



# MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

*Celebrating Over 100 Years of Public Service*

Spring/Summer 2017

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## Middlesex County Retirement System

25 Linnell Circle  
P.O. Box 160  
Billerica, MA 01865

Phone: (978) 439-3000  
Toll free: (800) 258-3805  
Fax: (978) 439-3050  
Email:  
[mrs@middlesexretirement.org](mailto:mrs@middlesexretirement.org)

## Office Hours

Monday to Friday  
8:30AM – 5:00PM

## Board Pays Tribute to Senator Ken Donnelly



*State Senator Ken  
Donnelly (D-Arlington)*

A moment of silence was held at the Board's April 19th meeting in remembrance of State Senator Ken Donnelly (D-Arlington), who passed away on April 2nd at age 66. Senator Donnelly represented the 4th Middlesex district, including the towns of Burlington and Billerica. Prior to his election to the Massachusetts Senate, Senator Donnelly was a Lexington firefighter for 37 years, and had served as the legislative agent and the secretary-treasurer of the Professional Firefighters of Massachusetts.

Senator Donnelly also served for many years as a member of the Public Employee Retirement Administration Commission, where he was instrumental in protecting and preserving the pension rights of public workers. Senator Donnelly was a great ally of the members of the Middlesex County Retirement System, and a tremendous resource for the Middlesex County Retirement Board. As a State Senator, he continued his efforts to

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## What You Need To Know About Retiree Health Insurance

Once again we are reminding our members that under Massachusetts law, health insurance for retirees and beneficiaries is provided by and through the retiree's last former employer. The role of MCRS is solely to deduct from your retirement allowance the required retiree health insurance contribution as directed by your former employer.

It is essential that members are aware of the various health insurance options available to them upon retirement, and to survivors upon their death.

An employer may provide different coverages and may charge a higher insurance contribution rate for retirees than for active employees. An

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*Donnelly Tribute continued from page 1*

support the working men and women of the Commonwealth, and he was respected and admired by all. Senator Donnelly leaves his wife of 43 years, Judy, his three children Ryan, Keith, and Brenna, and his 5 grandchildren.

Board member John Brown, who knew and worked side by side with Ken Donnelly for several decades, lamented the loss of Senator Donnelly:

“A friendship of nearly a half century allowed me to witness the epitome of selflessness. Ken Donnelly’s leadership skills were second to none, he was a great listener and his constituency benefited by his tireless efforts on their behalf. I miss him everyday but am motivated by his legacy of service to others,” said Board Member John Brown.

“So much legislation has his name on it from the time he was a PFFM Legislative Agent until today, it would be too difficult to single out just one or two. The one giant reminder will always be the Fallen Firefighter Memorial at the State House. Its prominence is a tribute to the man Ken Donnelly was,” concluded Brown.

*Requiescat in pace.*

*Retiree Health Insurance continued from page 1*

employer who does not participate in the Group Insurance Commission plans may implement a policy which would preclude health insurance coverage if the retiree was not enrolled prior to or at the time of retirement. Members who are contemplating retirement and who do not participate in their employer’s health insurance plan should determine their employer’s policy regarding post-retirement health plan enrollment. A member who stops working but defers retirement may not be eligible for the employer’s health insurance plan upon actual retirement.

Likewise, retirees who do not currently participate in their former employer’s health plan, but may wish to do so in the future, should learn whether this option is allowed by their former employer.

2017 MCRS Pension Payment Schedule

Month	2017 Direct Deposit Dates
June	Friday, 6/30
July	Monday, 7/31
August	Thursday, 8/31
September	Friday, 9/29
October	Tuesday, 10/31
November	Thursday, 11/30
December	Friday, 12/29

