



MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

Celebrating Over 100 Years of Public Service

Spring 2022

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Board Grants Maximum COLA



*By Joseph Kearns,
Elected Member*

Good news for our benefit recipients! The Middlesex County Retirement Board voted unanimously on March 16th to grant retirees the maximum allowable Cost of Living Adjustment (COLA). The maximum annual COLA allowed by law for retirees of the Middlesex County Retirement System is 3% of the first \$16,000 of retirement benefits, or \$480.00/year. This increase will take effect on July 1st.

While the Board recognizes that \$480 per year does not adequately cover the increased expenses of our benefit recipients, the cumulative effect of the maximum COLA is important to recognize. For more than 20 years, the Board has voted the maximum allowable COLA and has steadily increased the COLA base to financially assist the System's benefit recipients. (See charts on page 4)

However, the Board also recognizes that those benefit recipients most in need of the COLA are not eligible for the full COLA increase. In 2021, approximately 2,500 of the System's 6,600 retirees and beneficiaries received an annual benefit of less than \$16,000/year. Approximately 1/3 of the System's eligible benefit recipients will receive an annual COLA of less than \$480.

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Divestment of Russian Investments Ordered



*By Thomas Gibson,
Chairman*

On April 1, 2022, Chapter 42 of the Acts of 2022 was signed into law, directing the Pension Reserves Investment Management Board (PRIM) to divest holdings in companies incorporated in Russia, or companies that have been sanctioned by the U.S. government related to Russia's invasion of Ukraine. PRIM has estimated its exposure to Russia at approximately \$140 million, which is less than 0.20% of PRIM's \$100 billion in assets. Approximately \$2 billion of those assets are those of the Middlesex County Retirement System.

www.middlesexretirement.org

Already Collecting Social Security and Planning to Retire from MCRS? What You Need to Know!

By Francine Kollias, MCRS Social Security Specialist



If your retirement date from Middlesex County Retirement System (MCRS) is approaching and you have been collecting Social Security benefits, it is time to let Social Security know. Although you have been enjoying your monthly Social

Security benefits, in most cases, at your retirement, the Windfall Elimination Provision (“WEP”) and Government Pension Offset (GPO) will affect those payments. Your current benefits are affected from the first month you receive your retirement allowance from the MCRS.

When and How to Report:

Once you know your final gross monthly benefit from MCRS, it is time to notify the Social Security Administration. Please remember that this amount will not be available until all your creditable service is calculated and your salary average computed. Social Security understands this, so be patient and do not be concerned! Social Security benefits are adjusted based on your final monthly retirement benefit and it is worth waiting for that final figure from MCRS.

Once you have your final gross monthly amount, you must complete the forms required by Social Security. The form you need is determined by the Social Security benefits you receive.

- **If you are receiving benefits based on your own work and earnings, you will need to complete an**

SSA-150: Modified Benefits Formula Questionnaire.

- **If you are receiving benefits based on a living or deceased spouse or ex-spouse, you will need to complete an SSA-3885: Government Pension Questionnaire.**
- **If you receive a combination of both your own and a spousal benefit, you need to complete both forms.**

Both forms are available online at www.ssa.gov. Simply enter either SSA-150 or SSA-3885 in the search field. Each form comes with instructions for completion.

When you have your letter from Middlesex County Retirement System stating your final gross monthly allowance, and you have completed the necessary forms, make copies for your file and mail them CERTIFIED/RETURN RECEIPT to your local Social Security office.

The Social Security Processing Center will calculate what the reduction of your current benefit will be. Be patient, as it may take 2-3 months for you to receive a letter from Social Security stating your new benefit amount. **NOTE: You will continue to receive the incorrect, higher benefit until the calculation change is complete.** Eventually, you will receive an overpayment letter from Social Security asking you to return the money incorrectly paid. If possible, save some of the Social Security payments when you start receiving your MCRS payments so you will have it to return.



SOCIAL SECURITY OFFICES ARE OPEN!

Local Social Security offices resumed in-person services on April 7, 2022, for people with or without an appointment. The offices have been closed to the public since March 2020.

As in-person service is expanded, it is expected that offices will be very busy. The Social Security Administration encourages visitors to schedule an appointment in advance rather than walking in without an appointment. Also, telephone appointments are available and provide the same service as an in-person meeting. Telephone appointments can save you a trip to a busy office. Customers who walk in without appointments may encounter delays and longer waits at their local office.

In the words of Social Security, “know before you go.”

- Social Security offices tend to be busiest first thing in the morning, early in the week, and during the early part of the month. Please plan

your visit accordingly.

- Certain safety measures will be enforced, including masking and physical distancing.
- You will be required to complete a self-assessment when you arrive to make sure it is safe for you to enter.
- You are asked to come alone unless you require help with your visit. If you do, only one adult may join you. Children are welcome.

