or sibling;
- An eligible spouse has first-right option to accept the benefit or waive their rights to it.

Retirement Options

- Options A, B, or C?
- Calculate Estimated Pension

Choose Your Retirement Option

Option A
No Survivor Benefits

- Maximum benefit
- Factors last birthday
- All benefits cease upon death
- Final check at time of death will be payable to estate depending on time of month

Option B
Protects Your Annuity

- 1-5% reduction in benefit
- Factors last birthday
- Protects annuity (members contribution)
- You may choose more than one person as beneficiary
- Beneficiary does not need to be related
- You may change your beneficiary at any time

Option C
Joint Survivor Allowance

- 7-15% reduction in benefit
- Automatic "pop-up" to Option A if beneficiary dies
- Factors nearest birthday
- Eligible beneficiaries under Option C include: spouse, parent, unmarried former spouse, sibling or child

Note: If both employee & beneficiary die together, payments stop.

Calculate Estimated Pension

GROUP

- ONLINE CALCULATOR
- CHARTS: BEFORE 04/02/12 or ON OR AFTER 04/02/12
- PAPER FORM

Post Retirement

- COLA
- Taxes
- Working in Retirement

Cost of Living Adjustment (COLA)

Retirees will be eligible for a COLA on July 1st of the SECOND fiscal year following the year in which their retirement benefit took effect, and each year thereafter, if a COLA is approved annually by the legislature.

Up to 3% increase of first $13,000 of pension

(Currently $32.50 p/mo/$390 annually)

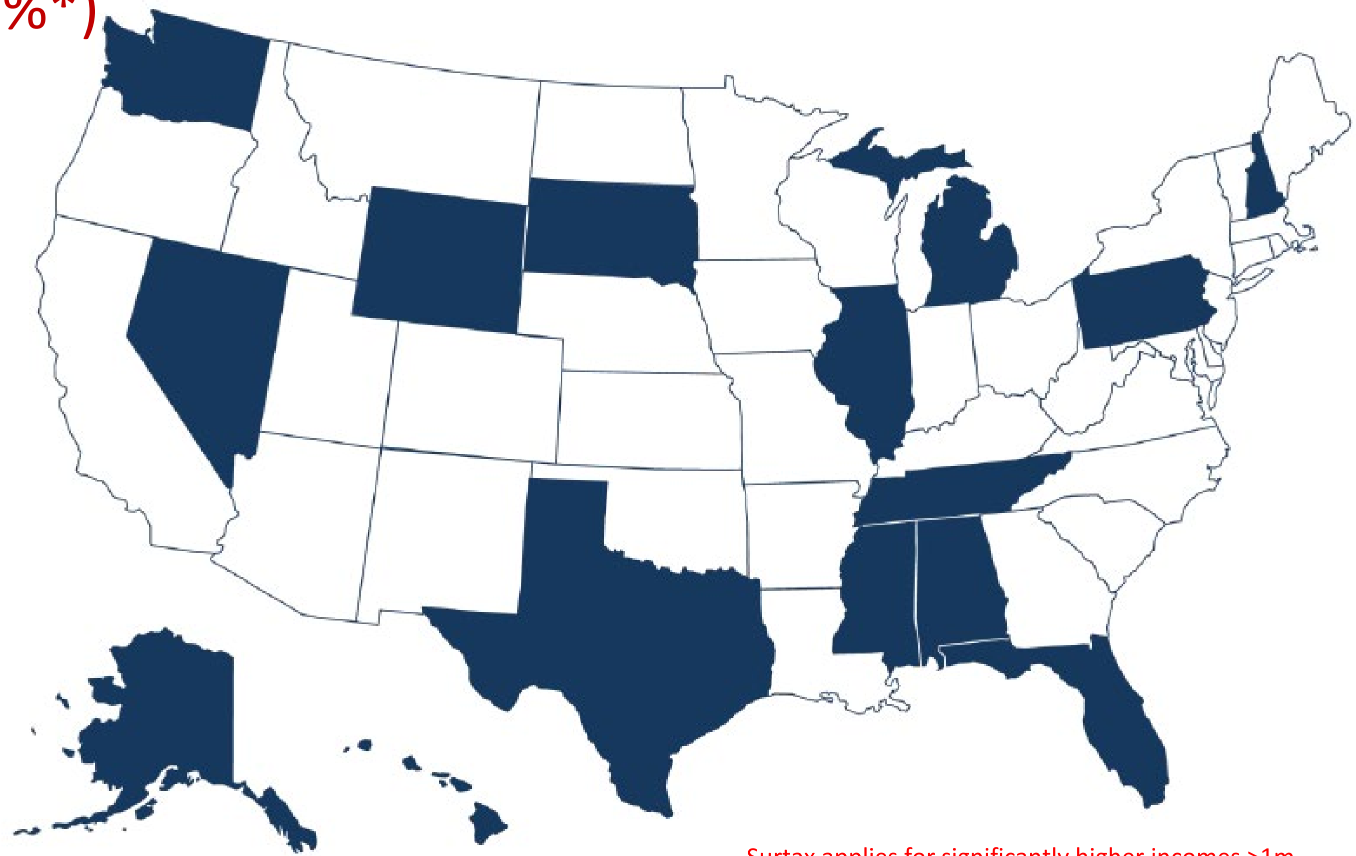
Taxes on your MSERS Pension

No **State** Taxes in Massachusetts (flat 5%*)

Federally Taxable

Reciprocal agreements with 15 states:

Alabama	
Alaska	New Hampshire
Florida	Pennsylvania
Hawaii	South Dakota
Illinois	Tennessee
Michigan	Texas
Mississippi	Washington
Nevada	Wyoming



Surtax applies for significantly higher incomes >1m

Working In Retirement

PUBLIC SECTOR

- Eff. 07/01/21: Limited to **1,200** hours per calendar year and/or
- Your total earnings per calendar year **cannot exceed** the difference between your retirement allowance and the current salary of the position from which you retired.
- After you have been retired one full calendar year, you may earn an **additional $15,000** per year beyond the limitations listed above.

PRIVATE SECTOR

- Unlimited earnings for standard superannuation retirement.
- Restrictions do apply to other types of retirement such as a disability.

Closing

- MSRB Contact Info

MSRB Contact Info

PHONE

ADDRESS

MAIN OFFICE

One Winter Street, 8th Floor
Boston, MA 02108
Tel. (617) 367-7770

REGIONAL OFFICE

436 Dwight Street, Room 109A,
Springfield, MA 01103
Tel. (413) 730-6135

Toll free (within MA only) – (800) 392-6014

Email: srb@tre.state.ma.us

www.mass.gov/retirement

E-MAIL

WEBSITE

Retirement Amplified!

Planning for retirement is one of the most important financial decisions you will make. While mandatory retirement savings plans provide a solid foundation, they may not be sufficient to ensure a comfortable and secure retirement.

Consider connecting with representatives from the SMART Plan (457b) and (403b) plans to discuss the voluntary retirement savings options available to you, how to maximize your benefits, and answer questions you may have.

How are you amplifying your retirement!?

Questions or Feedback?

Westfield STATE UNIVERSITY

Thank you

RETIREMENT ESSENTIALS