



MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

Celebrating Over 100 Years of Public Service

Fall 2019

IN THIS ISSUE:

p2 John Parsons Notes
First Year

p3 MCRS Pension
Education Series

p4 Health Insurance Premium
Exclusion for Public Safety
Retirees
MCRS Pension Payment
Schedule

p5 Safeguard Your
Personal Information

p6 Planning to Retire Soon?

p7 Social Security Update
Hopeful News
Regarding WEP

p8 Divorce and Your
Retirement Benefits

Middlesex County Retirement System

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Office Hours

Monday to Friday
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Benefit Verifications Are Coming!



*By Thomas Gibson,
Chairman*

Every two years the Middlesex County Retirement System is required to confirm the eligibility of our retirees and beneficiaries to continue receiving benefits. This is done to ensure that the System is paying benefits to the intended recipients and to prevent the fraudulent collection of benefits by others.

In accordance with the rules established by the Public Employee Retirement Administration Commission, the System will be mailing the 2020 Affidavits for Retired Members and Beneficiaries in February. Each member or beneficiary who receives a pension, retirement allowance, or survivor's allowance from the System will need to review and confirm the following information:

- name,
- address,
- phone number and email address, and
- marital status.

You must complete, sign and mail to our office the affidavit certifying that you are currently living and eligible to receive benefits from the Retirement

continued on page 2

Calling All Members: Do You Have A Change of Address?

Please notify the Middlesex County Retirement System **in writing** of any change of address. Be it a permanent address change or a temporary winter mailing address, the retirement staff wants to ensure you receive your 1099R and other important notices.

Please visit our website at www.middlesexretirement.org to download a Change of Address Form. Then **mail or fax** the form to our office. For security purposes, we require the original document with your signature.

www.middlesexretirement.org

Benefit Verifications continued from page 1

System. We do require the original document with your signature to ensure secure and efficient processing.

If you do not return the affidavit by the established deadline, the Retirement Board will suspend your benefits until such time as you return the affidavit.

Now is the time to ensure we have your current address on file. If you have a temporary winter address, make sure you notify us of that as well.

We will post a notice on our website and email our benefit recipients when the affidavits are mailed in February 2020. Remember to complete, sign and mail the affidavit to our office by the established deadline to avoid an interruption in your benefit payments.

John Parsons Notes First Year as PERAC Executive Director



In November of 2018, after a comprehensive search process, the Public Employee Retirement Administration Commission (PERAC) appointed PERAC's General Counsel and Deputy Director, John W. Parsons, to succeed Joseph E. Connarton

as PERAC's Executive Director.

Prior to joining PERAC, John had served as Deputy Auditor in the Office of the State Auditor. He was also a former Commissioner of PERAC and a member of the State Teachers' Retirement Board. John holds a Bachelor's degree from Bridgewater State College and a Juris Doctorate from Suffolk University Law School.

During the search process, John pledged to the Commission that, if chosen, he intended to personally visit every retirement board to help establish a positive relationship with PERAC, and to engage board members in meaningful

dialogues about the sustainability of the public pension system.

True to his word, the very first retirement board meeting attended by PERAC's new Executive Director was the January 16, 2019 meeting of the Middlesex County Retirement Board, where he emphasized the importance of the collaboration between retirement boards and PERAC. John's message was the need for consistency in the application of the public pension laws to the operations of each retirement system, and the importance of treating all members and beneficiaries of the retirement systems equally.

Looking back over his first year at the helm of PERAC, John noted that he was proud of the work of the PERAC Commission, and thankful for his staff and for the cooperation received from the retirement boards – "My first year overseeing PERAC has reinforced in me the overall commitment and dedication of our retirement boards and communities to the continuing strength of our retirement systems." Our members are fortunate to have John Parsons leading PERAC, and we look forward to many years of a mutually beneficial and professional working relationship.

2019 MCRS Pension Education Series a Success!!

Our popular pension education seminars, *Understanding Your Public Pension and Social Security*, was presented to our members and their families in six regional training programs conducted over the year. Almost 500 members and guests attended the sessions held in Burlington, Tewksbury, Wayland, Pepperell, Acton and Westford, where Board Chairman Tom Gibson, Chief Administrative Officer Lisa Maloney, and Social Security Specialist Francine Kollias presented vital information on such topics as service credit purchases, the retirement application process, retirement benefit calculations and payment options, what to expect post-retirement, and how our members' benefits interact with Social Security.

The Middlesex County Retirement Board strongly advocates pension education for both active and retired members. The presentation, which is free and open to all of our members, should be an important part of your financial planning. We will be promoting the 2020 Pension Education Series as soon as the schedule is set early next year. Keep an eye on our website for further information.