The Social Security Administration strongly encourages you to use the available online services at www.ssa.gov before calling or visiting your local office. Throughout the pandemic, millions of people used the secure and convenient online services. Online services are available Monday-Friday 5am-1am, Saturdays 5am-11pm and Sundays 8am-11:30pm.

To receive help by phone, dial 1-800-772-1213. Representatives are available Monday- Friday 8am-7pm. Automated service is available 24 hours/day.

A Note to Members Receiving Workers' Compensation Benefits

On February 4, 2022, the Massachusetts Supreme Judicial Court issued a decision clarifying the law regarding supplemental payment of sick leave and vacation time in conjunction with payment of workers' compensation. In *Worcester Regional Retirement Board v. PERAC*, 489 Mass. 94 (2022), the Court determined that such supplemental pay to an employee who is also receiving workers' compensation is not regular compensation under the public employee retirement law. Employer units have been instructed to cease withholding retirement contributions from this supplemental pay. The Board is awaiting further instructions from PERAC regarding implementation of this decision. Injured on duty payments to police officers and fire fighters under G.L. c. 41, § 111F are not impacted by the Court's decision.



MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

Board Grants Maximum COLA, continued from Cover

The Board believes a tiered approach to granting COLA increases, or a fixed COLA increase for all benefit recipients rather than a percentage-based COLA is more equitable and would bring greater financial relief to those receiving the least amount in benefits. The Board supports legislative change that would make improvements to the annual COLA benefit paid to public retirees.

Middlesex County Retirement System COLA Base History: 1999- Present

EFFECTIVE DATE	COLA BASE	% OF BASE	ANNUAL COLA
July 1, 1999	\$12,000	3%	\$360.00
July 1, 2011	\$13,000	3%	\$390.00
July 1, 2012	\$14,000	3%	\$420.00
July 1, 2019	\$16,000	3%	\$480.00

If you retired before June 30, 2011, and received the maximum COLA, your pension has increased by the following amounts:

EFFECTIVE DATE	% INCREASE	MAXIMUM BENEFIT	CUMULATIVE MAXIMUM BENEFIT
2012	3	\$420.00	\$420.00
2013	3	\$420.00	\$840.00
2014	3	\$420.00	\$1,260.00
2015	3	\$420.00	\$1,680.00
2016	3	\$420.00	\$2,100.00
2017	3	\$420.00	\$2,520.00
2018	3	\$420.00	\$2,940.00
2019	3	\$480.00	\$3,420.00
2020	3	\$480.00	\$3,900.00
2021	3	\$480.00	\$4,380.00
2022	3	\$480.00	\$4,860.00

MCRS Holds Virtual Pension Education Webinar *Your Public Pension and Social Security — What You and Your Family Need to Know*

On May 4th the Board continued its annual public pension series with a webinar for active members and retirees. More than 470 members registered for the 90-minute program, that included presentations from Board Chairman Tom Gibson, Chief Administrative Officer Lisa Maloney, and the System's Social Security Specialist Francine Kollias, and participant questions. 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, were among the topics addressed.

As the pandemic continues, the Board determined that holding the program virtually was the best option this spring. We hope to return to in person meetings next year!



Retirement Checklist

Visit the Resources tab on our website at www.middlesexretirement.org to download the appropriate forms and applications.

One year
before
retirement

- Request a benefit estimate from our office to ensure your account is in order.
- Contact your employer to confirm the health insurance coverage for which you will qualify as a retiree.
- Apply for and purchase service credit enhancements, if applicable, for which you have not yet established credit.

3-4 months
before
retirement

Download an Application for Superannuation Retirement with Option Selection Form from our website and submit your completed application and option selection form to the retirement office.

1 month
AFTER
retirement

Provided your application was timely filed and complete, expect your first direct deposit payment on the last business day of the month following your effective date of retirement.

» Visit www.middlesexretirement.org to download the appropriate forms and applications.

Frequently Asked Questions: Divorce and Your Retirement Benefits

Your current or potential retirement allowance from the Middlesex County Retirement System is considered to be marital property. As such, it may be subject to valuation and division in divorce just like your savings accounts, real estate, and other marital property.

Your former spouse may become an “alternate payee” of your benefits by court order and, as a result, would be entitled to receive a share of your retirement allowance pursuant to the terms of a Domestic Relations Order (DRO).

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? What is a DRO?

A DRO is a court order that sets forth how your retirement benefits are to be allocated between you and your former spouse. The order may dictate what retirement payment option you must take, who your named beneficiary must be, among other requirements.

? Do I need to have a DRO as part of my divorce?

Not all divorce settlements include a DRO, so this should be discussed in detail with your legal counsel at the time of divorce to avoid problems when you wish to begin collecting your benefits.

