

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Follow up to PERAC Memorandum # 4/2013

DATE: January 15, 2013

On January 9, 2013, PERAC issued Memorandum #4/2013 to the Retirement Boards. This memorandum provides guidance and a worksheet for the Boards to use in calculating buybacks/make-ups, and cumulative interest for the calendar year 2013 using buyback interest.

The retirement boards are reminded that, pursuant to G.L. c. 32, § 3(8)(b), as amended by Section 9 of Chapter 176 of the Acts of 2011, depending upon a number of factors, the purchase of time pursuant to any part of Section 3 may have to be calculated using actuarial assumed interest. This change in the law will be reflected in a memorandum which PERAC will issue in March, just ahead of April 2, 2013, when all purchases of prior non-membership service will have to be made using actuarial assumed interest.

In the meantime, Memorandum #4/2013 should be read in conjunction with Memorandum #23/2012, which provides a detailed analysis of Service Purchases pursuant to G.L. c. 32, § 3 in the wake of Chapter 176 of the Acts of 2011.

