



MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

Celebrating Over 100 Years of Public Service

Spring 2018

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Pitfalls of Post-Retirement Public Service



*By Thomas Gibson,
Chairman*

The retirement law has long restricted post-retirement employment of public retirees by Massachusetts government agencies, which includes cities, towns, districts and authorities. Over the past 75 years, the provisions of the retirement law pertaining to post-retirement employment have been amended by the Legislature over forty times.

Today, as a non-disability retiree, you may not work more than **960 hours** in a calendar year for one or more Massachusetts public agencies. In addition, your earnings are restricted to no more than the difference between the current pay for the position you held at the time of retirement and your retirement allowance. The year after your first 12 months of retirement, your earnings limit is increased by \$15,000. If you retire in 2018, you will be eligible to earn an additional \$15,000 in 2020.

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Survivor Benefit Options for Active Members

In previous editions of the Newsletter, we have discussed the importance of naming a beneficiary in the event that you die prior to retirement. Sadly, the Board has seen an increase in the number of active member deaths lately. We want to remind you of the benefits available to you should you die prior to retirement.

As a member, you may select a beneficiary or beneficiaries to receive survivor benefits in the event you die before retirement. There are two different types of benefits available to you. However, only one will be paid out.

Your First Choice: Lump Sum Payment

Your first choice is to name a beneficiary or beneficiaries to receive a lump-sum payment of the accumulated total deductions in your annuity savings account in the proportions you designate. A person or an entity, such as a family trust or charity, may be named as a beneficiary.

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Your Second Choice: Option D or “Member Survivor Allowance”

Your second choice is to nominate a single beneficiary for the Option D, or “Member Survivor Allowance.” Option D provides your named beneficiary with the monthly retirement allowance that you would have received under Option C had you retired on your date of death.

Your years of service at death, plus any public employment service which your beneficiary may purchase by a “make-up payment” will be used in the calculation. If you are under age 55 when you die, your age will be increased to 55 to calculate the allowance. The age of your beneficiary is also increased by an equal amount. For members joining the System on or after April 2, 2012, we use age 60 instead of age 55. The minimum monthly allowance your named beneficiary can receive is \$500 per month, or \$6,000 annually.

It is important to note that, unlike the lump sum payment, only **one** Option D beneficiary may be named, and that beneficiary **must** be your:

- Spouse
- Child
- Former spouse who has not remarried at date of death
- Parent
- Sibling

Unless superseded by the spousal election discussed below, your nominated beneficiary must receive the monthly allowance.

Option D- Spousal Election. If you do not make an Option D designation, your spouse can still elect to receive the Option D allowance if certain conditions are met:

- You had completed at least two years of creditable service

- You and your spouse had been married for at least one year; and
- You and your spouse had been living together at the time of your death.
- If you and your spouse were not living together, the Board must find that it was for justifiable cause.

The rights of an eligible surviving spouse will always supersede any other person nominated as an Option D beneficiary.

Option D- Dependent Children. When a Member Survivor Option D allowance is paid, another part of the retirement plan provides an additional allowance to your minor children of **\$120.00 per month to the oldest child**, and **\$90.00 per month to each additional child**. These benefits end upon adoption or marriage, or upon reaching age 18, or age 22 if a full-time student. Benefits to children will not end if the child is physically or mentally incapacitated from earning on your date of death.

What happens if your surviving spouse does not elect Option D benefits? If you have not named another individual as your Option D beneficiary, your accumulated deductions will be paid in a lump sum to your designated beneficiary or beneficiaries. If there are none, these funds will be paid to your spouse in one sum.

Death Due to a Job Related Injury

If you are killed in the line of duty, or die as a result of injuries sustained while in the performance of duties, your spouse and/or dependents are entitled to statutory benefits under various sections of the public employee retirement law. Option D benefits will be paid until such time as other benefits become payable.

