



Town of Mansfield
6 Park Row, Mansfield, Massachusetts 02048

FREQUENTLY ASKED QUESTIONS (FAQ's)

Retirement Plans/Services

The Town of Mansfield offers various choices and options related to Retirement plans and services. These include The Commonwealth of MA Retirement Plan for state/Town employees through the Bristol County Retirement Board; the MA Teachers' Retirement System Plan for School personnel; the Commonwealth of MA SMART Plan (a 457 Deferred Compensation Plan); and the Mansfield Public Schools 403(b) Plan (also a deferred compensation plan). Copies of the Plan documents, and/or Summary Plan Descriptions (SPDs), are available on the Town website, or from the sponsoring agency. General questions and answers are presented below.

(1) Commonwealth of MA Retirement Plan for State/Town Employees Through the Bristol County Retirement Board

Who is eligible?

Any individual working a minimum of twenty (20) hours per week for the Town of Mansfield.

What portion of my salary am I required to contribute to the Bristol County Retirement System?

The percentages vary based upon date of hire, but anyone hired after June 30, 1996 is required to contribute 9%. In addition, anyone entering the system on or after January 1, 1979 must contribute an additional 2% of earnings above \$30,000 annually.

Where do my contributions go?

The Retirement Board invests these funds with various professional money managers whose performance is constantly monitored by the Board. Your Annuity Savings Account (the money you contribute plus any accrued interest which is paid into your account annually) grows in part due to the performance of funds invested in by the managers. Part of the investment income earned also goes to reduce the Retirement System's unfunded pension liability.

What kind of Plan is the Bristol County Retirement System Plan?

This Plan is a defined benefit plan that operates as a qualified plan under Section 401(a) of the IRS Code.

When am I eligible to retire and take a benefit from the System?

You may retire upon completing twenty (20) years of service or upon attaining age fifty-five (55). In addition, if you joined after January 1, 1978, you must have completed ten (10) years of service to be eligible for a retirement allowance.

There are a host of additional questions about when and how to take a refund from the System; survivor benefits; do you have to pay income taxes on your refunds; special benefits; superannuation; the three Retirement Options; and many other areas of retirement. The Bristol County Retirement System has a fine Informational Booklet available to participants, and they may also be contacted in Taunton, MA at (508) 824-4029. Copies of the Booklet are available in Human Resources at the Town Hall.

(2) The MA Teachers' Retirement System Plan

What requirements must I meet in order to become a member of the Massachusetts Teachers' Retirement System?

You are eligible to join the MTRS if you are employed as a teacher or administrator in a Massachusetts public school outside the City of Boston or in any educational collaborative in Massachusetts and:

- you are covered by a contractual agreement regarding your employment;

- you are employed on at least a half-time basis;
- you are certified by the Department of Elementary and Secondary Education; and,
- your contractual agreement requires that you be certified by the Department of Elementary and Secondary Education as a condition of your employment.
- Directors of educational collaboratives and charter schools are also eligible for membership.

Do I have to become a member of the MTRS?

If you meet the eligibility requirements stated above, yes.

How much am I required to contribute?

You are required to contribute a set percentage of your salary through regular payroll deductions.

Your contribution rate is established by the Commonwealth's retirement law (Chapter 32 of the Massachusetts General Laws) and is determined by the date on which you most recently became eligible for membership in a Massachusetts contributory retirement system and from which you continuously maintained your funds on account. Most of our members will establish membership in a contributory retirement system on the date they start working as a public employee in Massachusetts.

If membership in the MTRS is required, your employer will deduct the mandated percentage from your regular compensation and forward your contributions to the MTRS for deposit in your annuity savings account, pursuant to M.G.L. c. 32.

MTRS member contribution rates

Date you established your current "effective membership date"	Not participating in RetirementPlus*	Participating in RetirementPlus*
April 2, 2012 and after	9% plus 2% on earnings over \$30,000/year; with 30 years of creditable service, contribution rate decreased to 6% plus 2% on earnings over \$30,000/year	11%; with 30 years of creditable service, contribution rate decreased to flat 8%, and no additional 2%
July 1, 2001 through April 1, 2012	9% plus 2% on earnings over \$30,000/year	11%
July 1, 1996 through June 30, 2001	9% plus 2% on earnings over \$30,000/year	
January 1, 1984 through June 30, 1996	8% plus 2% on earnings over \$30,000/year	
January 1, 1979 through December 31, 1983	7% plus 2% on earnings over \$30,000/year	

January 1, 1975 through December 31, 1978	7%	
Before January 1, 1975	5%	

*The enhanced benefit plan known as RetirementPlus became effective on July 1, 2001. Depending on your membership history with the MTRS and other Massachusetts public retirement systems, you may have *either* had a one-time opportunity to elect whether or not you wanted to participate in RetirementPlus, *or* been required ("mandated") to participate.

