

Group A Plan and Group B Plan Benefit Comparison Chart

Important Message from the Retirement Board: On March 31, 2023, the Massachusetts Bay Transportation Authority (Authority) and the Local 589, Amalgamated Transit Union, AFL-CIO (Union) entered into a Memorandum of Understanding (MOU). The MOU makes important changes to the Pension Agreement and supersedes the arbitration award of August 26, 2022, which has been vacated and has no further effect. The new Pension Agreement is effective from June 30, 2018 through June 30, 2028.

We know that your pension benefits are important to you. It is important to the Fund to help you develop an understanding of your retirement benefits so you can make informed career, retirement, and life decisions. The Pension Agreement changes include the creation of a two-tier pension benefit structure. This guide has been designed to help you understand the similarities and differences between the Group A Plan and Group B Plan. You are encouraged to review the MOU and related changes to the Pension Agreement. The Fund is available to answer any questions you have about the Pension Agreement and your retirement benefits. Please visit www.mbtarf.com for more information.

Topic	Group A Plan	Group B Plan
Composition of Group	<p>Employees who are or become Members of the Fund on or before June 30, 2023 are in the Group A Plan unless they elect to be in the Group B Plan.</p> <p>For a Group A Plan Member to join the Group B Plan, the Member must (i) elect to join the Group B Plan by providing written notification to the Fund between June 30, 2023 and December 31, 2023, and (ii) accumulate at least 24 months of creditable service after such election.</p> <p>A Member shall make such election by completing the Group B Plan Election Form on the Fund’s website or by mailing the Form to the MBTARF (which must be postmarked by 12/31/2023). A Member in the Group B Plan may not transfer back to the Group A Plan.</p> <p>Group A Plan Members who have a QDRO in place should consult with their attorney before transferring to the Group B Plan to ensure that a retirement under the Group B Plan does not result in an unexpected benefit division.</p>	<p>The Group B Plan consists of the following Members:</p> <ul style="list-style-type: none"> • Employees who are or become Members of the Fund on or after July 1, 2023; and • Members of the Group A Plan that elect to join the Group B Plan that (i) elect to join the Group B Plan by providing written notification to the Fund between June 30, 2023 and December 31, 2023, and (ii) accumulate at least 24 months of creditable service after such election. <p>A Member shall make such election by completing the Group B Plan Election Form on the Fund’s website or by mailing the Form to the MBTARF (which must be postmarked by 12/31/2023).</p> <p>A Member in the Group B Plan may not transfer (or transfer back) to the Group A Plan.</p>
Minimum Requirements for Retirement Benefits (Non-Disability and Non-Vesting)	<ul style="list-style-type: none"> • A Member can retire at age 65 or older on a Normal Retirement. • An Early Normal Retirement is available with 23 years of creditable service if the Member was hired before December 6, 2012. • For Members whose date of hire commences on or after December 6, 2012 and become Members of the Fund on or before June 30, 2023, an Early Normal Retirement is available if the Member is age 55 or older and has at least 25 years of creditable service. • A Early Reduced Retirement is available if a Member is age 55 or over and has at least 20 years of creditable service; however, this retirement allowance will be reduced by ½ of 1% for each month between the age at retirement and age 65. 	<p>A Member who has at least 10 years of creditable service and that has reached the age of 55 is eligible to retire with an immediate retirement allowance.</p>
Calculation of Pension Benefits; Maximum Retirement Benefit	<p>Except as provided above, a Member’s retirement allowance is calculated using the following formula: [the average of the Member’s highest 3 years of pensionable earnings] <i>multiplied by</i> 2.46% <i>multiplied by</i> [the Member’s years and months of creditable service].</p> <p>A Retired Member’s retirement allowance cannot exceed 80% of the average of the Retired Member’s highest 3 years of pensionable earnings.</p>	<p>Except as provided above, a Member’s retirement allowance is calculated using the following formula: [the average of the Member’s highest 3 years of pensionable earnings] <i>multiplied by</i> [the Age Multiplier] <i>multiplied by</i> [the Member’s years and months of creditable service]. The <u>Age Multiplier</u> is determined using the following table:</p>

