

## MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Reimbursements pursuant to G.L. c. 32 §3(8)(c)

DATE: January 31, 2014

In PERAC Memorandums #15/2010 and #16/2010, we outlined guidance with respect to reimbursement pursuant to G.L. c. 32 §3(8)(c). Specifically, Memorandum #16/2010 indicated if a board requests a recalculation within 3 months of the date it receives the initial §3(8)(c) reimbursement letter, the modified amount will be retroactive to the date of retirement. If a request is received more than 3 months after the initial §3(8)(c) reimbursement letter, the modified amount will be prospective from the date the request is received by PERAC. The recalculated amount is retroactive to the date of retirement unless we indicate otherwise.

Since the 2010 memorandums (and for several years before that), the number of requests for recalculation has continued to increase. We have not been able to keep up with the volume of the requests. We have received over 500 requests to which we have not yet responded.

In an effort to focus on the recalculations with the most impact to the boards involved, we will implement several changes effective immediately. These changes will apply to both recalculation requests already submitted as well as future requests.

Effective immediately, no recalculation will be performed if:

- the original amount billed to a system is less than \$1,000 per year, or
- the original amount billed to a system is less than 10% of the total pension, or
- the service with the board requesting recalculation is less than 1 year.

We believe these changes will limit the number of recalculations and allow us to keep up with the requests on an ongoing basis. However, given the overall increase in workload of the actuarial unit, please note that we do not expect to catch up with the recalculation requests already received for at least a year. We appreciate your patience in this regard.

If you have any questions, please contact our actuary, Jim Lamenzo.

