



MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

Celebrating Over 100 Years of Public Service

Spring 2023

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Board Grants Maximum COLA *One-Time 5% FY23 COLA a Reality*



*By John Brown,
Elected Member*

The importance of granting the annual Cost of Living Adjustment to our retired members and beneficiaries cannot be understated. As it has every year since it was empowered to do so in 1997, the Middlesex County Retirement Board voted unanimously on April 19th to grant the maximum annual COLA allowed for retirees of the Middlesex County Retirement System, now 3% of the first \$16,000 of retirement benefits, or \$480.00/year. This increase will take effect on July 1st.

In addition, in recognition of investment gains in 2020 and 2021, coupled with a 14.6% increase to the Consumer Price Index over the past two years, the Legislature enacted Chapter 269 of the Acts of 2022, a local option which allows a one-time increase to the COLA granted to retirees in FY 2023, from 3% to 5% of the System's \$16,000 COLA base.

The one-time COLA increase was conditioned upon approval by the Middlesex County Retirement Board, and by two-thirds of the Select Boards of the 31 municipalities within the Middlesex County Retirement System. We are pleased to report that both the Middlesex County Retirement Board and the System's municipalities have voted acceptance.

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Legislative Update

The 193rd General Court has now convened for a two-year session. With five new constitutional officers taking office in 2023, significant legislative activity was initiated, including, as is the case in every session, a number of bills addressing the public employee retirement law.

One of the first bills signed by Governor Healey extended the Open Meeting Law waiver through March 31, 2025. The waiver allows public bodies, including retirement boards, to continue to hold remote meetings, as long

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www.middlesexretirement.org



Applying for Medicare

By Francine Kollias, MCRS Social Security Specialist

Members should sign up for Medicare approximately three months before reaching age 65, even if you are not ready to start receiving Social Security retirement benefits. You may file online at **www.ssa.gov/medicare/sign-up**. 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 Medicare 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 when you turn age 65 if you are already retired from the Middlesex County Retirement System.

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. With this late enrollment penalty, you will pay an extra 10% for each year you could have signed up for Part B, but did not, 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 3 or 4 months prior to retiring from the Middlesex County Retirement System. If you are over age 65 and have been covered under the active member health insurance plan with your employer, you must be enrolled in Medicare Parts A and B beginning the first month you are no longer covered under the “active” group health plan.

- » If you are age 65 or older and not yet enrolled in Medicare Part A, you must apply for both Medicare Parts A and B. To enroll, go to **www.ssa.gov/medicare/sign-up**. It is important to note that if your spouse is over age 65 and covered by your “active” health plan, your spouse must also enroll in Medicare Parts A and B upon your retirement.
- » If you already are enrolled in Medicare Part A, you will need two forms to enroll in Medicare Part B. The first is your enrollment request (HCFA 40B) and the second is an Employer Information Form (Form L-564). The Employer Information Form is required by Social Security to be sure there is no penalty for late filing. Both forms are available online at **www.ssa.gov/benefits/medicare**. Complete, sign and return both forms to your local SSA office 3 - 4 months before your retirement date, via certified mail, return receipt requested. **Be sure to keep a copy for your records!**

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.

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After Retirement

Once you are retired from the Middlesex County Retirement System, Medicare Parts A and B 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 retirement allowance with the Middlesex County Retirement System.

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**.

Happy Retirement!

Board Grants Maximum COLA, *Continued from cover*

The one-time increase of 2% to the COLA percentage for FY 2023 will result in an additional annual COLA payment of \$320 for retirees and beneficiaries whose pensions exceed \$16,000 (from the previously granted \$480/year to \$800/year). The approximately 2,500 retirees and beneficiaries receiving less than \$16,000 annually will receive proportionately less.

The Board recognizes that neither the one-time COLA increase nor the annual COLA adequately covers the impact of inflation on our benefit recipients. Nevertheless, it is important to recognize the beneficial cumulative results of granting the maximum COLA. For more than 20 years, the Board has voted the maximum allowable COLA, and has steadily increased the COLA base:

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
2023	3%	\$800.00*	\$5,660.00*

*Reflects the one-time increase of 2% to the COLA percentage pursuant to Chapter 269 of the Acts of 2022 that will be paid on June 30, 2023.

