

Letter from the Executive Director

John W. Parsons



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The Commission and staff are pleased to release this Annual Report on the Massachusetts Public Retirement Systems for 2020, a year that needs no introduction.

As we look back at this unique year, it's difficult to view this unparalleled period with any objectivity or critical eye. As individuals, we battled through the significant personal challenges that presented themselves; at home, work, amongst family and friends, and in the community. As employers, we struggled to address the competing challenges of protecting the health of our colleagues and meeting the demands placed on our agencies on behalf of the members who rely on us. Collectively, we watched with great sadness the pandemic's effect on families and businesses, while at the same time constantly adjusting to the new normal at work and throughout our society. At the risk of sounding self-serving, I sincerely believe that

the performance of all those who make our pension system work rose to the occasion in 2020, and remarkably we were able to not only meet the demands on our agencies, but to move forward in several significant ways.

Apart from meeting the daily demands of counseling, buybacks, retirement and disability applications, payroll, etc., MA pension systems moved forward in important, permanent ways. From the beginning of the pandemic, the disability process was upended, and we were forced to adapt to the world of telehealth to keep this process working. With PERAC, boards, employers, members and the medical community working together, we were able to overcome the many logistical and statutory complications at play and establish a telehealth review process that allowed members' applications to be processed. I credit PERAC's former Disability Director, Kate Hogan, for the primary role she played in

establishing this system, all while battling an illness that ultimately took her much too soon. Telehealth becoming a permanent element of the disability process is a small remembrance of Kate's many contributions during her 20 years of service to PERAC and the pension community at large.

In 2020, the next initiative in the development of the PROSPER system, electronic filing of retirement calculations, was rolled out. Following a trial application and staff training, boards are now able to file all types of retirement calculations electronically, saving time and eliminating paper records. It is our hope and goal to significantly reduce the turnaround time in the processing of these applications. Thank you to PERAC's development vendor CGI, our IT and Actuarial staff, volunteer retirement staff, and all board staff for the successful implementation of this important new improvement.



Another important addition to PROSPER, developed in the fall of 2020 and rolled out in early 2021, is the electronic filing of board members' Statements of Financial Interest ("SFIs"). Moving from an all-paper process to an electronic filing will save board members significant time going forward and improve recordkeeping. Thank you to everyone involved in the successful rollout of this new PROSPER feature.

The pandemic fundamentally affected our ability to provide in-person training and continuing education. However, through innovation and a commitment to the benefits of virtual presentations, PERAC and MACRS combined to provide 36 courses and 2,046 course completions. Thank you to all the presenters and staff that worked to make these presentations successful and enlightening, and to attendees for their continued commitment to becoming better informed board members and improving our pension systems.

All of these changes reflected a need to do things differently. Weaved through all of them was communication, which also required its own unique solutions. Without seeing people face to face, without people in offices to call, we needed to find a way to maintain lines of communication with members, with colleagues, and between boards and PERAC. The Commonwealth's State of Emergency due to the the pandemic started in March, 2020, and by the end of April PERAC had issued six memos relating to COVID-19. Not since 2012 has PERAC issued more memos than the 39 that were issued in 2020.

Obviously, the biggest change was in electronic communication, particularly video. It allowed PERAC and all boards to continue public meetings in accordance with the Governor's executive order, staff meetings, and meetings with members. Prior to 2020, Zoom was a children's television show to many of us and mute, lighting and backgrounds were things that never crossed our minds. While it was a challenge for many of us, and also not a replacement for in-person interaction, it did provide a level of convenience for people to reduce travel time in order to participate and, likewise, increased participation levels and transparency in the important work that we do.

Despite these advances, the pandemic did take away our ability to gather and truly mark milestones. One such milestone was the retirement of longtime PERAC Commissioner Bob McCarthy. I don't want to repeat the tribute to Bob in this report, but I do want to congratulate, commend, and thank him for his lifetime of public service as a Navy veteran, a career firefighter who became President of the Professional Firefighters of Massachusetts (PFFM), and as a Commissioner since the beginning of PERAC. Personally, I appreciated his advice, his passion and, most of all, his friendship.

That said, we are pleased that Richard MacKinnon, Jr., the current president of the PFFM, was appointed by State Auditor Suzanne Bump to fill Bob's seat as the AFL-CIO representative. I have known Rich over the years to be knowledgeable, fair and dedicated. It has been a pleasure to begin working with him in his new role.

My optimistic view and wish is that 2021 will be a better year than 2020. Part of that is because we all went through 2020 and we went through it together. We scrambled, we rallied, we collaborated, we cooperated, and we persevered. Our collective experiences, and our collective success, in 2020 make all of us better and should make all of us proud.

Thank you for your dedication to the Massachusetts public retirement system and I truly look forward to continue working with you – in person! – this coming year and beyond. ■

Sincerely,

John W. Parsons, Esq.
Executive Director