When you retire, we will ask you whether you have been divorced. If so, you will need to provide copies of your settlement agreement or DRO indicating whether you are obligated to pay benefits to your former spouse or to the children of your previous marriage. We will not be able to process your refund or retirement application without this information!

? Should the retirement office review my DRO before seeking approval from the Court?

Yes! DROs bind the parties and the retirement system and must comply with the provisions of the public employee retirement law. We ask that you submit a draft DRO to the retirement office for review before seeking approval by the court.

We will ensure that the allocation of benefits is supported by the retirement plan.

? Will my ex-spouse receive benefits while I am still working?

No, your ex-spouse will not receive payment until you receive a benefit from the retirement system. The DRO establishes a formula for calculating how much of your refund or future monthly benefit will be divided. You need to be in pay status for your ex-spouse to receive the share of benefits set forth in the DRO.

? What will my ex-spouse receive if I die prior to retirement?

The provisions of the DRO should address who will receive your survivor benefits in the event you pass away while you are an active member. It is important to note that a surviving spouse’s rights to a survivor benefit may supersede the rights of another beneficiary you name, including your ex-spouse. This, too, should be discussed in detail with your legal counsel at the time of your divorce.

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. Our staff is available to assist you and your legal counsel with understanding the provisions of the public employee retirement law.

WE ARE HERE TO HELP!

*A quick guide
to requests
and processing
times.*

Each day we receive dozens of requests from our members seeking assistance. We know how important it is to provide you with the information you need to plan for your retirement in a timely manner. Often, we require the assistance of your employers, former employers, or other retirement systems to provide us with additional information we need to assist you. For this reason, some requests may take longer than others to process.

In order to assist you as quickly and efficiently as possible, be sure to complete all forms in their entirety, gather the necessary signatures, provide the requested supporting documentation, and return the forms as directed. We will do the rest!

Request	Processing Time
Account Balance Request Form	Approximately 24 hours. Form must be mailed or faxed to the office.
Creditable Service and Estimate Request Form	Approximately 2- 4 weeks. While your employer may provide you with basic retirement information, the retirement office will provide you with the most accurate benefit estimate and is the best source of information regarding your benefits.
Make Up Request Form (Used to purchase prior non-membership service.)	Approximately 3-6 months depending on where your prior service was rendered. Be sure to leave plenty of time to purchase your service prior to retirement.
Redeposit Form (Used to purchase a prior refund.)	Approximately 1 month if it is a Middlesex County Retirement System refund. Longer if it is from a different retirement system.
Refund Application	60 days. Submit the original application, including the employer section, with a copy of your driver's license.
Superannuation Retirement Application	Submit approximately 3 months in advance of your retirement date to receive a timely payment. Submit the original application with all supporting documentation.



2022 MCRS Pension Payment Schedule

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

Month	2022 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

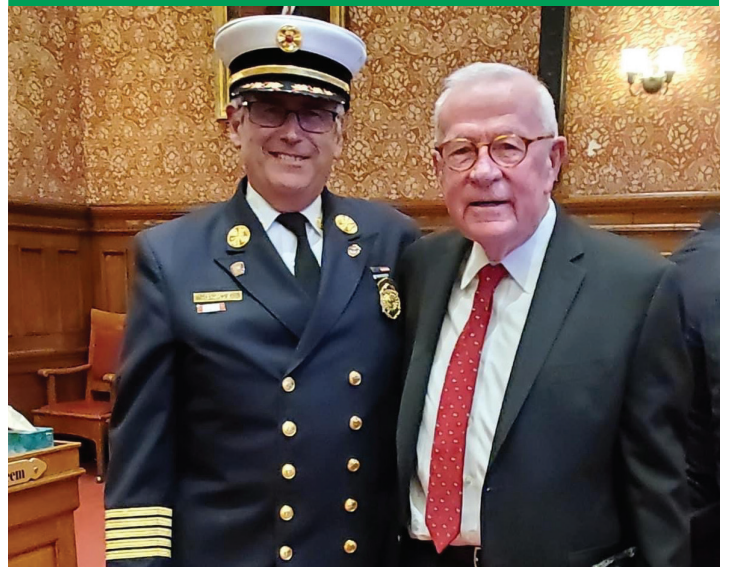


Calling All Members: Do You Have A Change of Address?

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.

Robert Healy Honored



Board Member Robert Healy, pictured with Cambridge Fire Chief Gerard Mahoney, was honored in Cambridge May 13 when he was presented with the Brian Murphy Award, presented each year to an individual, "committed to making government improve the lives of others." Board Member Healy served as the City Manager of Cambridge for 32 years.

MIDDLESEX COUNTY RETIREMENT BOARD

Thomas F. Gibson, Chairman
Brian P. Curtin, Advisory Council Member
John Brown, Elected Member

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

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