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

After two years of virtual programming, the Middlesex County Retirement Board has resumed its in person presentations of its Pension Education Series *Understanding Your Public Pension and Social Security*. The Board held the first of four regional training programs on April 26th at Acton Town Hall. Approximately 80 members and guests were in attendance. Board Chairman Tom Gibson and Chief Administrative Officer Lisa Maloney made a two-hour presentation to the members. An overview of the retirement system, available benefits, 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.

There will be two more live programs and one virtual program to be held in the fall. These free meetings are open to all our members and should be an important part of your financial planning.

The schedule for upcoming meetings is as follows:

Tewksbury Town Hall
Tuesday, June 13, 2023
4-6 p.m.

Senior Center, Hopkinton
Wednesday, September 13, 2023
4-6 p.m.

Virtual Program
November - To Be Scheduled



Municipal Cybersecurity Awareness Grant Program

The Middlesex County Retirement System has been selected to participate in the Municipal Cybersecurity Awareness Grant Program offered by the state's Executive Office of Technology Services and Security (EOTSS).

Cybersecurity threats are on the rise. Statistics show that the majority of cybersecurity breaches are due to human error. The Grant Program provides our staff with the opportunity to improve our cybersecurity posture in the workplace.

Each quarter staff members complete customized cybersecurity trainings which emphasize best cybersecurity practices, including pin and password protection, how to recognize phishing campaigns and email scams, the importance of protecting member data, and the like.

With this emphasis on end user training, the Board continues to make cybersecurity an organizational priority. Adopting and implementing strong security protocols and standards is the commitment we make to ensure our members' information, and the System's data, is secure.



How Your MCRS Pension Supports the Economy

A 2023 report issued by the National Institute on Retirement Security, analyzing the latest data from 2020, confirms that even during the shutdown of the economy following the COVID-19 pandemic, retirement benefits paid by pension plans to workers and their families continued to generate a significant amount of economic activity across the United States and in the Commonwealth of Massachusetts.

PENSIONOMICS 2023: *Measuring the Economic Impact of DB Pension Expenditures* shows that pension benefits spent by retirees that year generated \$1.3 trillion in total economic output, supporting nearly 6.8 million jobs across the nation. The report details how pension spending also added nearly \$157.7 billion to federal, state, and local governments.

The pension benefits received by our retirees are largely spent in their local communities, providing income and wages to others. That spending favorably impacts tax revenues, helps to reduce unemployment, and delivers powerful economic enhancements.

In Massachusetts alone, in 2020, more than 230,000 residents received a total of \$8.9 billion

in pension benefits from state and local pension plans. For each dollar retirees earned in pension benefits, \$1.33 in total economic activity in Massachusetts was supported. Each \$1 of taxpayer contributions invested in Massachusetts' state and local pension plans supported \$4.01 in total economic output in the state.

The Middlesex County Retirement System contributes extensively to Massachusetts' economic production. In 2020, MCRS retirees and their families received

FOR EACH DOLLAR RETIREES EARNED IN PENSION BENEFITS, \$1.33 IN TOTAL ECONOMIC ACTIVITY IN MASSACHUSETTS WAS SUPPORTED.

over \$168 million in retirement benefits. Every month, the System provides in excess of \$16 million in retirement benefits to our members, providing a steady and robust economic contribution to our communities and to the state economy.

For further information on the favorable economic impact of public pensions in Massachusetts, and across the United States, go to <https://www.nirsonline.org/reports/pensionomics2023/>

Legislative Update, *Continued from cover*

as the public has access. Public bodies that meet in person and do not provide adequate, alternative means of public access must have a physical quorum present along with the Chair.

Significant bills have been filed by the Public Employee Retirement Administration Commission, the Mass Retirees Association, and the Massachusetts Association of Contributory Retirement Systems. The Joint Committee on Public Service conducted hearings and received testimony in April and May

on bills dealing with important retirement issues such as pension forfeiture, veteran's retirement credit, gender pay equity, regular compensation, and others, including an increased COLA base for retirees of the State and Teachers' Retirement Systems.

The Board will continue to report timely on legislation that impacts members and beneficiaries of MCRS.

Spotlight: Staff Recognition

The Board wishes to congratulate and recognize staff members Margaret Collins, Carmen Jimenez, and Chen-Ching Lee on their retirements! With more than 100 years of public service among them, each is proud of what they have accomplished at MCRS, and looking forward to the future. Likewise, the Board is grateful for their service to MCRS members and member units.

As the Disability Analyst, Margaret Collins has been responsible for processing our members' disability retirement applications. She has counseled and guided members through what can be a daunting process with compassion. With 38 years of public service behind her, she is looking forward to the promise of carefree days that come with retirement.

