Welcome! and Welcome Back!
Patricia V. Markunas, MSCA President

On behalf of the Massachusetts State College Association, I extend a warm welcome to our newest members — those faculty and librarians who are joining our ranks this September. You are now part of the original and most historic segment of public higher education in Massachusetts. We take great pride in the education that we provide to our students — over 40,000 across the nine state colleges — the service we contribute to our communities, and the research and scholarship we generate with our national and international colleagues.

We invite you to membership in this, our faculty and librarian union. This March, we will commemorate the 25th anniversary of our affiliation with the National Education Association, one of the largest labor organizations in the United States at 2,200,000 plus members. We are represented by the Massachusetts Teachers Association, our bargaining agent since December 1977.

The MSCA represents two bargaining units: one for the full-time faculty and librarians and those part-time faculty who teach in the “day” programs at the state colleges during the traditional academic year (the “day” unit), and those faculty who teach any course for academic credit in the Divisions of Graduate and Continuing Education during the entire calendar year (the “DGCE” unit). New faculty and librarians will be contacted soon about the requirements and benefits of membership by the local campus chapter of the MSCA. Additional information about the officers, the chapters, availability of copies of the collective bargaining agreements and our full schedule of meetings can be found on Page Four of this issue of the Perspective. Our website <www.mscunion.org> contains weekly reports from you and other information of importance to state college faculty and librarians.

The MSCA officers and two important statewide committees have been hard at work on your behalf over the summer. The Bargaining Committee for the day unit, chaired by Brad Art (MSCA/Westfield) has held six meetings with the employer’s representatives, working on a one-year extension of the day contract, which expired on June 30, 2003. The Bargaining Committee for the DGCE unit, chaired by David Twiss (MSCA/Worcester) has met three times with the employer’s representatives, working on a new three-year agreement to follow the agreement that expired August 31, 2003. Both teams have additional bargaining dates scheduled for September.

It has been a privilege and an honor to serve as your president for the past two and a half years. New members and returning members alike should always feel free to contact me with any question or issue of concern that they have. Please accept my best wishes for a successful and productive semester.
Retirement Takes Careful Planning And Follow Through

Local chapter offices and the MSCA President’s Office are often contacted with questions concerning retirement. These contacts have become more frequent with the passage of two Early Retirement Incentive Programs in the past 20 months. In the following article longtime Salem State College professor and MSCA stalwart Bill Mahaney shares his experiences preparing for retirement. Mahaney outlines the nuts and bolts of the process and provides his personal view of some crucial issues. This article is meant as a friendly conversation about the topic. As Mahaney reiterates below, it is crucial for every person considering retirement to discuss their individual situation with an MTA retirement consultant.

William E. Mahaney

Did You Know… that preparing to retire is more work than just saving money? In the more than three years that I worked on retirement, I dealt with the Massachusetts Teachers Association (MTA), the State Board of Retirement (SBR), the Group Insurance Commission (GIC), and the College’s Office of Human Resources (OHR). All contact information for these offices, and others, can be found in the box on Page Three. What follows is my experience along with some suggestions. Please note that your experience may be quite different because rules and regulations are constantly changing and can be complex. For example, some unit members may be eligible for full Social Security Administration (SSA) benefits, others for reduced benefits, and others not at all. If you qualify for any SSA benefits, some may have other pensions, and some may not be in the state retirement system at all.

Suggestion: If possible, begin to investigate retirement at least three years before you think you might want to retire.

Step 1: Visit the Massachusetts Teachers Association (MTA)

When you are contemplating retirement, talk first with an MTA retirement consultant. A list of MTA offices is in the box on Page Three.

To that meeting, bring your last two or three W-2 forms, and have some notations of when you might want to retire. The consultant will lead you through the three retirement options (A, B, and C) in the state system, when you will “max” out, and what your approximate benefits will be (as well as what your survivor benefits will be, if applicable). Be sure, if you have not already done so, to ask about other “creditable service” (e.g., military service, teaching at other institutions or other types of public service). It may be possible for you to “buy” credit for years you’ve worked in the state system. Be sure to ask about the SBR’s deferred retirement option — set up a monthly payment schedule deducted from your pay—another reason to start at least three years early. (Several years ago, I “brought in” a total of seven years service for teaching in Ohio and Maryland.) The consultant will also help you determine optional dates and optimum dates for your retirement. This is the SBR’s brief definition of the three choices:

Option A: Provides you with the highest possible retirement allowance. Upon your death all payments cease and your beneficiary will not be entitled to any remaining deposits or interest.

