Emerging Issues 2024 FORUM

03. Legislative Updates

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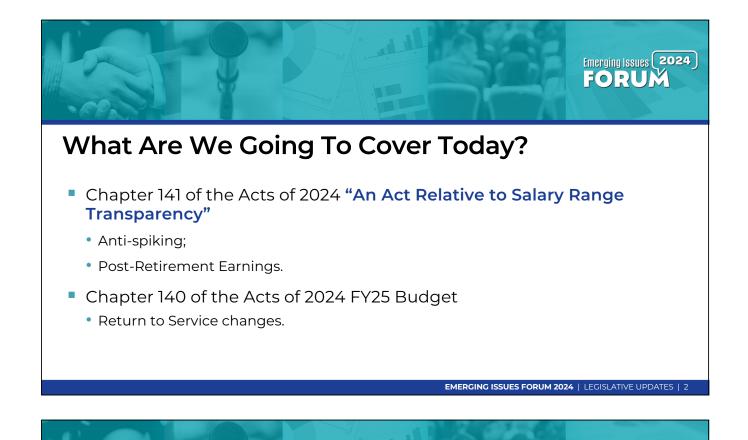
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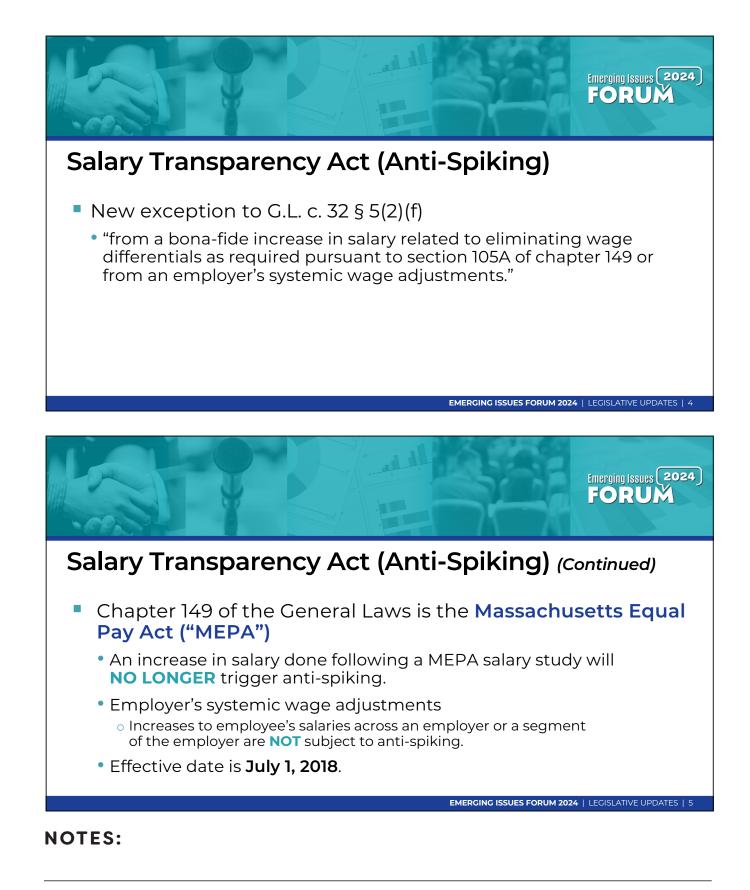
What Are We Going To Cover Today? (Continued)

- Chapter 149 of the Acts of 2024 "An Act Relative to Disability Pensions and Critical Incident Stress Management for Violent Crimes."
 - Violent Act Injury 100% disability.
- Chapter 178 of the Acts of 2024 "An Act Honoring, Empowering, and Recognizing our Service Members and Veterans" ("HERO Act")

