

2/14/12

To: UCPEA Members

From: Michael White, UCPEA First Vice President for Collective Bargaining

The final details for UCPEA members to move from the ARP to the Hybrid Retirement Plan that is part of the SEBAC Agreement are nearing completion.

One key question about the use of encumbered funds subject to yearly release because of TIAA-CREF rules has been answered. These funds will be available if members agree to provisions of a form that directs the release of those funds for purchase of past service in the Hybrid Plan. The value of those funds will be determined in accordance with an actuarial table that is still being finalized. All unencumbered ARP account funds – and other state funds -- may be used to purchase past service also under actuarial tables.

There also will be an option for those who are not participants in the Social Security System to join the Hybrid Plan, once the Social Security Administration determines the impact of such a transfer of funds or service purchased under Social Security regulations. U.S. Sen. Richard Blumenthal has agreed to assist SEBAC in getting a definitive answer on what the Social Security consequences would be for ARP members.

The opportunity for choosing to transfer funds with or without the purchase of past service would begin no later than April 1, 2012. This window of opportunity will last until 90 days following the IRS ruling on the "SAG" award. Those members who choose to purchase past service credit in the Hybrid Plan will be required to do so at the time of transfer.

As soon as we have final information, we will forward it to UCPEA members.