Option B: Your pension under Option B will be approximately 7% to 8% less than your Option A pension. Option B provides for a lump sum refund of any remaining deposits and interest at your death. On average, you would have to live between 12 and 15 years to deplete your retirement funds. Option B is a lifetime pension.

Option C: Provides for a beneficiary. Your pension under Option C is determined by multiplying your Option A pension by your Option C factor (which is an actuarial calculation derived from your life expectancy and that of your beneficiary). You will receive your Option C pension for your lifetime. If you predecease your beneficiary, your beneficiary will receive two-thirds of your pension for life. Should your beneficiary pre-decease you, your pension would increase to the Option A amount. Eligible beneficiaries are your spouse, mother, father, brother, sister, or children.

Suggestion: Beware of Option A. If you die the day after you retire, the state will keep all of the money you’ve contributed along with the interest. If you are determined to take Option A, be sure to back it up with sufficient life insurance to care for the needs of your family.

Your pension will vary according to your age, highest three years salary, and years of service. The maximum for A is 80%, B is 3-5% less than A, and C is 80% of A. [In my case, I “maxed out” and retired on 80% of A. I “maxed out” and retired on 80% of A.]

However, whatever the percentage, your reduction in income is NOT the difference between 100% (when working) and, say, 64% (when retired). You will pay no state income tax (now at 5.3%) on your state pension. You will not pay into the state retirement system (5%, 7%, 8%, or 9%, depending on when you began working). After you turn 65, you will no longer pay 1.45% in Medicare. Your union dues will decrease at least 90%, along with your sick leave and/or vacation buy back), the College is under no obligation to restore you to your position if you change your mind—you can ask, and the College can refuse.

Suggestion: Do not decide to retire just because you have reached a certain age or have “mated out.” It may be better for you to work after you have hit “max” (in my case, I worked an additional year to gain a significant increase in my pension). Some should probably wait until “max,” others may not be ready to retire at, say, 65 or when they hit “max”; some may not be able to afford to retire.

You can keep your position until age 70, after which the College can ask you annually for written evidence that you are physically and mentally capable of performing your full time duties.

Suggestion: Prior to submitting any retirement papers, get as complete a physical examination as you can. If such an exam discloses a serious or terminal illness, you might be better off using your sick leave and/ or vacation buy-back into a new tax year, usually at a lower tax rate.

Step 2: Decide When To Retire

Determine, as closely as you can, when you want to retire.

Once you submit retirement papers to the SBR, you can withdraw your request up to the day before your retirement date with no penalty. However, once you notify the College of your impending retirement (which you must do at least 90 days in advance to get sick leave and/or vacation buy back), the College is under no obligation to restore you to your position if you change your mind—you can ask, and the College can refuse.

Suggestion: Some may have other pensions, and some may not be entitled to any SSA benefits, others for reduced benefits, and others may not qualify for any SSA benefits. [In my case, my retirement income did drop from 100% to 64%, but rather from 100% to about 85%, without taking into account a lower federal tax and any other cost-saving measures. Some retirees actually have a net income higher than when they were working.]

After you retire from state service, you can earn any amount in the private sector to affect your state pension. In the public sector, you may work 960 hours in any calendar year or you may earn the difference between your state pension and the salary of your former position.

Suggestion: I recommend remaining in the NEA/MTA/MSCA because of the advantages of the benefit. The cost is extremely low.

I also, recommend that you do some financial planning, or visit a financial planner. It is, for example, possible to sell your house to New Hampshire (that, at least now, has no state income tax or sales tax), buy a house for far less than you sold yours for, live close enough to Massachusetts to keep your medical coverage, and pocket the difference—which could increase your actual net income quite a bit.

Step 3: Gather the Papers Needed

Gather at least the following materials, as relevant to your situation.