## MCRS Pension Education Series: Your Public Pension and Social Security—What You and Your Family Need to Know

The Board held the first of five 2017 regional training programs on April 6th at the Grand View Farm in Burlington. Approximately 120 members employed by the Towns of Billerica and Burlington, Billerica Housing Authority, Burlington Housing Authority, and Shawsheen Valley Vocational Technical High School were in attendance. Board Chairman Tom Gibson and the System's Social Security Specialist Francine Kollias made a two-hour presentation 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 program was held on May 11th in Bedford's Town Hall for members employed in the Bedford, Carlisle, Hudson, Stow, Acton and Boxborough areas. These free, two-hour regional meetings are open to all of our members and should be an important part of your financial planning. The schedule for upcoming meetings is as follows:

Locations	Dates
Chelmsford, Tyngsborough, Dracut area	Tuesday, September 12th
Lincoln, Sudbury, Weston area	Thursday, October 12th
Pepperell, Ashby, Townsend area	Thursday, November 9th

The Board encourages all of our active members to attend whether you are a new member, a vested mid-career member, or nearing retirement. Please check our website regularly for more information.



*Chairman Gibson addresses members at the regional training program in Burlington on April 6th*



*Approximately 120 members attended the program*

## Board Votes Maximum COLA Increase to Retirees

The Middlesex County Retirement Board voted unanimously on March 15th to grant retirees 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 per year. This increase will take effect on July 1st.

## Social Security Update

By Francine Kollias, MCRS Social Security Specialist

### The Bipartisan Act of 2015 and Social Security “Financial Strategies”



You may receive Social Security retirement benefits or survivor benefits and work at the same time. However, if you are under your full retirement age, and earn more than the Social Security earnings limits in a calendar year, some of your monthly payments may be withheld.

#### SOCIAL SECURITY’S DEFINITION OF WORK

The total wages you receive as an employee or the net profit you earn from self-employment are earnings for Social Security purposes. Wages are credited when they are earned, not when they are paid. However, if you are self-employed, income is credited when you receive it, not when it is earned. Government benefits, such as Social Security payments, investment earnings, interest, pensions, annuities, and capital gains are not included when calculating Social Security earnings limits within a calendar year.

#### THE EARNINGS LIMITS IN 2017

If you are under full retirement age in calendar year 2017, the Social Security earnings limit is \$16,920 per year. If you exceed this threshold, Social Security withholds from your monthly Social Security payment \$1 for every \$2 earned over the annual limit. For example, if you earn \$2,000 over the limit, you will lose \$1,000 of your monthly benefits in the calendar year.

If you attain full retirement age in 2017, the earnings limit is \$44,880 from January 1st up to the month of full retirement age. If your prorated earnings for those months are less than \$44,880, you may be eligible for monthly benefits before full retirement age. If you earn more than \$44,880 during those months, Social Security will withhold from your monthly Social Security payment \$1 for every \$3 earned. For example, if you earn \$3,000 over the limit, you will lose \$1,000 of the monthly benefits you receive before your full retirement month.

The good news is that from the month you attain full retirement age (regardless of the day of the month you were born) there is no earnings limit. You may work and earn as much money as you want and still collect your full Social Security payments while you work. The work restrictions are lifted.

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#### 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, 2017, and will provide you with your total accumulated retirement contributions through December 31, 2016.

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](http://www.middlesexretirement.org), or will be mailed to you upon request.

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**A SPECIAL RULE FOR THE FIRST YEAR OF RETIREMENT**

Often, people who retire mid-year already have earned more than the annual earnings limit. There is a special rule that applies to earnings during the first year you retire and begin collecting Social Security payments. People who retire mid-year are entitled to receive their full monthly Social Security payment for any full month they are retired regardless of their earnings from January of that year through their last month of employment.

For more information, visit [www.ssa.gov/planners/retire/whileworking.html](http://www.ssa.gov/planners/retire/whileworking.html), or call Social Security at 1-800-772-1213.

YEAR OF BIRTH	FULL RETIREMENT AGE
1937 or earlier	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 or later	67

**Public Retirement “Studies” Use Fuzzy Math and Stale Data**

It has become commonplace for anti-government conservatives to attack public workers and their pensions, especially so after the financial markets crumbled in 2008 leaving many public and private retirement plans reeling. Nevertheless, despite the documented failures of Wall Street, which threatened the entire economy, public pension systems have been steadily clawing back. Subsequent pension changes enacted by the Massachusetts Legislature have strengthened the Massachusetts system by providing the necessary tools to ensure retirement security for our public workers.