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Topic	Group A Plan	Group B Plan																
		<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #d9e1f2;">Age at Retirement</th> <th style="background-color: #d9e1f2;">Percentage</th> </tr> </thead> <tbody> <tr><td>61 or over</td><td>2.46%</td></tr> <tr><td>60</td><td>2.375%</td></tr> <tr><td>59</td><td>2.25%</td></tr> <tr><td>58</td><td>2.125%</td></tr> <tr><td>57</td><td>2.0%</td></tr> <tr><td>56</td><td>1.875%</td></tr> <tr><td>55</td><td>1.75%</td></tr> </tbody> </table> <p>A Retired Member's retirement allowance cannot exceed 80% of the average of the Retired Member's highest 3 years of pensionable earnings.</p>	Age at Retirement	Percentage	61 or over	2.46%	60	2.375%	59	2.25%	58	2.125%	57	2.0%	56	1.875%	55	1.75%
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Vesting Requirements; Obtaining a Vested Retirement Benefit	<p>A Member who has at least 10 years of creditable service and does not receive a return of contributions qualifies for a vested retirement benefit if their employment with the Authority ended through no fault of their own. If a Member resigns or is discharged for cause, then the former Member is not eligible for a vested retirement benefit.</p> <p>A vested Member is eligible to receive a retirement benefit the first of the month following the member's 65th birthday. A vested retirement allowance is calculated using the following formula: [the average of the Member's highest 3 years of pensionable earnings] <i>multiplied by</i> 2.46% <i>multiplied by</i> [the Member's years and months of creditable service].</p>	<p>A Member of the Group B Plan shall have a fully vested deferred retirement allowance if the following conditions are satisfied: (i) the Member has accrued 10 or more years of creditable service; (ii) the Member's service with the Authority was terminated for any reason prior to such Member becoming eligible for a retirement allowance set out in accordance with Article IV(2); and (iii) the Member has not withdrawn their contributions from the Fund.</p> <p>A vested Member's retirement allowance is calculated using the following formula: [the average of the Member's highest 3 years of pensionable earnings] <i>multiplied by</i> 2.46% <i>multiplied by</i> [the Member's years and months of creditable service]; provided, however, that if a vested Member retires prior to the age of 65, then the vested Member's retirement allowance will be reduced for their entire retirement by 6% per year, or one-half percent for each month, of retirement before age 65.</p>																
Disability Retirement Benefits	<p>A Member is required to accumulate 4 years of creditable service for an occupational disability or after 6 years for a non-occupational disability in order to receive a disability retirement allowance. The disability retirement allowance is calculated using the following formula: [the average of the Member's highest 3 years of pensionable earnings] <i>multiplied by</i> 2.46% <i>multiplied by</i> [the Member's years and months of creditable service]; provided, however, that a Member receiving a disability retirement allowance shall receive a minimum of 15% of the average of the Member's highest 3 years of pensionable earnings.</p>	<p>A Member is required to accumulate 4 years of creditable service for an occupational disability or after 6 years for a non-occupational disability in order to receive a disability retirement allowance. The disability retirement allowance is calculated using the following formula set out in "<i>Calculation of Pension Benefits; Maximum Retirement Benefit</i>" above; provided, however, that: (i) a Member receiving a disability retirement allowance shall receive a minimum of 15% of the average of the Member's highest 3 years of pensionable earnings, and (ii) the Age Multiplier is based on the Member retiring at the age of 55 or the Member's age at the time of disability retirement (referenced on the chart above) if the Member is over the age of 55.</p>																
Retaining Contributions at the Fund	<p>A Member that ceases to be an employee for any cause other than death or retirement may not elect to keep their contributions in the Fund.</p>	<p>A Member that ceases to be an employee for any cause other than death or retirement may elect, upon written notification to the Fund, to keep their contributions in the Fund to maintain and resume creditable service in the event they become an employee again in the future.</p>																