Veterans' Buyback Changes

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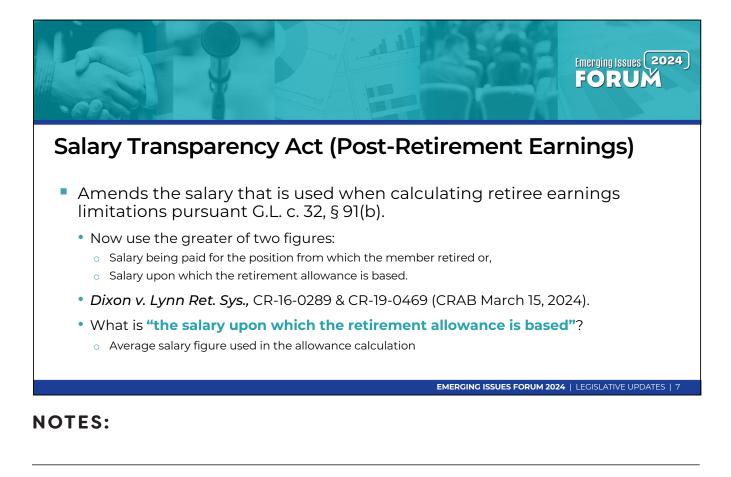




Memorandum #21 of 2024

- Steps Boards must take:
 - Identify retired members of the system who had the anti-spiking provision of Section 5(2)(f) applied to their allowance on or after **July 1, 2018**.
 - Determine whether any received a salary increase pursuant to either MEPA or an "employer's systemic wage adjustment".
 - If yes, then retirement allowance must be recalculated to remove the downward adjustment for spiking.
 - After adjusting allowance, board must refund to the member the underpayment amount of their allowance plus correction of errors interest.
 - Offset from the lump sum payment to be made to member the amount of any contributions that were returned to the member when anti-spiking was applied.

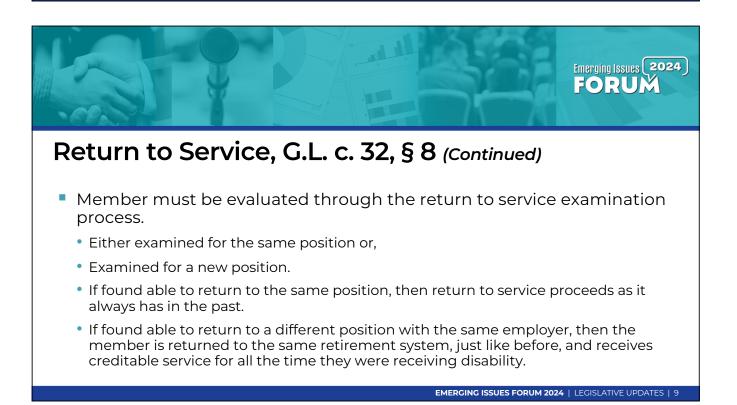






FY 2025 Budget - Return to Service, G.L. c. 32, § 8

- Members retired for disability who are cleared to return to service to their original position may now be hired for that position with the original employer or a different employer.
- Members may also **REQUEST** that they be evaluated for a different position.
 - This can be with the same employer or with a different employer, even if that employer is in a different retirement system.
 - Member must identify the new position and a job description that shows the essential duties of that position.



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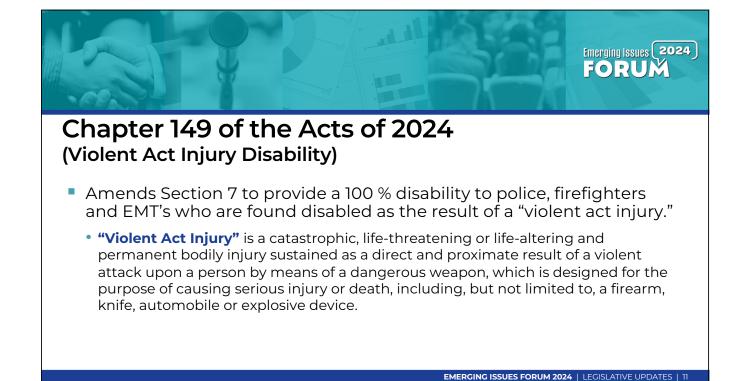
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Return to Service, G.L. c. 32, § 8 (Continued)

