

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss.

Division of Administrative Law Appeals

Bernadette Coelho,
Petitioner,

Docket No.: CR-24-0498

v.

Dated: March 6, 2026

Massachusetts Teachers' Retirement System,
Respondent.

Appearances:

For Petitioner: Scott W. Lang, Esq.

For Respondent: Lori Curtis Krusell, Esq.

Administrative Magistrate:

Yakov Malkiel

SUMMARY OF DECISION

The petitioner's regular compensation for retirement purposes does not need to be adjusted downward under the anti-spiking provision of G.L. c. 32, § 5(2)(f), because the pay raise she received resulted from a "systemic wage adjustment[]." *Id.*

DECISION

Petitioner Bernadette Coelho appeals from a decision of the Massachusetts Teachers' Retirement System (MTRS) to adjust her retirement benefits downward under the anti-spiking provision of G.L. c. 32, § 5(2)(f). I held a hearing in August 2025. Thereafter, MTRS stated its intention to reconsider its original decision and to recalculate Ms. Coelho's benefits without an anti-spiking adjustment. On that basis, MTRS successfully requested a stay. As discussed below, the stay dragged on without resolving the case.

Findings of Fact

1. Ms. Coelho was a longtime educator at New Bedford High School. In 2015, she was named the school's headmaster. In 2021, her job title was revised to principal, and her pay

increased from approximately \$133,000 to approximately \$155,000. (Exhibits 1-3, 7, 10; Coelho test.)

2. In 2024, Ms. Coelho retired for superannuation. MTRS determined that Ms. Coelho's pay raise in 2021 triggered a downward adjustment to her regular compensation under the anti-spiking provision of G.L. c. 32, § 5(2)(f). Ms. Coelho timely appealed, arguing that the pay raise was the result of a "bona fide change in position." (Exhibits 1, 2, 4; administrative record.)

3. Dr. Thomas Anderson was the New Bedford superintendent and Ms. Coelho's supervisor. At the August 2025 hearing, he testified credibly that the change in Ms. Coelho's job title from headmaster to principal was stylistic and unconnected to any new job duties. Another hearing witness was Heather Emsley, a human resources officer. She explained credibly that Ms. Coelho's pay raise in 2021 was the result of a large-scale salary survey designed to bring the compensation of the district's administrators into alignment with their peers elsewhere. (Anderson test.; Emsley test.)

4. The parties were due to file post-hearing briefs in October 2025. When the deadline arrived, MTRS moved for a stay, explaining that it was planning to recalculate Ms. Coelho's benefits without an anti-spiking adjustment. MTRS estimated that the correction would take thirty days. The motion was allowed, and MTRS was directed to file monthly status reports. (Administrative record.)

5. Each of MTRS's ensuing reports apologized for the delay in reprocessing Ms. Coelho's benefits. In December 2025 and in January 2026, MTRS filed its reports only after orders reminded it to do so. Ultimately, a February 2026 order required MTRS to brief its

position “[i]f MTRS believes that the appeal should not be decided in Ms. Coelho's favor based on default, the merits, or both.” MTRS has not filed a brief.¹ (Administrative record.)

Analysis

The retirement allowance of each Massachusetts public employee is derived from the employee’s “regular compensation” during three or five years. The “anti-spiking” provision of G.L. c. 32, § 5(2)(f), seeks to prevent those short years from boosting an employee’s benefits disproportionately to his or her career-long retirement contributions. *See generally Hartnett v. Contributory Ret. Appeal Bd.*, 494 Mass. 612 (2024). To that end, an employee’s regular compensation in any pertinent year must be adjusted downward if it “exceeds the average of regular compensation received in the 2 preceding years by more than 10 per cent.” § 5(2)(f).

The anti-spiking provision allows for several broad exceptions. The one relevant here joined the statute in 2024, with an effective date in 2018. It covers any pay raise resulting “from an employer’s systemic wage adjustments.” § 5(2)(f). A “systemic” wage adjustment is one that an employer makes “to tackle a general, collective issue, as opposed to individual facts.” *Celona v. Massachusetts Teachers’ Ret. Syst.*, No. CR-23-0395, 2024 WL 4815149, at *3 (Div. Admin. Law App. Oct. 25, 2024). Otherwise stated, the exception is implicated when “an employer determines . . . that salaries across an employer or segment of the employer need to be adjusted.” PERAC Memo No. 21 / 2024 (Aug. 14, 2024). In such cases, the “spike” to a

¹ One week after its filing deadline, MTRS moved for an extension, breaching the rule that such motions must be made “before the expiration of the . . . time period,” 801 C.M.R. § 1.01(4)(e), offering no explanation for the motion’s untimeliness, and presenting no substantive dispute with the merits of Ms. Coelho’s case. In the circumstances, the motion is hereby denied.

member's compensation may still impose a disproportionate burden on the retirement system's finances; but the statute is more reluctant to interfere with pay raises that reflect no "abusive, pension-oriented artifices." *White v. Somerville Ret. Bd.*, No. CR-22-95, 2022 WL 16921475, at *2 (Div. Admin. Law App. Sept. 2, 2022), *aff'd*, 2023 WL 11806181 (Contributory Ret. App. Bd. Nov. 16, 2023).

Ms. Coelho's pay raise in 2021 resulted from the systemic wage adjustment that her school district undertook. It follows that no anti-spiking adjustment should be made to Ms. Coelho's regular compensation. In the circumstances, there is no need to determine whether a decision against MTRS is also warranted based on default. *See Fox v. State Bd. of Retirement*, No. CR-20-117, 2022 WL 16921453, at *1-2 (Div. Admin. Law App. July 29, 2022).

Conclusion and Order

The stay is hereby lifted. MTRS's decision is REVERSED.

/s/ Yakov Malkiel

Yakov Malkiel

Administrative Magistrate

Division of Administrative Law Appeals