



Middlesex County Retirement System News

Newsletter for Retirees, Active Employees and their Families

Celebrating more than 100 Years of Service

SPRING 2016

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Advisory Council Re-Elects Brian Curtin to Board

At its December 15, 2015 meeting, the Middlesex County Retirement Board Advisory Council re-elected Brian Curtin, Burlington Town Treasurer, to his 12th consecutive three year term as the Second Member of the Middlesex County Retirement Board. The Advisory Council consists of the Treasurers of the 71 governmental units within the Middlesex County Retirement System. Mr. Curtin has served continuously since 1980 and is one of the longest serving retirement board members in Massachusetts. In winning reelection, Brian overcame a challenge from Victor Garafalo, Bedford Treasurer-Collector. In his acceptance speech to the Advisory Council, Brian pledged to continue to act in the best interests of the System's members and beneficiaries, and complimented Mr. Garafalo for raising important issues.



Board Reappoints Robert W. Healy as its Fifth Member

At the November 18, 2015 Board meeting, former Cambridge City Manager Robert W. Healy was unanimously appointed as the Board's Fifth Member, for a full five year term. Bob was initially appointed to the Board in 2013 to fill the unexpired term of James Gookin, retired Lowell Police Captain, who had served the Board and the members and beneficiaries with distinction from 1999 until his passing in 2013. Bob's government experience and expertise were cited by the Board members as compelling reasons for his reappointment. In accepting his reappointment, Bob cited the unwavering commitment of the Board and staff to provide high service levels to the System's members as the reason he was pleased to be able to continue to serve.

www.middlesexretirement.org



ADVISORY BOARD BALLOT COUNT. Town Treasurers Heather Peck of Sherborn (l) and Stephanie Gintner of Ayer (r) tabulate election ballots.

Regular Compensation Update

In 2009, as part of its initial pension reform efforts, the Legislature restricted the definition of regular (i.e., pensionable) compensation as part of its initial pension reform efforts to “compensation received exclusively as wages by an employee for services performed in the course of employment for the employer.” The term “wages” was defined as “base salary or other base compensation.” In 2010, the Public Employee Retirement Administration Commission (PERAC) promulgated amended regulations which required regular compensation payments to be “pre-determined, non-discretionary and guaranteed.” What is and what is not pensionable earnings continues to undergo legal review.

It is generally accepted that the following common payments conform with the definition of regular compensation: *annual rate of compensation in a salary schedule; educational incentives, longevity, shift differential, hazmat pay (police and fire), and holiday premiums (police and fire).*

Likewise, it is generally accepted that the following common payments are excluded from the definition of regular compensation: *overtime, bonuses, severance, early retirement incentives, payments made as a result of giving notice of retirement, housing, lodging, travel, clothing allowances, annuities, expense payments, automobile usage, and insurance premiums.*

PERAC has determined that annual payments for selling back unused sick time and personal days are excluded from regular compensation, and a recent decision, under appeal, has determined that annual payments for selling back unused vacation time are excluded. This area is constantly evolving as the nature of employment compensation evolves, and as employers and employees agree on different ways to compensate for services provided to the employer.

Help Us To Help You

Please take a moment to complete a short survey that will be included in the Annual Statement for Active Members.

You can also log on to

www.middlesexretirement.org

to complete the survey. Your input will help to better serve you. **All participants will be entered to win a pair of tickets to see the Boston Red Sox vs. Arizona Diamondbacks on Sunday, August 14th.**



Working After Retirement

Post-Retirement Employment in the Public Sector

Many retirees look forward to continuing their service after retirement. Our retirees should know that there are time and earnings restrictions on re-employment with a Massachusetts public employer. The retirement law limits the employment of all retired public employees who work in the public sector after retirement to **960 hours** of employment within a calendar year. The “public sector” is defined as the Commonwealth of Massachusetts and its political subdivisions, including municipalities, authorities and districts that provide retirement benefits for employees under Massachusetts General Laws Chapter 32. The restriction does not apply to federal employment or public service rendered in another state.

In addition to the hours limitation, there is an earnings limitation. The law prohibits a retiree from receiving post-retirement wages from public employment which, when combined with the retiree’s allowance, is in excess of what the retiree would have earned in the position from which he or she retired. Excess payments must be refunded to the employer or to the retirement system.

Commencing the next January 1st following twelve months of retirement, the retiree is allowed to earn the difference between the salary paid in the retiree’s former position minus the retiree’s allowance, plus an additional \$15,000. If a retiree reaches the 960 hour limitation prior to reaching the new excess earnings limitation, the retiree must stop working.

The hours and earnings limitations apply to all retirees. They do not apply to survivors or beneficiaries.

Post-Retirement Employment in the Private Sector

If you are a non-disability retiree, you can earn unlimited salary in the private sector with no impact upon your retirement allowance. If you are a disability retiree, however, you are still limited to earning the difference between the current salary for your former position and your retirement allowance, plus \$15,000.