If you established your current "effective membership date" with your membership in...

another Massachusetts contributory retirement system and transfer into the MTRS on or after July 1, 2001, you will be given a one-time RetirementPlus election period that is 180 days from the date of your transfer into the MTRS. If you make a timely affirmative election to participate in RetirementPlus, your contribution rate will be raised to the RetirementPlus rate of 11%; if you either opt not to participate in RetirementPlus, or do not return your form by the deadline, your contribution rate will remain at the amount corresponding to your date of membership, and you will not be enrolled in RetirementPlus.

the MTRS...

on or before June 30, 2001, your one-time RetirementPlus election period was March-June 2001, when we mailed an election form to you.

on or after July 1, 2001, by law, you are required ("mandated") to participate in RetirementPlus, and your contribution rate is 11%.

How can I check my contribution rate?

Look at your pay stub. Divide the amount of your retirement withholding by your gross income, and then refer to the contribution chart. For example, if your enrollment date is January 2, 1979 and your salary is \$35,000, your total contribution would be 7% of \$35,000 plus 2% of \$5,000. The 2% contribution does not apply to RetirementPlus participants.

If your contribution rate is not correct, confirm your calculation with your payroll office and then contact the MTRS. Note: If the 2% contribution also applies, be sure it appears on your pay stub.

If I was formerly a member of a Massachusetts contributory retirement system and I withdrew my funds, can I now “buy back” that service and enter the MTRS at my earlier—and lower—contribution rate?

No. While you may “buy back” that time in order to increase the total amount of your creditable service, your buy-back does not entitle you to your earlier contribution rate. You may purchase service time only, not the benefit of the lower rate.

Why do I have to pay a 1.45% Medicare tax?

If you were hired on or after April 1, 1986, you are required to pay a 1.45% Medicare tax. While this does not earn you any Social Security “credits,” it does entitle you to Medicare coverage at age 65 if you have paid this tax for at least 10 years.

(3) The Commonwealth of MA SMART Plan, a 457 Deferred Compensation Plan.

What is this?

The SMART Plan is a voluntary retirement savings program. It allows you to make contributions on a before-tax basis into an account established on your behalf. All earnings the account produces are tax-deferred. The amount that accumulates in the account may be distributed to you upon retirement, or due to another qualifying event, such as a separation from service or death. It is taxed at this time of distribution.

What does the 457 refer to?

The Plan is established under the Internal Revenue Service Code Section 457, which allows eligible employees to save and invest before-tax dollars through salary deferrals.

Who is eligible?

The SMART Plan is open to employees of the Commonwealth of MA and participating governmental entities. There are no age or service requirements to enroll or participate in the SMART Plan.

Who chooses what I invest in through the Plan?

YOU do! You have a variety of investment options from which to choose. See the Plan documents, go online at (<https://www.mass-smart.com>), or call a service representative at (877) 457-1900 x20090, for more specific information on choices. Be sure to check the fees associated with some funds, so you make prudent choices.

How much can I contribute?

The minimum contribution amount is \$10 per pay period or 1% of your gross income, whichever is less. You can contribute a maximum of 100% of your includable compensation, not to exceed the IRS legal limit of \$17,500 in 2014.

There are also "Special Catch-Up" and "Age 50+ Catch-up" provisions that allow for even more money to be put into one's account above the \$17,500 ceiling. Again, check Plan documents, go online, or call a Service representative for more details.

When can I withdraw money from the account?

You can withdraw money when any of the following occur with you:

- Reach age 70-1/2;
- Separate from service;
- Experience an unforeseeable emergency as defined by IRS guidelines;
- Die (your designated beneficiary(ies) will receive your benefits); and, you
- Have an account balance that does not exceed \$5000, you have not made a contribution in the last 24 months, and have not previously taken advantage of this rule.

Can I take money out of the 457 before I retire? Will there be any cost to do so?

Yes, and likely Yes. You can take money out before you retire, but like most plans set up as retirement plans, if you take an early distribution before retirement you will be taxed on it immediately, and may have penalties to also pay. Call a Plan service representative for details regarding this. It would depend upon whether your reason for wanting the distribution meets the IRS unforeseen emergency noted above.

If I leave the money alone until I retire, will I have to pay taxes on it?

Yes, you'll still pay taxes on it when you retire, however you will likely be in a lower tax bracket at that time of your life, so the taxes should be less.

