

# MEMORANDUM #18, 2012

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission

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## MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Special Counseling for Members Seeking to Withdraw Their Funds

DATE: January 27, 2012

As noted in PERAC Memo #36/2011, several provisions of Chapter 176 of the Acts make significant changes in the retirement laws for those who become members of a Retirement System on or after April 2, 2012. If a member withdraws his or her funds from the Retirement System and later is employed in the public sector and again becomes a member of a Retirement System, the rights and responsibilities in effect when the individual again becomes a member will be applicable.

If a member of the System seeks to withdraw his or her contributions, the member should be fully advised that in the event he or she again becomes a member, **there will be a number of changes affecting their retirement plan benefits and rights in the retirement system.** These most prominently include:

- The increased minimum retirement age;
- The new age factors for calculating retirement allowances;
- The unavailability of the G.L. c. 32, § 10 termination allowance;
- The applicability of G.L. c. 32, § 105 to elected officials;
- Five Year *Average Annual Rate of Regular Compensation for calculating allowances rather than a three year average*;
- Proration of benefits earned for service in different Group classifications;
- New contribution rates;

We urge the Boards to review all of the provisions discussed in PERAC Memo #36/2011 with any member considering taking a withdrawal or his or her funds. If you have questions, please contact this office.