

Massachusetts Community College Council

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Optional Retirement Program (ORP) vs. State Employees' Retirement System (SERS)

*** IMPORTANT RETIREMENT INFO you need NOW***

As a new full-time faculty or professional staff member, within the first 180 days of your employment you are required to make the very important decision of whether to join the defined benefit plan, the **State Employees' Retirement System (SERS)**, or the defined contribution plan, the **Optional Retirement Program (ORP)**.

Points to consider when choosing your plan:

1. **See a Financial Planner.**

It is important and advisable to seek the advice of an independent, qualified financial planner before you make this decision. College/University representatives and Union representatives are not qualified or authorized to advise you regarding which choice is better for you.

2. **Once you join the ORP, you cannot switch to the SERS.**

Under the law, once you sign up to join the ORP, you will not be allowed to return or switch to the SERS. You are not allowed to "buy back" into the State Plan. (You cannot, at a later date, retroactively pay back all of the money that you would have contributed to the State Plan and get back into the SERS.)

3. **The ORP is more portable than the SERS.**

ORP funds may be reinvested by you regardless of when you leave employment. SERS funds are portable should you leave before reaching 10 years of state service. However, should your employment end after 10 years of service, SERS funds and benefits will be frozen, but you can access them upon retirement.

4. **Early Retirement laws do not apply to members of the ORP.**

From time to time the Massachusetts Legislature has enacted early retirement legislation that awards state employees 5 additional years of age or creditable service in the event they retire by a certain date. These early retirement benefits only apply to members of the SERS.

5. **Talk to your colleagues about the two plans.**

There are many other variables to consider when making this important retirement decision. There are differences in survivor benefits, ability to transfer prior creditable service, disability benefits, social security implications, and many other differences between the two plans. Before you make your decision, we suggest you talk to your MCCC colleagues about their experience with both plans, and call the retirement office at the Massachusetts Teachers Association at (617) 742-7950, Extension 8240 for further information and/or assistance.

- **Once you sign up for the Optional Retirement Program (ORP), you can NEVER switch to the State Employees' Retirement System (SERS).**
- **If you sign up for the SERS, you have 180 days to switch to the ORP.**

Review all links under "Choosing a Retirement Plan" on the ORP website:
<http://www.mass.edu/test/foremployees/orp/chooseintro.asp>

Choosing a retirement plan is an important decision with long-term consequences.

Because this choice is of crucial importance to your financial security when you retire, MCCC leadership strongly urges you to see an independent financial planner for assistance. Take time now to get the facts and review the options. You have 180 days to make this decision.