Can I put/roll other money into this Plan? If so, When and How?

Yes, you can roll other assets (from say a 401(a), 403(b), and/or IRA into your SMART Plan account at any time. These non-457 assets would continue to remain subject to the IRS 10% early withdrawal penalty that does not apply to 457 contributions.

If you transfer money from your SMART Plan account into a non-457 account you may become subject to this same IRS 10% early withdrawal penalty. **Be smart and obtain guidance from your own personal financial consultant, or from a SMART Plan representative before taking such action.**

(4) Mansfield Public Schools Deferred Compensation 403(b) Plan (through MidAmerica)

The Plan Highlights document on the following page provides details concerning the School 403(b) Plan currently in place. Administered by MidAmerica Administrative and Retirement Services, Inc., this 403(b) Plan is a tax deferred retirement plan specifically for employees of educational institutions and certain non-profit organizations. The MidAmerica website address is provided for further information at the bottom of the next page, but you may also obtain information at www.spokeskids.com/MansfieldPS.

Mansfield Public Schools 403(b) Plan

Plan Highlights

Introduction: Mansfield Public Schools is pleased to offer the 403(b) Plan to help eligible employees save for retirement. The plan allows you to save on a tax deferred basis and also includes match contributions paid for by Mansfield Public Schools. Plan oversight and administration is provided by MidAmerica.

This Plan Highlights outlines the key provisions of the plan as well as who to contact to sign up, for plan or investment related questions, or other information. We encourage you to seriously consider taking advantage of this valuable benefit to help enhance your financial future.

Eligibility:

- **Employee Contributions:** All Employees are eligible to contribute to the 403(b) plan excluding Employees who normally work less than 20 hours per week and Student Employees.
- **Mansfield Public Schools Match Contributions:** All employees are eligible for match contributions excluding Employees who normally work less than 20 hours per week and Student Employees.

Entry Date: Employees are only able to enroll in the Plan immediately upon commencing employment with Mansfield Public Schools or during the Open Enrollment Periods. The Open Enrollment periods are in February (for March 1 payroll) and September (for October 1 payroll) each year.

Contribution Types:

- **Employee Contributions:** Generally, you can contribute up to 100% of your income up to the [maximum allowable contribution limits](#) as adjusted annually by the Internal Revenue Service. You may be eligible to contribute an additional \$5,500 if you are age 50 or older. You may be eligible to contribute an additional amount if you have 15 or more years of service.
- **Mansfield Public Schools Match Contributions:** Mansfield Public Schools will annually contribute a percentage of an Employee's total contribution as defined by the Mansfield Educator's Association Contract. All match contributions are made in July based upon the contributions of the prior fiscal year, July 1 – June 30.

Vesting:

- **Employee Contributions:** You are always 100% vested in your own contributions, plus earnings.
- **Mansfield Public Schools Match Contributions:** You are 100% vested in Mansfield Public Schools Match contributions immediately.

Withdrawal Options: (Subject to each vendor's policies. Check with your vendor for availability.)

- **In-Service Withdrawal:** If age 59 ½ or older.
- **Separation of Service:** Possible 10% penalty if under the age of 59½. Various payment options are available.
- **Loans:** Tax-free loans enable you to access your account without permanently reducing your account. You may have only two outstanding loans, with no minimum loan amount. The loan amount is limited to 50% of your elective deferral or vested account balance. Loans must be repaid within 5 years, or 15 years for a principal residence. Loans not repaid in accordance with the repayment schedule will result in taxation of the outstanding loan amount and a possible 10% penalty.
- **Hardships:** You may take a withdrawal for financial hardships. Hardship withdrawals are limited to the amount you have contributed to the plan and are only permitted for limited financial circumstances that must be substantiated.

Fees: MidAmerica charges an annual administration fee of \$22.50. This fee will be deducted from your contribution pro-rata prior to being remitted to your investment provider.

Investments: A list of approved vendors is provided at www.spokeskids.com/MansfieldPS.

Please Contact:

- **Vendor:** For forms such as distribution, loans, or hardships, account balances and to transfer funds.
- **MidAmerica Administrative & Retirement Solutions, Inc.:** For any plan related questions, to start or stop a contribution, or change your deduction please call 866-873-4240 or visit www.spokeskids.com/MansfieldPS.

Please fax or mail all forms to: MidAmerica Administrative & Retirement Solutions, Inc.
Attn: 403(b) TPA
402 South Kentucky Avenue, Suite 500
Lakeland, FL 33801
Fax: 863-688-4466

*Please refer to the Plan Document for more information on the Plan.
In the event of a discrepancy, the Plan Document will prevail.*



MidAmerica

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