Disability Retirees

In addition to the time and earnings limitations, all disability retirees are required to submit a statement of their earnings each year. PERAC mails disability retirees an Annual Statement of Earned Income every January which must be completed and returned on or before April 15th of each year.

Board Votes Maximum COLA Increase to Retirees

For the 18th consecutive year since the law was enacted, the Middlesex County Retirement Board voted unanimously on April 13th to grant retirees and beneficiaries the maximum allowable Cost of Living Adjustment (COLA). The maximum COLA allowed by law for retirees of the Middlesex County Retirement System is 3% of the first \$14,000 of retirement benefits, or \$420.00. This increase will take effect on July 1.

Refunds of Accumulated Deductions

Members are reminded that due to statutory notice to the Department of Revenue and other information required from your employer, it may take up to 60 days for MCRS to process an Application for Withdrawal of Accumulated Total Deductions.

Social Security Update

By Francine Kollias, MCRS Social Security Specialist



Applying for Medicare

Members should sign up for **Medicare** three months before reaching age 65, even if you are not ready to start receiving Social Security retirement benefits. You may file online at **socialsecurity.gov**. When applying online for Medicare **ONLY**, you automatically exclude cash benefits. You must later file a new application for Social Security retirement benefits.

With the online application, you can sign up for Medicare Part A (Hospital Insurance) and Part B (Medical Insurance). Part B coverage is optional, but you must sign up for Part B if you are already retired from MCRS when you turn age 65.

If you choose not to enroll in Medicare Part B and then decide to do so later, your coverage may be delayed and you may have to pay a higher monthly premium for as long as you have Part B. Your monthly premium will go up 10 percent for each 12-month period you were eligible for Part B, but did not sign up for it, unless you qualify for a "Special Enrollment Period."

Special Enrollment Period (SEP)

If you have medical insurance coverage under a group health plan based on your or your spouse's **current employment**, you may not need to apply for Medicare Part B at age 65. You may qualify for a "Special Enrollment Period" (SEP) that will let you sign up for Part B during:

- any month you remain covered under the group health plan **and** your, or your spouse's, employment continues; **or**
- the 8-month period that begins with the month after your group health plan coverage or the employment on which it is based ends, whichever comes first.

Upon Retirement

Members should contact the Social Security Administration three months prior to retiring from the Middlesex County Retirement System. You should request Form 40B and Form L564. Form 40B is completed and signed by you. Form L564 is completed by your employer to verify your dates of health insurance coverage. Social Security needs this form to be sure there is no penalty for late filing.

You should return both forms, via certified mail, to your local Social Security Administration office. Within 4-6 weeks you will receive a new Medicare card showing Part A and Part B coverage. The Part B date should be the first day of the month you are retired.

Part B premiums will be deducted from your Social Security payments. If you do not receive Social Security payments, you will be billed quarterly.

After Retirement

Medicare will be your primary health insurance. It will cover 80% of your inpatient and outpatient costs. Medicare has deductibles which usually will be covered by your secondary insurance.

Your employer may offer "supplemental plans" which will cover 20% of your costs and, in most cases, absorb the Medicare deductibles. Your supplemental plan begins the month you are enrolled in **both** Part A and Part B. The supplemental plans usually offer a Part D prescription drug plan as well. Any plan you choose will work seamlessly with Medicare Parts A and B. These health insurance premiums for the employer supplemental plans are deducted from your MCRS retirement allowance.

If you have questions, please call Social Security at **1-800-772-1213** from 7 a.m. to 7 p.m. Monday through Friday. If you are deaf or hard of hearing, TTY is available at **1-800-325-0778**.

MCRS Launches Online Enrollment Process Through Employer Self-Service

In October 2015, the Middlesex County Retirement System implemented Pension Technology Group's PensionPro software program. One of the Employer Self-Service features PTG PensionPro offers is the electronic submission of new member enrollment forms. The change applies to human resources staff and payroll staff who submit new enrollment paperwork to MCRS on behalf of their new hires.

Beginning April 11, 2016, the following forms must be completed, signed, and uploaded to MCRS through PTG's Employer Self-Service portal:

- New Member Enrollment Form (2 pages)
- Supplemental New Member Enrollment Form (1 page)
- Beneficiary Selection Form (2 pages)
- Statement Concerning Your Employment in a Job Not Covered by Social Security (1 page)

Should you have any questions about this process, or require an account to be established in PTG, please do not hesitate to contact our office.

Members Flock to File Option D Beneficiary Selections

In recent editions of this Newsletter, the Option D retirement benefit has been explained in great detail. Active members have been encouraged to file an Option D beneficiary selection and have responded with great interest. Remember, Option D provides your designated beneficiary with a lifetime retirement allowance should you die prior to retirement. If you do not designate an Option D beneficiary and if your eligible spouse does not elect to receive a lifetime allowance, in the absence of minor children your accumulated retirement contributions will instead be paid in one lump sum to the beneficiary you have named to receive a return of those contributions, and no lifetime allowance will be paid. Active members can select an Option D beneficiary upon becoming a member of the System, or at any point during their active service. For further information and beneficiary selection forms, please go to our website at www.middlesexretirement.org.