• your “Personal Earnings and Benefit Estimate” (available from SSA)

• your spouse’s (or beneficiary’s) Social Security number

• your present salary (use a copy of your latest pay stub)

• your military service record

• your work record with any railroad

• your “Personal Earnings and Benefit Estimate” (available from SSA)
STEP 6: Make Insurance Decisions
You will need to deal with the Group Insurance Commission regarding medical and life insurance.

Medical Insurance
If you are 65+ (or soon will be) you must have Medicare. If you are not enrolled, you will automatically be enrolled in Medicare when you turn 65, but you must deal with the GIC on additional coverage.

If you are 100% certain that you will move to another HMO or PPO area, you can shift to a new plan then if you have all the materials with you (and you must meet one of two criteria. Either you had to have been eligible to retire under the state retirement system by "significant earnings" for a number of years from which Social Security was deducted. To meet the first standard, by 1986, you must have had either at least twenty years of creditable service regardless of your age, or been age 55 or above with at least ten years of creditable service.

The formula for full or partial benefits based on prior earnings is very complex. For a complete explanation, see the formulae for calculating the Windfall Elimination Provision (WEP) on the SSA website. At the present time, to qualify for your full benefits, you must have paid Social Security tax on "significant earnings" for thirty years. "Significant earnings" are defined differently for each year. From twenty to thirty years of work, the benefits are distributed proportionately. This provision is being contested by NERA, our national union, and legislation has been introduced to counter the penalty public employees in some states pay for their service. (See the article in the September 2002 MSCA Perspective, available at the MSCA website.) Be sure to follow the progress of this legislation, along with proposed legislation to eliminate the Government Pension Offset (affecting spousal benefits) through the NEA and MTA websites.

It is possible to apply for Social Security either by visiting their website and following instructions to apply by mail, or by visiting a local Social Security office. The website will give you the address of the office closest to you. You should call to make an appointment or you may have a long wait.

Suggestion: I recommend that you make an appointment and go to an SSA office. First, SSA requires original documents (birth certificates, marriage licenses, etc.) and you could lose them in the mail. Second, you can be sure that the SSA officer calculates your benefit correctly, particularly if you are eligible for full benefits (remember to bring the letter from the SBR). Third, you can get any questions answered. Finally, you can apply right then when you have all the materials with you (and you will get back all of your original documents then).

STEP 7: Contact the College’s Office of Human Resources
You should write the Office of Human Resources on your campus to ask about such matters as:
• your official retirement income was for the past two calendar years and to date for the year you are retiring (it is usually not the same as the total amount you were paid, given various "off-base" increments).
• how your sick-leave buy-back and/or vacation buy back will be calculated and when you might receive it.
• if you are a faculty member retiring at the end of the first semester, when will they disperse the rest of your salary for the Fall Semester (if you work 1/2 a year, you are entitled to 1/2 of your pay, but you will not have received it all then you retire).
• how to obtain dental insurance coverage through COBRA.

You must notify the College in writing at least 90 days prior to the date of your retirement to be granted your sick leave and/or vacation leave buy back.

STEP 8: Consider Other Tasks
Do not underestimate how long it will take to clean out your College and home offices. You’ll need to decide whether you intend to teach at all in the future before you can know what to throw out or donate. Do- nations of books, videos, etc. to the College or your department may be deductible at a fair resale value if you have not previously deducted them— but keep records.

Your Department Chair may wish to reallocate office furnishings, etc.

STEP 9: Plan for Life After Retirement
You should be working on this step all the way through the process. Retirement experts suggest that most retirees should not make any sudden changes for at least one year after retirement. Before making any major changes, consider your ‘support systems’— family, friends, local dental, etc.

You will need to consider such matters as: where you will live—both geographically and in what type of housing; what you will do—work, travel, volunteer, combinations; how you will deal with a reduced income; what places give senior citizen discounts and when—if in doubt, ask; and whether you want to join AAA or AARP for the discounts available.

Suggestion: I recommend that you attend the on-campus series of workshops on retirement for at least three years before you plan to retire.

REMEMBER—RETIREMENT IS YOUR COMMENCEMENT. A BEGINNING. GOOD LUCK!

