

January 4, 2019

{Employee Name},
{Employee Address}
{Employee Address}
(Employee ID)

Dear {Name}:

I am writing to inform you that the Massachusetts State Retirement Board (MSRB) has determined after an extensive review that the University has historically not taken the required retirement deduction(s) from several types of specialty pay that are considered “regular compensation” for retirement purposes. These types of specialty pay include:

- Evening, night and weekend differential (excluding pay earned on overtime)
- Holiday pay for police officers
- On call pay that is not included in base salary
- Animal Care Technician Certification that is not included in base salary

The University will begin taking the required retirement deductions from these types of earnings moving forward. This deduction(s) will be reflected in the pay check you receive on **January 25, 2019**. You do not need to take any action for this to occur. Depending on the time period during which you may have received these types of pay they may qualify as regular compensation for the purposes of determining a retirement benefit.

Potential Back Payment Requirement

As with other instances where retirement deductions may not have been forwarded to the MSRB, the University anticipates that the MSRB will determine which affected employees will need to submit outstanding retirement contributions to the State Employee Retirement System to compensate for these missed deductions. However, the MSRB has not made a final determination on the scope and extent of contribution amounts.

If the MSRB determines payments are required, affected employees will have the option of making a lump sum payment or making the payment through a payroll deduction. If submitting contributions through payroll deductions employees will have options of spreading out the repayment of any amount owed up to a five-year period under retirement plan rules.

Estimated Potential Back Payment Amount

Although no final determination has been made, the University wants to provide you with an estimate of the amount of retirement deductions it believes that you may need to submit to the State Employees' Retirement System.

The University estimates that you may be required to pay **\$X** to the MSRB.

For the purpose of providing you with this estimate, the University has calculated an estimate that is based on either February 24, 2002 or your hire date (whichever is later) to the present.

However, the MSRB may decide to collect missed deductions for a shorter period of time which would likely lessen the amount you may owe. Final contribution amounts will be determined by the MSRB based on the payroll information the University provides. (The MSRB may elect to waive the collection of missed retirement deductions below a not yet determined low dollar threshold.)

Listed below is an estimate of the amount you may owe and a brief outline of how we determined that estimate.

Type of Specialty Pay	Estimated Value of Missed Deductions
{Specialty Pay One}	{\$X}
{Specialty Pay Two}	{\$X}
{Specialty Pay Three}	{\$X}
{Specialty Pay Four}	{\$X}
Total Estimated	{\$X}

For the purpose of this calculation, the University assumed that all employees are required to make an 11% retirement contribution. However, some employees who were members of the retirement system prior of July 1, 1996 may make a smaller contribution. In those situations, the estimated amount owed may be less than what is listed above.

No Payment or Action is Required at this Time

You do not need to make any payment or take any action at this time. The University will send you a follow up letter as soon as the MSRB makes any decisions regarding this matter. If the MSRB determines you do owe retirement deductions then the MSRB will send you a statement. If you receive a statement, you will have the opportunity to review and challenge, if necessary, any payroll information that serves as the basis of a potential repayment amount. **At this point the MSRB has not determined any final amounts owed by affected employees.**

Questions and Additional Information

- Additional information about this matter can be found on the University of Massachusetts' website at www.umassp.edu/hr.
- Phone calls can be directed to the Human Resources Department at the University System Office at 774-455-7150.
- Emails may be sent to MSRB@umassp.edu.
- The Massachusetts State Retirement Board can be reached at 617-367-7770.

Again, the University will send you a follow up letter as soon as the MSRB makes any decisions regarding this matter. You do not need to take any action or make any payment at this time. The University

regrets the inconvenience that this matter may cause and we are available to work with you to rectify the matter in an orderly manner to ensure that you receive all of the additional compensation to be included in the calculation of retirement benefits to which you may be entitled.

Sincerely,

John D. Dunlap
Deputy Director of Human Resources
UMass System Office

cc: Campus HR Department
Massachusetts State Retirement Board
Name of Union President