

WORKSHEET: CURRENT VALUE ONLY—DOES NOT ADDRESS FUTURE INTEREST ON ORP ASSETS

Updated Service Cost: \$_____; overall you MAY have more than enough in employee-funded assets to pay this cost, but because only liquid assets could be transferred, there could be a balance due of updated service cost minus Row C in Column II.

COLUMN I	COLUMN II	COLUMN III	COLUMN IV
Source and type of asset	Liquid assets [to be transferred]	Traditional (non-liquid)	Total
A. Employee--required	\$	\$	\$
B. Employee--voluntary	\$	\$	\$
C. Employee subtotal	\$	\$	\$
D. Employer	\$	\$	\$
E. Total	\$	\$	\$

Row A: Required employee contributions + net investment gain & interest must be paid to the state, *even though they may exceed the updated service cost*. Compare Row A in Column IV to updated service cost. The Section 60 law requires you to pay the excess to the state. (If you pay the service cost from other sources, the increase in value of that amount remaining in the ORP should go to you from the time you make the payment. Not resolved yet.) At this time the SRB will not allow you to pay the “excess” over your service cost from other sources, so it must come from your Traditional account. Additionally, it appears that TIAA will charge a 2.5% surrender fee* when these assets are withdrawn in a lump sum payment within 120 days after termination of employment.

Row B: Most ORP participants had made some pre-ORP MSERS contributions that they transferred to their ORP accounts (which TIAA calls “rollovers”). These assets were transferred voluntarily, as distinguished from your required contributions. You might have also rolled assets from other plans into your ORP account. If you signed the Direct Transfer form authorizing transfer of that to the MSERS, the liquid portion of that may have been transferred from your ORP account. If you can rescind that authorization, or if it will be disregarded because those assets are not needed to pay your service cost, it would be important to separate out assets that belong in Row B from those in Row A in order to preserve Row B assets that you might not be required to pay to the state. (This assumes that the SRB agrees that you keep these assets.) In any case (as I understand at this time), assets in Row B would have to be liquidated at the same time as Row A and Row D, so the 2.5% surrender charge* would apply.

Row D: All of the employer contributions + net investment gains and interest have to be paid to the state and cannot be used to pay toward the service cost. The 2.5% surrender fee* will be charged on this amount by TIAA. Because the SRB will not (at this time, anyway) accept a payment of this amount from non-ORP sources, you will have to pay this amount using these ORP Traditional assets.

*Not charged if SRB accepts rollovers from ORP.