So it is disheartening to learn that criticism of the public pension system has not abated. *The Bay State’s Public-Pension Complex: Costly and*

*Unaccountable*, a provocatively titled report from the Pioneer Institute, employs outdated and incomplete data, presented in colorful authoritative-looking charts, to discredit the public pension system. Although conceding that the data cited is incomplete and limited, the report nevertheless concludes, erroneously, that the Massachusetts retirement systems’ investments and operations are too expensive and lack oversight. These conclusions are not supported by the facts, and many of the report’s assertions are outright false.

For example, our members should know that with respect to accountability, the Middlesex County Retirement System undergoes a detailed outside audit of every aspect of its operations annually,

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## Hudson DPW Member Retires after 50 Years of Service

When Francis “Frank” Murphy retired this past January 13th, he had more than 50 years of service with the Town of Hudson. He was the longest serving member of the Department of Public Works. In fact, Frank was employed in the town for one-third of its existence!

A lifelong resident of Hudson, Frank started as a tree cutter in 1966 and in 1980 became a DPW crew leader, a position he held until he retired.

“I was fortunate to work with a great group of guys throughout my career,” said Frank. “The people made going to work each day not seem like work. I won’t miss plowing snow, but I’ll surely miss the people I worked with and those I met while working for the town.”

Last fall, with winter on the horizon, he sat down with Terri, his wife of 30 years, to talk about retirement and how to plan. “We talked to Middlesex County Retirement System and got all of the necessary forms. Then we reviewed our finances to make sure they were in order. When it came time to start the process, DPW Commissioner Eric Ryder and Town Administrator Thomas Moses made it easy. For us, it was a smooth transition.”



*Frank Murphy*

“My problem was I just didn’t want to stop working,” Frank quipped.

These days, he keeps active with projects inside and outside their home. “Maybe I’ll get a part-time job cutting grass, just to keep busy,” he said.

His advice to people just starting their careers or even those in the twilight years? Work hard and stay with it. Hard work will pay off in the end.

Although most of our members will not have worked for the same employer for over 50 years like Frank, the Board’s advice to all members is to plan ahead for your retirement so you, too, will experience a smooth transition. Call us or make an appointment, and we can help.

***Happy Retirement Frank! You earned it.***

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*Fuzzy Math and Stale Data continued from page 5*

which is publicly disseminated. Additional statutory audits are performed every three years by the Public Employee Retirement Administration Commission (PERAC). The report fails to acknowledge that the System’s investments have been successfully and inexpensively managed by the Commonwealth’s Pension Reserves Investment Management Board (PRIM) for the past 10 years. Further, the System’s staff has been significantly reduced over the past 10 years and its operational costs have been stable.

We agree with PERAC’s response to Pioneer that its report contains “factual mistakes” and that the report’s conclusions are “significantly skewed in its presentation and perspective.” Pioneer’s anti-public pension agenda is designed to distract from the true cause of public pension plans’ funding issues, and to provide support for dismantling the public employee retirement plan. We urge our members to exercise extreme caution when interpreting reports such as this.

## Estimating Your MCRS Benefits

The Middlesex County Retirement System staff is ready to assist you with your retirement planning. Our website is also a very good resource. To request an estimate of your benefits, please complete and return to our office the Estimate Request form posted on our website under Resources/Forms and Retirement Guides. Simply indicate the type of retirement benefit in which you are interested, your potential retirement date, and the retirement option you wish to select. One of our retirement counselors will review your records and then prepare and send to you a written estimate. You may also wish to use the online calculator that you can find on our website under Resources/Calculators and Estimators.

