

Membership Tier 1 vs. Membership Tier 2

How they differ, by provision

Provision	Membership Tier 1	Membership Tier 2
Effective membership date	Before April 2, 2012	On or after April 2, 2012
When eligible to retire (superannuation)	EITHER 20 years of creditable service, at any age, OR at age 55 with 10 years of creditable service.	At age 60 with at least 10 years of creditable service
Termination retirement formula	Available	Not available
Age factors	One age factor table; maximum factor of 0.025 reached at age 65	Two age factor tables: one for members with 30 years of service, and another for members without 30 years of service; maximum factor of 0.025 reached at age 67
Final salary average period	3 years	5 years
RetirementPlus additional 2% begins...	After 24 years of service (i.e., with 30 years of creditable service, the additional R+ percentage is 12%)	After 23 years of service (i.e., with 30 years of creditable service, the additional R+ percentage is 14%)
Contribution rate	Does not change	When the member has 30 years of creditable service, the contribution rate is decreased by 3% . Note: For Tier 2 members participating in RetirementPlus, the contribution rate will decrease from 11% to 8%; for those not participating in RetirementPlus, the contribution rate will decrease from 9%, plus 2% on earnings over \$30,000/year, to 6%, plus 2% on earnings over \$30,000/year.
Active death benefit formula for member-survivors	If member is under age 55 at the time of death, his or her age is increased by the number of years and months to reach age 55 (age factor 0.015); survivor's age increased by same period.	If member is under age 60 at the time of death, his or her age is increased by the number of years and months to reach age 60 (without 30 years of creditable service, the age factor 0.0145; with 30 years of creditable service, the age factor is 0.01625); survivor's age increased by same period.
Ordinary disability retirement benefit formula for nonveterans	If member is under age 55 at the time of retirement, the age factor for 55 is used (0.015).	If member is under age 60 at the time of retirement, the age factor for 60 is used (without 30 years of creditable service, the age factor is 0.0145; with 30 years of creditable service, the age factor is 0.01625).
Ordinary disability retirement excludable	Begins when retiree attains age 55	Begins when retiree attains age 60
Right to buyback interest on §3 SCPs after 4/2/2013	None; all §3 purchases subject to actuarial interest after 4/2/2013	If member had previously taken a refund from a MA contributory retirement system, then he or she may purchase §3 service at buyback interest if the purchase is made within one year of returning to MA public service.