Top left: Francine Kollias, the System's Social Security Specialist, registers members in Tewksbury. Top right: Approximately 70 members attended the Wayland session. Bottom: Stephen Barrett and Todd Vickstrom attend the Acton session.

2020 MCRS Pension Payment Schedule

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

Month	2020 Direct Deposit Dates
January	Friday, 1/31
February	Friday, 2/28
March	Tuesday, 3/31
April	Thursday, 4/30
May	Friday, 5/29
June	Tuesday, 6/30
July	Friday, 7/31
August	Monday, 8/31
September	Wednesday, 9/30
October	Friday, 10/30
November	Monday, 11/30
December	Thursday, 12/31

WE WANT TO HEAR FROM YOU!

How would you like to receive the System's newsletter?

Visit our website at www.middlesexretirement.org and cast your vote by clicking on "Survey."

Reminder: Health Insurance Premium Exclusion for Public Safety Retirees

If you are a retired public safety officer, the federal Pension Protection Act of 2006 allows you to exclude up to \$3,000 of your health, accident, or long-term care insurance premiums from your gross taxable income each year, as long as the premiums are deducted from your retirement allowance. The premiums can be for coverage for you, your spouse or dependents.

If you are filing a federal tax return, please read carefully the IRS tax instructions in order to take full advantage of this benefit. Premium contributions will be reflected on your 2019 1099R.

The following tips may be helpful when you prepare your federal return:

- You must be a public safety retiree who retired for disability or after attaining "normal retirement age" (i.e., age 55 for Group 4 for those entering service prior to April 2, 2012).
- You need to file a federal income tax return in order to take advantage of the exclusion. If you do not file a federal return, then the exclusion will not benefit you.
- Your insurance premiums must be deducted from your pension check and paid directly to the health insurance carrier. Medicare Part B premiums do not qualify.
- If you have your federal tax return prepared by someone, please make sure the tax preparer knows that you are entitled to the exclusion.

Please be aware that the retirement office is not able to render tax advice. For additional assistance, retirees should contact a tax consultant.

Safeguard Your Personal Information and Be Aware Of Scams!

In past newsletters, we have impressed upon our members the dangers of telephone calls and mailings from scammers. Unfortunately, the number of scam and spam calls to both landlines and mobile phones have been increasing in alarming numbers. Be it requests from bogus “relief funds” or scammers who claim you owe the IRS money, the fraudulent requests for personal information and money can be overwhelming.

Recently, many have received phone calls from individuals claiming to be representatives of the Social Security Administration (SSA). In these scams, callers pose as agents and request your Social Security and Medicare numbers to do nothing more than commit identify theft.

In fact, the Federal Trade Commission (FTC) reports that between January 1, 2018 and March 3, 2019 there were 63,000 complaints and approximately \$16.6 million lost by those who gave their personal information to a caller claiming to be a representative of the SSA.

The scammers intimidate you by saying that your Social Security number (SSN) has been suspended because of suspicious activity or that it has been involved in a crime. They will ask you to confirm your SSN to reactivate it or will ask you for money or gift cards to keep your SSN or bank account safe. Do not do it!

What you need to know:

- The SSA will never call to threaten you or your benefits.
- Your Social Security number is not going to be suspended and your bank account will not be seized.

- The SSA will never direct you to wire money, send cash, or put money on gift cards.

Never verify your Social Security number for a random caller. Given today’s technology, be wary of what you see on caller ID. Scammers are able to make it look like they are calling from the SSA. True SSA representatives will never threaten you or ask you to send money.

If you receive any such calls, you should hang up immediately and report the call to the police and to the Federal Trade Commission at **877-FTC-HELP** or go to **ftc.gov/complaint**.

Helpful resources:

- The FTC has established a website to alert individuals about Social Security scams. Go to **identitytheft.gov/ssa**.
- You can read what the real SSA has to say about this scam at their *Social Security Matters* blog. Go to **blog.ssa.gov**
- To file a report about an incident that has happened to you go to **ftc.gov/complaint**.

Our members should know that MCRS does not share our member’s personal information with any commercial companies or financial planning companies, unless specifically authorized by you. MCRS does not provide your personal information to outside entities, unless that entity is authorized under the Public Records Law to request it. If you receive a solicitation from a company which references MCRS, do not provide any personal information, and please let us know by emailing mrs@middlesexretirement.org, or by calling us at 978-439-3000.



*Wishing you and your family a Happy
and Safe Holiday and New Year*

Planning to retire soon?

Keep this checklist in mind as your retirement date approaches.