Carmen Jimenez, a member of the Employer Reporting team, retires after 36 years of public service. Her employment started in the Middlesex County Treasurer's Office processing accounts payable. Today, she guides employers and new members through the enrollment process and maintains member accounts. After a trip to Puerto



Pictured left to right: Carmen Jimenez, Margaret Collins, and Chen-Ching Lee

Rico to visit family, Carmen is looking forward to well-deserved time off spent with her grandson.

As the Financial Analyst, Chen-Ching Lee has been responsible for overseeing the System's financial operations for more than 33 years. Known throughout the office for her attention to detail and ability to find the missing penny, she prides herself in "getting it right." Her diligence throughout the years has been of great benefit to the System. In her leisure time, Chen enjoys gardening.

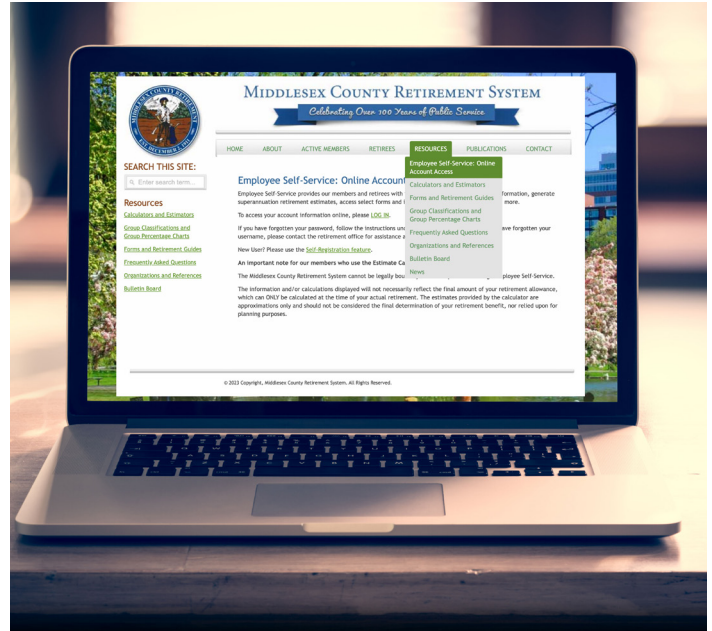
The Board commends each for their exemplary public service. May each of them have a long and healthy retirement!

Employee Self-Service Portal Now Available!

The Middlesex County Retirement Board is pleased to announce the launch of its Employee Self-Service module. Employee Self-Service provides our members and retirees with the ability to review their account information, generate superannuation retirement estimates, access select forms and income verification letters, and much more.

To create an account, navigate to the retirement office website at **www.middlesexretirement.org**. Under the Resources tab, select the link for Employee Self-Service: Online Account Access and follow the Self-Registration feature. Once you have created an account, we encourage you to bookmark the Log In page for easy access.

If you have any questions about accessing your account or the information displayed, please do not hesitate to contact the office at mrs@middlesexretirement.org.



Similarly, while the Employee Self-Service module offers a convenient approximation of your benefits, active members planning to retire within the next year are encouraged to contact our office for a written retirement estimate.

Retirement Checklist

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

Post-Retirement Public Employment Waivers Ended January 1, 2023

As we reported in our previous newsletters, due to the increased demand for public services during the COVID-19 pandemic, the hours and earning restrictions for non-disability retirees working in the Massachusetts public sector had been suspended through December 31, 2022.

In the absence of further legislative extension, effective January 1, 2023, the limitations for post-retirement employment are reinstated. Retirees are restricted to working for a public employer no more than 1200 hours in a calendar year, and may earn no more than the difference between the current salary paid in their former position minus their retirement allowance. On

January 1st following one full year of retirement, retirees can earn an additional \$15,000 from such employment.

When either the earnings or the hours limitations are met in a calendar year, the retiree must cease working or risk recoupment of excess earnings by the employer or by the retirement board.

If you have questions regarding your post-retirement earnings, please write to mrs@middlesexretirement.org.

Current Salary 2023	\$60,000
- Retirement Allowance	-\$40,000
Allowable Public Sector Earnings	\$20,000
Add \$15,000 after one full CY	\$35,000



Address Change? Please visit our website at www.middlesexretirement.org to download a Change of Address Form. Then mail or fax the form to our office. We require the original document with your signature.

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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