



ORP Beneficiary Information

In 2008, all active ORP members will receive a memo listing their current beneficiaries for their Life Insurance and ORP retirement account. This will provide an opportunity to review and update if necessary.

ORP Facts

- Signed into law by Governor William Weld in January 1994.
- Became effective October 31, 1995.
- Resides under Chapter 15A, Section 40 of Massachusetts General Laws, as amended.
- Over 5,000 participants presently enrolled.

Key Plan Facts

- Participants are 100% vested upon enrollment.
- The values of participants' accounts are updated daily.
- Participants may change to another approved provider after 12 months of participation.
- Loans and in-service hardship withdrawals are not permitted.

Preview of the next issue...

- What you should know about post-employment and retirement issues
- Steps to follow to become a retiree
- What are the age restrictions for distribution?

Advice from the Providers | TIAA-CREF

Four Steps To Help Improve Your Retirement Planning

Plan Administrator's Note: Each issue of the ORP newsletter features an article from one of the ORP providers. This issue's article was provided by TIAA-CREF.

Whether you're just beginning to save for retirement or have been investing for a while, these four steps can help you work toward your goals.

Once you've established a retirement savings target, it's time to take the next step: creating an investment strategy based on the number of years until you retire and your attitudes toward investing. Whether you're just beginning to save for retirement or have been investing for a while but need to revisit your plan, the following steps can help you work toward your goals.

Step 1

Get an Early Start.

The sooner you begin saving for retirement, the better. An early start gives you more years to build your savings and to potentially benefit from *compounding* the earning of interest on interest, or using investment income and gains to produce even more accumulations as they're reinvested. (Past performance doesn't guarantee future returns.)

Step 2

Know Your Time Horizon.

To create a strategy that makes sense for the goals you want to achieve, you need to take into account the number of years you'll be investing before you use the money and how many years you'll need that money to last. A *short-term* is any investment goal between one and 3 years away, an *intermediate-term* is between 3 and 10 years away and a *long-term* is a goal that's 10 years away or more.

Knowing your time horizon will help you decide how to invest your money.

Step 3

Understand Your Tolerance for Risk.

Your *risk tolerance* or ability to handle declines in your portfolio's value will also affect how you'll want to allocate your funds. Generally speaking, if you have a low risk tolerance, you'll want to allocate a smaller percentage to higher risk investments like equities and probably emphasize more stable investments, such as guaranteed accounts. Conversely, if you have a higher risk tolerance, you're more likely to be willing to commit more of your funds to equities than someone with a lower tolerance for risk.

Step 4

Invest by Asset Class.

An *asset class* is a category of securities, or investments, such as stocks or bonds, that



Planning is the key to a comfortable retirement.

have similar financial characteristics. When creating a portfolio, most financial experts suggest diversifying holdings across different asset classes instead of relying exclusively on individual securities within a single asset class.

If you find, after saving for some time, that your portfolio has deviated significantly from your original allocation because of market performance, it may be appropriate

to rebalance your portfolio. Rebalancing will allow you to maintain your initial investment strategy.

Please also keep in mind that investing in securities carries with it certain inherent risks.

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Scenes from the Campuses...



Fitchburg State College



University of Massachusetts Amherst





Important ORP Contacts

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ORP Financial Issues
617-994-6954

State Board of Retirement
617-367-7770
800-392-6014 (Outside of Massachusetts)
www.mass.gov/treasury/srb.htm

Group Insurance Commission
617-727-2310
www.mass.gov/gic

ORP Providers

Lincoln Financial Group
866-381-8001 (Toll Free)
781-648-3653 (Local)
www.LNC.com

TIAA-CREF
800-842-2776 (Toll Free)
www.tiaa-cref.org

AIG Valic
800-428-2542 (Toll Free)
603-594-3840 (Local)
www.aigvalic.com

Visit the
ORP website at
www.mass.edu/orp
for answers and
general information
on the Optional
Retirement Program.

Massachusetts Board of Higher Education

information & tools for
CAMPUS EMPLOYEES Optional Retirement Program

Introduction
Plan Administrator and Campus Contacts
Plan Information:

Home > For Campus Employees > Optional Retirement Program > Introduction

INTRODUCTION

The Board of Higher Education is the Plan Administrator of the Optional Retirement Program.

Massachusetts Board of Higher Education

One Ashburton Place, Room 1401
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Premiere Issue



This is the first issue of the *Optional Retirement Program Newsletter*, which focuses on changes to the ORP and general retirement planning information. We hope you will find it interesting and informative. Should you have any comments or suggestions for upcoming issues, please forward them by email to:

orp@bhe.mass.edu

or by mail to:

Mass. Board of Higher Education
One Ashburton Place, Room 1401
Boston, MA 02108

Changes in ORP plan rules *Rollovers are now accepted*

As of July 1, 2007, the ORP is accepting funds that are eligible rollovers. This allows you to consolidate your retirement savings under the Optional Retirement Program.

Here is a list of the types of plans that are eligible to add to your ORP Account:

1. 401 (a), 401(k) and 403 (a) plans
2. Tax sheltered annuity plans 403(b)
3. Deferred compensation plans 457(b)
4. IRA or annuity 408(a) or 408(b)

Once money is received by the plan, these funds will be treated as normal assets of the plan and therefore subject to the rules of the plan. However, your provider will segregate these funds in your account. This will ensure the correct tax treatment of future distributions.



New options to consolidate savings

Transfer/Rollover forms can be found either in your provider booklet or on your provider's website. If you have any questions, the first place to check is the ORP website www.mass.edu/orp. It will have answers to questions on all aspects of ORP program.

Life and Disability Insurance benefits

Do you know that as an active employee with membership in the ORP, you are automatically enrolled in a Group Life Insurance policy and Long Term Disability Insurance plan?

The Standard Insurance Company is presently the carrier for both policies. The Life Insurance coverage amount is determined by your age and a multiple of your annual earnings.

Age as of January 1	Multiple of annual earnings
Less than 35	3.0 x
35 but less than 40	2.5 x
40 but less than 50	1.5 x
50 but less than 55	1.0 x
55 but less than 60	0.67 x
60 and older	0.45 x

If you have a terminal illness for which your life expectancy is 12 months or less, and meet other requirements, you may elect to accelerate the payment in advance of your death.

The Long Term disability benefit is 60 percent of your monthly earnings. The maximum benefit is \$10,000.00 a month, reduced by benefits from other sources.

While you are disabled and eligible to receive a monthly income benefit, a monthly annuity premium benefit equal to 10 percent of your monthly wage will be credited to your Optional Retirement Program account.

For more information go to: www.mass.edu/foremployees/orp/orp.asp, and click on *Insurance Documents*.

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