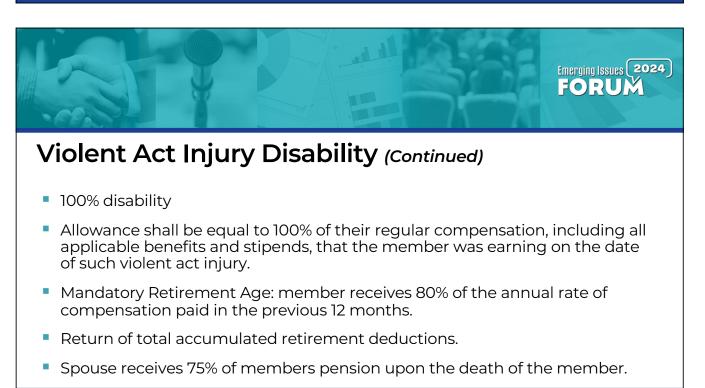
- If member is found able for a new position with a DIFFERENT employer, they may join a new retirement system.
 - Member will be given creditable service by the first system for the entire period the member collected disability.
 - Member will become a member-in-service of the new system.
 - Upon retirement under superannuation liability will be apportioned under Section 3(8)(c) between the systems, exactly as occurs when a member retires with service in multiple systems currently.
 - If the member goes out on disability based on the original injury, then the first system will be assessed a portion of the liability under Section 7(5).

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Dangerous weapon must be designed for the purpose of causing serious injury or death, including, but not limited to, a firearm, knife, automobile or explosive device.



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Violent Act Injury Disability (Continued)

- Post-Retirement Earnings limitations.
 - 50% of retirement allowance amount may be earned in Massachusetts public employment but service cannot be in a Group 3 or Group 4 position.
 - May be employed by a private entity or in the private sector without earnings limitations.



- What has NOT changed:
 - Definition of Veteran in G.L. c. 4, s. 7 cl. 43rd.
 - Purchase up to 4 years of prior military service.
 - 10% of regular compensation when the member most recently established membership in the system.
 - 5 to 1 ratio for National Guard and active Reserve time, MUST qualify as a veteran to be eligible.
 - Active duty for training for the National Guard and Reserves is excluded.
 - Active duty leave time cannot be counted towards buyback.
 - MUST be a member-in-service

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HERO Act - Changes to Veterans' Buyback

- Rewrites G.L. c. 32, s. 4(1)(h).
- Eliminates the 180-day requirement from Chapter 71 of the Acts of 1996.
- Requires Boards to give notice of potential benefits to all new employees.
- Provides that the purchase must be made within 1 year of vesting, (11 years of creditable service).
- National Guard and Reserves have a different purchase window.
- New 1-year window for anyone who missed purchasing their service.

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G.L. c. 32, s. 4(1)(h)

Notwithstanding the provisions of this chapter or any other general or special law, rule or regulation to the contrary, a member in service of a retirement system as defined in section 1 shall be provided written notice by the retirement board upon entry into service that if they qualify as a veteran who served in the armed forces of the United States, they shall be entitled to credit for active service in the armed services of the United States; provided, however, that such active service shall not be credited until such member, prior to or within 1 year of vesting pursuant to this chapter, has paid into the annuity savings fund of such system, in 1 sum or in installments, upon such terms and conditions as the board may prescribe, makeup payments, for each year of creditable service sought, of an amount equal to 10 per cent of the regular annual compensation of the member when said member entered the retirement system; provided further, that such creditable service shall not be construed to include service for more than 4 years; and provided further, that such creditable service shall not be allowed for any period of active service for which said veteran has received credit pursuant to this paragraph. This paragraph shall apply to national guard and active reserve personnel, both former and present. Creditable service time, both enlisted and commissioned, may be applied toward retirement on a ratio of 5 years of national guard service or 5 years of active reserve service substitutable for each year of active service. National guard and active reserve personnel shall not be precluded from making said purchase if they qualify as a veteran after vesting or if they reach the maximum of 4 years of eligible service purchase after vesting and qualifying as a veteran; provided, however, that they enter into a purchase agreement within 5 years of the last occurring event. (Emphasis added).

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No More 180-Day Restriction

- Members no longer have to make arrangements for their military purchase within 180 days.
- Members now have until 1 year after they vest in the retirement system.
- Vesting, for Chapter 32, means a member has 10 years of creditable service. This includes service earned since joining the system and any service purchased.
- Effectively 11 years to decide to purchase military service.

National Guard and Reserves

- National Guard and Reserves may purchase up to 4 years of time like all other service members.
- May have additional time to make service purchase.
- If they do not qualify as a veteran by the time they reach within 1 year of vesting or if they are not yet eligible for the full four-year buyback, they are given additional time.
- Later of two dates:
 - 5 years from when they qualify as a veteran, or
 - 5 years from the date they qualify for the full 4 years of purchase.