Beneficiary Designation

For any beneficiary designation to be effective,

Pitfalls of Post-Retirement continued from page 1

whether you choose a lump-sum payment or monthly allowance for your survivors, you must complete, sign and return to the retirement office a Beneficiary Selection Form available on our website at <https://middlesexretirement.org/wp-content/uploads/2016/04/Beneficiary-Selection-Active.pdf>. Your form must be on file **with the retirement office** prior to your date of death.

You can cancel your beneficiary designation at any time by sending a request in writing to the Board. You can change your beneficiary at any time by filing a new Beneficiary Selection Form with the Board.

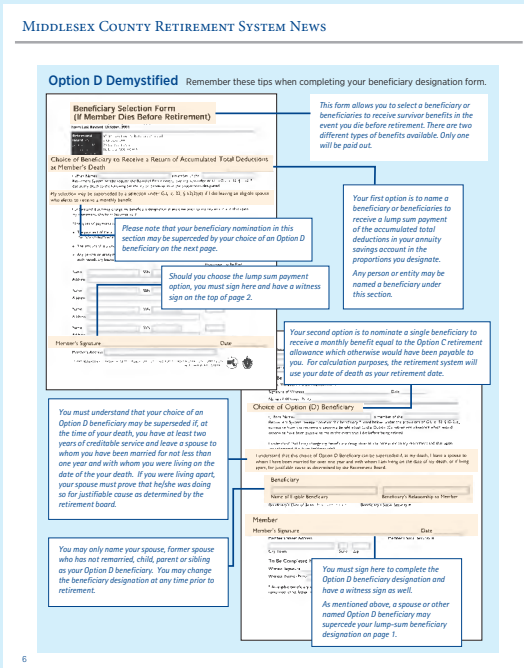
Check out our Fall 2017 Newsletter for helpful tips on completing the Beneficiary Selection Form.

Current Salary:	\$60,000
Retirement Allowance:	\$40,000
Allowable Public Sector Earnings:	\$20,000
Add \$15,000 after one full calendar year:	\$35,000

These restrictions apply to post-retirement services rendered in the public sector whether you are an employee, consultant or an independent contractor. They may even include post-retirement services rendered to a private company which provides contracted services to a Massachusetts public agency. For example, a retiree who drives a school bus for a private company which provides bus services to public schools is subject to the hours and earnings restrictions. Likewise, police details are included, even where the source of payments may come from the private sector.

It is your responsibility, along with your employer, to ensure compliance with these restrictions. If the hours or the amount paid exceeds the limits in the law, you must stop working and return any excess earnings to your employer. If you do not, your employer or the retirement board may recover the amount earned in excess of that allowed by the law.

There is currently a legislative initiative filed on Beacon Hill to remove the hourly restriction. If and when that occurs, MCRS will announce this change to our members. In the meantime, if you have any questions regarding your post-retirement employment, please call or write to us.



Naming a beneficiary is vital to the security of your dependents. The Middlesex County Retirement Board strongly recommends that every member file an updated Beneficiary Designation Form with our office.

Social Security Update

By Francine Kollias, MCRS Social Security Specialist

New Medicare Cards Are On The Way!



The Medicare Access and CHIP Reauthorization Act of 2015 requires the Centers for Medicare & Medicaid Services (CMS) to remove Social Security Numbers from all Medicare cards by April 2019. The purpose of this law is to protect people with Medicare from fraudulent use of Social Security numbers which can lead to identity theft and illegal use of Medicare benefits.

The replacement process began in April and will continue with ongoing mailings through the statutory deadline of April 2019. A new unique Medicare number will replace the current claim number for transactions like billing, eligibility and claim status. New Medicare beneficiaries will receive their cards with the new number.



There's nothing you need to do. You'll receive your new card at the address you have on file with Social Security. If you need to update your mailing address, log in to your *my Social Security* account or call Social Security at 1-800-772-1213 from 7a.m. to 7p.m.

All health care providers are being notified of the new change.

Board Votes Maximum COLA Increase to Retirees

The Middlesex County Retirement Board voted unanimously on March 21st 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 a maximum of \$420.00 per year. This increase will take effect on July 1.