— Bill Mahaney is Professor Emeritus of English at Salem State College. He came to the College in 1970 and served ten years as Vice President for Academic Affairs and ten years as the MSCA/Salem Chapter Grievance Officer.
Antonucci Chosen to Lead FSC

Dr. Robert V. Antonucci has been selected as the new President of Fitchburg State College. A 30-year veteran of education, Antonucci is probably best known statewide as the Commonwealth’s Commissioner of Education from 1992 to 1998. In that position he was responsible for the state’s early childhood, elementary, secondary, vocational-technical and adult basic educational programs. He played a key role in the passage and enforcement of the state’s historic Education Reform Act of 1993. Prior to being Commissioner, Antonucci was superintendent of schools in Falmouth for 12 years.

Antonucci left the Commissioner’s position to become president and chief executive officer of Harcourt Learning Direct and Harcourt Higher Education. Harcourt Higher Education was the first online college in Massachusetts to be granted author- ity to award bachelor and associate degrees. He then joined the Cambridge-based Riverdeep—The Learning Company, where he was president of the school group. Riverdeep is a leading provider of electronic educational software.

Antonucci earned bachelor’s and master’s degrees from Fitchburg State and a doctorate in education from Boston University, where he served as an adjunct faculty member from 1994 to 1998, teaching graduate courses on state and local politics and education. Antonucci was awarded an honorary degree from Fitchburg State in 2001, and has received the Distingui- shed Alumnus Award. He holds additional honor- ary degrees from Endicott College and the Massa- chussetts Maritime Academy.

MSCA/Fitchburg Chapter President: Paul F. McGee has met several times with President Antonucci and found him “approachable and reasonable.” He and the Chapter Executive Committee look forward to improved faculty/administration relations on the campus.

Gubernatorial Vetoes Overturned with Ease

Patricia V. Markunas, MSCA President

After legislative adoption of the state’s budget for FY 2004, Governor Romney issued over 370 vetoes of specific appropriations and outside language, many of which directly affected public higher education. MTA lobbyists, in conjunction with strong support from the membership, were able to effect successful override votes by the Legislature of nearly every veto of importance to the state colleges.

The two most important vetoes concerned the Early Retirement Incentive for State Employees (Section 616) and the “sunset” provision of the in- creases in state employee health insurance premiums in June 2005 (Line Item 1108-5200). The Early Retirement Incentive is now law and will benefit members in higher education.

The “sunset” provision means that the share of group health insurance premiums to be paid by cur- rent state employees, which was increased from 15% to 20% for those employees earning over $35,000 a year, will return to 15% on June 30, 2005. Unfortu- nately, this provision does not apply to those employ- ees hired after July 1, 2003, who are required to pay 25% of their health insurance premiums. Effecting a change for new employees will be a priority for both the MSCA and the MTA.

The Legislature also stripped the Board of Higher Education of its authority to close college campuses (Section 684). Now, any campus closure would re- quire legislative approval—a high standard that would protect campuses against the shortsighted and ill-conceived proposals exemplified by the Governor’s reorganization proposals of last spring.

In addition, over the Governor’s veto, the Legisla- ture designated three seats on the Board of Higher Education to be “segmental” ones—one each to be appointed by the chairs of the trustees of the univer- sity, the state college, and the community college sys- tems. In my opinion, the benefit of segmental repre- sentation on the BHE is apparent to anyone who has attended BHE meetings and witnessed the gratuitous criticism and interference in campus affairs by BHE members, many of whom have never set foot on the very campuses they are supposed to oversee.

Nearly a half million dollars, total, was restored to the budgets at Bridgewater and Framingham State Colleges for specific projects on those campuses (Line Items 7109-0100 and 7112-0100). Nearly $2,000,000 was restored to the UMass Commu- nity College (Line Item 7100-0500), a consortium that involves many state college honors programs.

Lest members think that the MTA and MSCA opposed every gubernatorial veto concerning higher education, there was one veto that we supported. The FY 2004 budget contained an outside section to es- tablish a study commission on the mission of the state college system, only (Section 600). The Com- mission would have been established within the BHE itself and would not have concerned the uni- versity or community college systems at all. When the Governor vetoed this outside section, the MTA Higher Education Leadership Council supported sustaining his veto, and the Legislature did not over- ride it.

Many thanks to those members whose contacts with representatives and senators helped to override the Governor’s vetoes.