### MCRS RETIREMENT COUNSELOR BY UNIT

*\*Populations in parentheses*

Kathleen McGarry  
kmcgarry@middlesexretirement.org  
978-439-3029

Carrie Murphy  
cmurphy@middlesexretirement.org  
978-439-3011

Unit #	Unit	Unit #	Unit
300	Acton (460)	500	Ashland (486)
400	Ashby (37)	700	Bedford (583)
600	Ayer (182)	800	Billerica (T-431) (S-394)
1000	Burlington (826)	900	Boxborough (113)
1200	Chelmsford (737)	1100	Carlisle (172)
1300	Dracut (418)	1600	Holliston (471)
1400	Dunstable (32)	1700	Hopkinton (462)
1500	Groton (147)	1800	Hudson (T-479) (S-384)
1900	Lincoln (363)	2000	Littleton (391)
2100	North Reading (320)	2300	Sherborn (131)
2200	Pepperell (110)	2500	Stow (82)
2400	Shirley (468)	2700	Tewksbury (562)
2600	Sudbury (468)	3200	Weston (646)
2800	Townsend (91)	3300	Wilmington (570)
2900	Tyngsborough (249)	3500	Acton Water (18)
3000	Wayland (629)	3600	Bedford Housing (3)
3100	Westford (843)	3700	Billerica Housing (6)
3400	Acton-Boxborough (454)	3800	Chelmsford Housing (42)
4600	Hudson Housing (6)	3900	Chelmsford Water (23)
4700	Lincoln-Sudbury (95)	4000	Dracut Housing (7)
4900	Nashoba Valley (30)	4100	Dracut Water (19)
5000	N. Chelms. Water (8)	4200	E. Chelms. Water (3)
5100	North Middlesex (293)	4300	E. Midd. Mosquito (6)
5400	South Middlesex (73)	4400	Greater Lowell (123)
5500	Sudbury Water (9)	4500	Groton-Dunstable (256)
5600	Tewksbury Housing (10)	5300	Shawsheen Valley (84)
6000	Sudbury Housing (7)	5700	Wayland Housing (6)
6100	Wilmington Housing (5)	5800	Hopkinton Housing (2)
6200	Acton Housing (10)	6400	Ayer Housing (6)
6300	Burlington Housing (6)	6600	Littleton Housing (2)
6500	Holliston Housing (5)	6700	Westford Housing (5)
7200	Tyngsborough Water (7)	6800	Shirley Water (3)
7400	N. Reading Housing (4)	6900	Tyngsborough Housing (4)
7500	W. Groton Water (2)	7000	Pepperell Housing (2)
7600	Ayer Shirley (171)	7100	Groton Housing (1)
		0001	MCRS (15)

## Special Commission on Pension Forfeiture Files Report with the Legislature

In the case of *PERAC v. Bettencourt*, 474 Mass. 60 (2016), the Supreme Judicial Court ruled that pension forfeiture could, in some cases, be an excessive fine in violation of the Eighth Amendment of US Constitution. In response, the Legislature created a special commission to review and recommend changes to the current pension forfeiture laws.

Board Chairman Tom Gibson was invited to attend and participate in the meetings of the special commission which have been held over the past year. On May 18th, the special commission filed its recommendations with the Legislature including draft legislation which, among others, further defines the crimes which would result in a loss of pension benefits, removes references to crimes involving moral turpitude, addresses

misappropriation of public funds, and clarifies the role of the retirement board and the appeal process.

“The commission members worked very hard to craft legislation which would address the Court’s concerns,” according to Chairman Gibson, “This is a complex aspect of our retirement law which harshly impacts families of individuals who have been convicted of comparatively minor crimes. The special commission’s efforts will be of great value to the Legislature and hopefully will result in a balanced law which is fair to the public and to the individual.”

We will provide updates on the proposed legislation in future issues of the Newsletter.

**MIDDLESEX COUNTY  
RETIREMENT BOARD**

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

John Brown, Elected Member  
Joseph W. Kearns, Elected Member  
Robert Healy, Appointed Member

Middlesex County Retirement System  
25 Linnell Circle  
P.O. Box 160  
Billerica, MA 01865