The Passing of State Representative James Miceli

Board members were saddened to learn of the sudden passing of State Representative James Miceli on April 21st. The second-longest serving member of the Legislature, Rep. Miceli represented the towns of Wilmington and Tewksbury since 1977. He was an effective proponent for the Massachusetts public pension system and its members. His contributions will be remembered.

Replacement Social Security Cards Available Online

For your convenience, you can now use your *my Social Security* account to apply for a replacement Social Security card. You can apply online if you (1) are a U.S. citizen age 18 or older with a U.S. mailing address; (2) are not requesting a name change or any other change to your card; and (3) have a driver's license or a state-issued identification card from Massachusetts.

Our out of state members can take advantage of this service if they live in:

- Arizona
- Arkansas
- California
- Delaware
- District of Columbia
- Florida
- Idaho
- Illinois
- Indiana
- Iowa
- Kentucky
- Maine
- Maryland
- Michigan
- Mississippi
- Nebraska
- North Dakota
- New Mexico
- Pennsylvania
- South Dakota
- Texas
- Virginia
- Washington
- Wisconsin
- (driver's license only)

For more information, go to <https://www.ssa.gov/ssnumber>.

MCRS Pension Education Series: Understanding Your Public Pension and Social Security

The Board held the first of six regional training programs on April 25th at the Town Hall in Bedford. More than 50 members employed by the Towns of Bedford, Burlington, Carlisle, Lincoln and Weston, Bedford Housing Authority, Burlington Housing Authority, and Lincoln-Sudbury Regional School District were in attendance. Board Chairman Tom Gibson, Chief Administrative Officer Lisa Maloney, and the System's Social Security Specialist Francine Kollias delivered 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 16th in Billerica's Town Hall for 120 members employed in the Billerica, North Reading, Tewksbury, and Wilmington 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
Ashland Senior Center	Wednesday, June 20, 2018
Ayer Town Hall	Thursday, September 6, 2018
Hudson Town Hall	Thursday, October 11, 2018
Chelmsford Senior Center	Wednesday, November 7, 2018

2018 MCRS Pension Payment Schedule

Direct Deposit of your monthly benefit occurs on the last business day of the month.

Month	2018 Direct Deposit Dates	Month	2018 Direct Deposit Dates
June	Friday, 6/29	October	Wednesday, 10/31
July	Tuesday, 7/31	November	Friday, 11/30
August	Friday, 8/31	December	Monday, 12/31
September	Friday, 9/28		

Contribution Rates and Regular Compensation

As public employees you contribute a percentage of your “regular compensation” to the retirement system. How much you contribute to the system is set by statute and depends on your most recent membership date.

Established Membership	Contribution Rate
Prior to January 1, 1975	5%
January 1, 1975 to December 31, 1978	7%
January 1, 1979 to December 31, 1983	7% plus an additional 2% of compensation in excess of \$30,000
January 1, 1984 to June 30, 1996	8% plus an additional 2% of compensation in excess of \$30,000
July 1, 1996 to April 1, 2012	9% plus an additional 2% of compensation in excess of \$30,000
April 2, 2012 to present	9% plus an additional 2% of compensation in excess of \$30,000.

Members in Group 1 with 30 years of creditable service will have their contribution rate decreased to 6% plus an additional 2% of compensation in excess of \$30,000

Your contributions are taken by your employer from your regular compensation on a weekly, biweekly, or monthly basis as determined by your pay period and deposited into your account at the Middlesex County Retirement System.

What is regular compensation?

Simply put, regular compensation are the wages you receive as an employee for services performed to your employer. Regular compensation will be used in determining your final average salary, which is one of the factors used in calculating your retirement allowance. Compensation must comply with statutory and regulatory requirements in order to be pensionable.

Regular compensation generally includes, but is not limited to:

- the annual rate of compensation in your salary schedule
- educational incentives
- payments made for length of service, i.e. “longevity”
- premiums for holidays (police and fire) and shift differentials
- payments for rendering instructional training
- hazmat pay for police and fire
- on call or standby pay.