RETIREMENT CHECKLIST

When	Task
One year before retirement	<p>Generate an estimate using one of our available resources:</p> <ul style="list-style-type: none"> • Group percentage charts posted on our website at https://middlesexretirement.org/resources/group-classifications, • Online calculator accessible via https://www.mass.gov/pension-estimate-calculator-msrb • Completing and returning to our office an Estimate Request Form posted on our website at https://middlesexretirement.org/resources/forms-and-retirement-guides <p>Contact your employer to confirm the health insurance coverage for which you will qualify as a retiree. Be sure to ask about coverage for your spouse or other dependents while you are retired and in the event of your death.</p>
9 months before retirement	<p>Apply for and purchase service credit enhancements, if applicable, for which you have not yet established credit:</p> <ul style="list-style-type: none"> • refund buybacks/redeposits • military service • service as a call firefighter or permanent intermittent/reserve police officer • other prior non-contributing service <p>For more information, see our 2019 Spring Newsletter or visit our website at www.middlesexretirement.org.</p>
4 months before retirement	<p>Download an Application for Superannuation Retirement with Option Selection Form from our website at https://middlesexretirement.org/wp-content/uploads/2019/09/2019-Superannuation-Retirement-Application.pdf and submit it to the retirement office.</p> <p>Be sure to gather and submit all necessary documents listed on the application cover sheet.</p>
3 months before retirement	<p>Submit your application and option selection form to the retirement office.</p> <p>Complete any necessary insurance paperwork provided by your employer.</p>

Social Security Update

By Francine Kollias, MCRS Social Security Specialist

Social Security Recipients To Receive Cost-Of-Living Increase



The Social Security Administration has announced a 1.6% increase in Social Security and Supplemental Security Income (SSI) benefits for 2020. The increase will begin with benefits payable in January 2020.

Typically, the Social Security Administration notifies benefit recipients in early December about their new benefit amount. In addition, most benefit recipients will be able to view their COLA notice online through their **my Social Security account**. If you have not yet established an online account with the Social Security Administration, you can do so at www.ssa.gov/myaccount.

The purpose of the COLA is to ensure the purchasing power of Social Security benefits is not diminished by inflation. Since 1975, the Social Security Act ties COLA adjustments to increases in the Consumer Price Index as determined by the Department of Labor's Bureau of Labor Statistics. If there was no increase in the Consumer Price Index, there was no COLA for benefit recipients.

Finally, it is very important to remember that a cost-of-living increase in your Social Security benefits **does not impact** your retirement allowance from Middlesex County Retirement System. You do not need to contact the retirement office. Simply enjoy the increase in Social Security benefits that you have been awarded.

Hopeful News Regarding WEP

On September 28, 2019, Massachusetts Congressman Richard Neal filed a new proposal to reform the Windfall Elimination Provision (WEP). The proposal, known as H.R. 4540, the *Public Servants Protection and Fairness Act*, would provide relief to current retirees impacted by the WEP and create a new benefit formula for future Social Security benefit recipients.

For those currently receiving Social Security benefits, it would:

- provide \$150 per month (\$1,800 annually) to retirees who have had their Social Security payments reduced due to WEP. This payment would be added to the monthly Social Security benefit and indexed for inflation.
- payments would begin nine months after the bill becomes law for individuals first eligible for Social Security benefits prior to January 1, 2022.

For those who will first be eligible for Social Security benefits on or after January 1, 2022, a new formula would be used when adjusting benefits in accordance with the WEP. It will also hold harmless those with 30 years of substantial earnings who are exempt from the WEP.

For more information go to

www.massretirees.com/article/issues/social-security/neal-files-wep-reform-bill.

Divorce and Your Retirement Benefits

We are reminding our members that your current or potential retirement allowance is generally considered to be marital property. In a divorce proceeding, your retirement allowance is subject to valuation and division just like your savings accounts, real estate and other marital assets.

If the division of your retirement allowance, now or in the future, becomes a part of a divorce agreement and the retirement system is expected to pay benefits directly to your former spouse, you will need to file with us a Domestic Relations Order (DRO) issued by the court. Not all divorce settlements automatically include a DRO, and you should discuss these requirements with your legal counsel. The DRO must comply with all provisions of the public employee retirement law, and should

be submitted to the retirement office for review before seeking approval by the court.

Remember that a DRO will bind the parties and the retirement system, except in circumstances where an active member who is subject to a DRO remarries and then dies prior to retirement. In such cases, the active member's surviving spouse may be eligible to receive a survivor benefit notwithstanding the provisions of a DRO that grants such survivor benefits to a former spouse.

To assist our members, the Middlesex County Retirement System has produced a sample DRO which can be found on our website. This is only one of several options available to members.

**MIDDLESEX COUNTY
RETIREMENT BOARD**

Thomas F. Gibson, Chairman
Brian P. Curtin, Vice Chair
John Brown, Elected Member

Joseph W. Kearns, Elected Member
Robert W. Healy, Appointed Member
Lisa M. Maloney, Chief Administrative Officer

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