TIAA TRADITIONAL ACCOUNT FOR PURPOSES OF ILLUSTRATION ONLY (NOT INCLUDING ALLOCATION OF FUTURE INTEREST)

Updated Service Cost: **$207,968.64**; overall you have more than enough in employee-funded assets to pay this cost, but because only liquid assets could be transferred, there is a balance due now of $36,377.30.

Source and type of asset	Liquid assets transferred 8-10-16	Traditional (non-liquid) 8-22-17	Total
A. Employee--required	$ 170,122.05	$ 49,645.20	**$ 219,767.25**
B. Employee--voluntary	$ 1,469.29	$ 458.77	**$ 1,928.06**
C. Employee subtotal	$ 171,591.34	$ 50,103.97	**$ 221,695.31**
D. Employer	$ 74,064.65	$ 8,562.53	**$ 82,627.18**
E. Total	**$ 245,655.99**	**$ 58,666.50**	**$ 304,322.49**

Row A: Required employee contributions + net investment gain & interest must be paid to the state, *even though they may exceed the updated service cost*. In this case, Row A is more than the updated cost of **$207,964.64**. The Section 60 law requires you to pay the excess to the state, which is around $12,000. 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 (Additionally, it appears that TIAA will charge a 2.5% surrender fee when these assets are withdrawn in a lump sum payment within 120 days after termination of employment, unless the State Retirement Board can agree to rollovers from Traditional accounts.)

Row B: It appears that there is $ 458.77 in MSERS transfer money in your account (which TIAA calls “rollover”). You transferred $677.70 in MSERS money into the ORP inn 1997, and the current value of that seems to have been about $1,900 in 2016. Because you signed the Direct Transfer form authorizing transfer of 100% of that to theMSERS, it appears that the liquid portion of that was 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. (Whether you can keep these assets has been in question with the State Retirement Board, but the SRB now seems to agree that you can 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.