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Retiree Spotlight

Gail Beaudoin, Retired Lt., Chelmsford Police Department



Gail Beaudoin

When Gail Beaudoin graduated from Chelmsford High School in 1979, under her yearbook photo it stated her goal as “police work.” The rest is history. Lt. Beaudoin finished her last shift for the Chelmsford Police Department on July 27, 2017, and less than 24 hours later, she was on a flight to Seattle to explore the Canadian Rockies on motorcycles with her

husband and two other couples. It’s a small snapshot into how Beaudoin has lived her life; working hard while maintaining the right balance in the quality of her life.

“I felt like I had a good career and left on a good note,” said Gail. “I’m looking forward to the next chapter.”

In a span of 32 years, Beaudoin shattered many glass ceilings, rising up the ranks from patrol officer to lieutenant, and seemed to touch everyone she met. She remains in contact with many of the victims she helped while investigating cases involving child and elder abuse. Serving as a detective was Gail’s favorite role, but the two years she spent in crime prevention helped her find her niche in teaching. Gail has taught at the police academies, at UMASS Lowell, and last fall became a criminal justice instructor at Concord Regional Technical Center. Last year she was elected to the Chelmsford Housing Authority for her 4th term, a

position where she often works with seniors.

“Don’t ever let anyone tell you that you can’t do something,” Beaudoin tells her students. It’s the same advice she has followed in a male dominated field where she was continually challenged. She entered the Chelmsford Police Department with one other female, and when she left the department, there were seven female officers.

Beaudoin’s family roots run deep in Chelmsford. One of her brothers served 32 years on the police department and her father was a reserve police officer. Her mother worked in the town’s tax collection office.

When Beaudoin was offered a teaching position a few years ago, she spoke with staff at the Middlesex County Retirement System to help weigh her options. While she ultimately decided to not retire early, the counseling she received helped her to better prepare when it was time for retirement.

“People get hooked on what that one check at the end of the month will be, but it’s important to get a clear picture of your monthly earnings as well as your expenses and goals. While traveling and a house in the woods or on the lake is something I’d love, quality of life is most important to me. I want to be able to enjoy life with family and friends.”

The staff at MCRS will help you with decisions regarding retirement. Counseling appointments are available by calling the office at 978-439-3000, or by emailing MRS@middlesexretirement.org.

HOW ARE WE DOING? PLEASE TAKE A MOMENT TO COMPLETE A BRIEF SURVEY.

*All participants will be entered into a drawing to win a pair of tickets to see the Boston Red Sox vs. the Miami Marlins, on August 28th, generously donated by one of our members. Deadline to enter is August 7th. **You can take the survey at our website: www.middlesexretirement.org***

Regular compensation generally excludes:

- overtime
- bonuses
- payments from salary enhancements or salary augmentation plans which will recur for a limited or definite term
- amounts paid for unused vacation, sick leave, or other leave
- severance pay
- early retirement incentive payments
- any payments made as a result of giving notice of retirement
- housing, lodging, travel, clothing allowances, annuities, expense payments, automobile usage, and insurance premiums

As you can see, not every payment you receive from your employer is regular compensation.

Calculating your contribution

Below is an example illustrating how your retirement contributions are calculated.

Assume you established membership in the Middlesex County Retirement System in 1995 and your regular compensation is \$48,000.

Deductions in the amount of 8% on \$48,000 will be taken, totaling \$3,840.00. In addition, deductions in the amount of 2% of \$18,000 (\$48,000-\$30,000) will also be taken, totaling \$360.00.

Your annual contribution to the retirement system will be \$4,200 (\$3,840.00 + \$360.00), which will be deducted from your regular compensation in weekly, biweekly, or monthly increments as determined by your pay period.

While the system routinely audits member accounts to ensure proper contribution rates are being applied, we encourage members to review their retirement deductions with every salary adjustment.

MIDDLESEX COUNTY
RETIREMENT BOARD

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Brian P. Curtin, Vice Chair

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

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