REMINDER: You May Need To Contact Social Security If You Receive A COLA Increase

If you receive both a monthly Social Security payment which is based on your spouse's work record, and a Middlesex County Retirement monthly benefit payment, your July cost of living increase (COLA) must be reported to Social Security. The Social Security Administration can be reached by phone at 1-800-772-1213. You may also visit your local social security office with proof of your updated MCRS retirement allowance.

If you receive a Social Security payment based on your own work record, you do not have to report anything to Social Security. Under the "Windfall Elimination Provision," the adjustment in your Social Security payment has already been calculated. COLA increases do not have to be reported to the Social Security Administration because it will not change the amount you receive.

Member Profile • Priscilla Ward



Surviving Spouse Regains Pension After Losing It Due To Remarriage

When Priscilla "Pat" Ward's husband Fred, a veteran Wilmington Police Officer, was diagnosed with colon cancer in 1969, she went to work to help make ends meet. Faced

with very grim prospects, and with three minor children, Fred named Priscilla his Option D beneficiary thereby ensuring that she would receive a monthly survivor benefit should he die while an active member. After a long career with the Wilmington Police Department, cancer took Fred Ward's life in 1972.

"We had three children, ages 17, 15 and 8-years old, and I had recently gotten a job at the state welfare department," Priscilla said. "After Fred passed, I depended on his pension and always thought that if I remarried I would have to make sure to supplement that income in some way."

Priscilla began working for the Wilmington Board of Health in 1974, and became the Town Clerk in 1977, a position she held until 1992 when she retired. She remarried in 1979 and later divorced in 1986. When Priscilla remarried in 1979, her Option D monthly survivor benefits stopped. At the time, the public employee retirement law imposed a so-called "permanent remarriage penalty" upon such spouses, then mostly widows, who remarried. The law required that benefits to surviving spouses could be paid so long as the surviving spouse remained unmarried.

In 2000, the Legislature amended the retirement laws and repealed the penalty on a spouse's remarriage. However, the repeal was not applied retroactively to benefits which had been terminated or reduced prior to July 1, 2000. A 2014 Superior Court decision changed that application. In *Boston Retirement Board v. CRAB and Edith Carell*, the Court held that all retirement boards must reinstate the death

benefit to a deceased member's surviving spouse, like Priscilla, who remarried prior to July 1, 2000. The benefits were to be reinstated effective from the date the surviving spouse reapplied.

"Patricia was a trailblazer in that she fought for the law to be repealed to include those before 2000 that had lost their spouse's pension but were now in a situation to receive again," said Board member John Brown. "She never stopped fighting and because of her others will reap the benefits."

"While I understood the original law and my fate, when the decision was made to reinstate pensions for those after 2000, I felt strongly that it should include everyone," said Ward. "It's a little known fact, and for many of us, it's a small stipend. But every little bit helps!"

Ward tracked down a surviving spouse in Florida who was in a similar situation and has since started receiving the pension again. "My message to my fellow retirees is that although it may not affect you personally, you may know, or meet someone, that it will help, and they need to know to contact their retirement board."

"The men and women at the Middlesex County Retirement System are fantastic," Ward said. "They were with me every step of the way."

Regional Educational Meetings Off to a Great Start



The Board's first Regional Educational Meeting with members took place on February 24th in Holliston. Approximately 100 members from Hopkinton, Holliston, Ashland, Sherborn and South Middlesex Regional School District were in attendance. Board Chairman Tom Gibson and the MCRS Social Security Specialist Francine Kollias made presentations to the members, and answered questions on MCRS retirement benefits, the Windfall Elimination Provision, Government Pension Offset and the basics of Social Security.

A second Regional Educational Meeting took place

on May 18th in Wilmington for members from Wilmington, Tewksbury, North Reading and Shawsheen Valley Regional Technical High School. Additional meetings will be scheduled during the year as the Board ramps up its educational initiatives. These free, two hour regional meetings are an important part of your financial planning, whether you are a new member, a vested mid-career member, or nearing retirement. The Board encourages all of our members to attend.

2016 MCRS Pension Payment Schedule

Month	2016 Direct Deposit Dates
June	Thursday, 6/30
July	Friday, 7/29
August	Wednesday, 8/31
September	Friday, 9/30
October	Monday, 10/31
November	Wednesday, 11/30
December	Friday, 12/30

Member Annual Statements To Be Mailed

Active and inactive members of the Middlesex County Retirement System will be receiving their annual Statement of Member's Account shortly. The Statement will be mailed by June 30, 2016, and will provide you with your total accumulated retirement contributions through December 31, 2015.

Please review your Statement to ensure accuracy. Changes or corrections to your name, address, social security number or beneficiary must be filed with the System by mail or in person. Change forms can be obtained from our website, www.middlesexretirement.org, or will be mailed to you upon request.

**Middlesex County
Retirement Board**

Thomas F. Gibson, Chairman
Brian P. Curtin, Vice Chair

John Brown, Elected Member
Robert Healy, Appointed Member
Edgar W. McLean, Jr., Elected Member

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