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One Year Grace Period

- Members-in-Service who missed the opportunity to purchase their military service prior to the enactment of the HERO Act will have a 1-year window in which to make the purchase.
 - This applies to people who missed the 180-day deadline or didn't complete the purchase prior to reaching 11 years of creditable service.
- Members have until August 8, 2025, to make arrangements with their Board for the purchase.



 Member who has LESS than 11 years of service has until either they reach 11 years of service or August 8, 2025, whichever is later, to enter into a purchase agreement.

agreement depending on board policy.

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What Do Members Need To Do? (Continued)

- Member has entered into an agreement but has not completed the purchase.
 - These are members who signed the form saying they wanted to buy time but the Board did not require that the purchase be completed.
 - Member MUST complete the purchase or enter into an installment agreement before they complete their 11th year of creditable service or August 8, 2025, whichever date LAST occurs.
 - We encourage boards to consider installment plans.

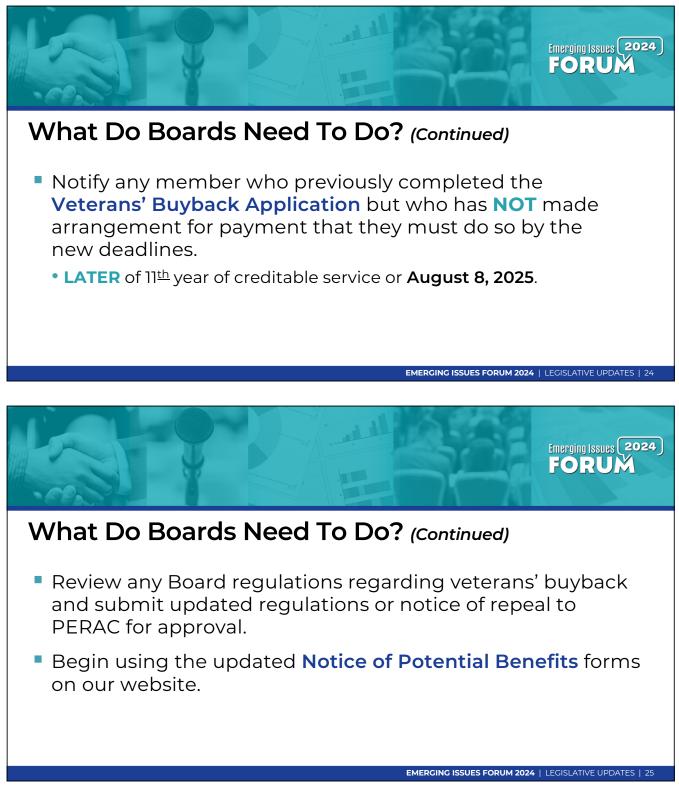


What Does the Board Need to Do?

- MUST send notice to ALL active members of the retirement system informing them that they may be eligible for military service buyback.
- Notice MUST be sent by November 6, 2024.
- Sample Notice provided as part of PERAC Memo #23 of 2024.

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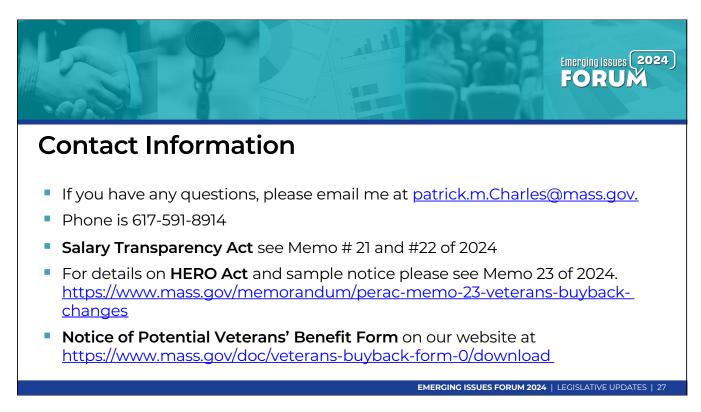


Notice, Notice, Notice

 Boards MUST begin giving notice of the military service buyback provisions to EVERY new member when they enroll in the system.

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- Boards should provide the updated Notice of Potential Veterans' Benefit Form available on PERAC's website to EVERY member when they enroll in your system.
 - Should be part of any new member enrollment packet.





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COMMONWEALTH OF MASSACHUSETTS Public Employee Retirement Administration Commission

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