

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Mandatory Retirement Board Member Training-Quarterly Update

DATE: June 8, 2012

Chapter 176 of the Acts of 2011, An Act Providing for Pension Reform and Benefit Modernization, includes provisions mandating that retirement board members complete training during each year of service on the retirement board. During each member's term on the retirement board, the member must complete 18 hours of training. This requirement, contained in the new Subdivision 7 of Section 20 of Chapter 32, takes effect for calendar year 2012.

PERAC will provide board members with appropriate forms to file as statements of completion of education. These will be provided before December 31, 2012. Retirement boards must provide these forms to board members who must submit completed forms regarding training programs completed in 2012 to PERAC by January 31, 2013. The Commission will then provide the board member with a summary status report by March 1, 2013.

Failure to meet this mandatory requirement will prohibit the member from serving beyond the conclusion of the term for which the training requirement was not met.

MACRS June Conference

Educational credit has been granted for sessions offered as part of the MACRS Conference held in Hyannis. PERAC presented three (3) hours focusing on Section 15 Forfeiture, Benefit Calculations, and Understanding an Actuarial Valuation Basics and Funding Strategies. In addition, three (3) hours of credit were awarded for participation in sessions provided by MACRS on other days of the Conference. Several hundred retirement board members received credit for attending one or more of these sessions.

Pre - Approval

The Commission is willing to approve educational credits for a variety of events sponsored by "...local, state, regional and national organizations recognized by the



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Commission as having expertise in retirement issues of importance to retirement board members or other entities..." This provision of the statute has been interpreted to encompass particular programs offered by such entities. For example, an ethics class or open meeting law class offered as part of a broader conference may be eligible for education credit.

However, as far as practicable, approval for such credit must take place well in advance of the date of the event. This will enable the Commission to analyze the program and to provide a general notice to retirement board members to maximize participation.

Attendance Update

On April 10, the Adams Retirement Board in conjunction with PERAC hosted an educational session at which Dave Giannotti of the State Ethics Commission presented.

On May 7, PERAC, in conjunction with the Wellesley Retirement Board hosted an educational session on Actuarial Valuation Basics. This event took place in the evening and provided an opportunity for retirement board members who are unable to attend a daytime session to fulfill the education requirement. We hope to arrange for more evening sessions as our program evolves.

On May 16 and 17, PERAC presented a Disability Program at its offices. This topic has proven to be a popular one and we anticipate its replication in the months ahead.

Thus far 200 retirement board members have participated in these sessions. Although some of the 200 represent the same member attending one or more sessions, that number is an indicator of our progress to date.

Ethics Training

The Commission will grant three (3) hours of credit to retirement board members who complete a Public Education Seminar on the Conflict of Interest Law conducted by the State Ethics Commission. These sessions are sometimes held in conjunction with meetings of certain organizations. Credit will be granted upon receipt, by the Commission, of a copy of the Certificate of Attendance issued to the retirement board member by the State Ethics Commission.

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July, August and September Educational Events

Audits/Earnings Reports (Three Hours Credit)

1. Tuesday, July 24, 2012 at 10:00 a.m. at – the Court Room, Lee Town Hall, Lee MA. (Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations).

Pre/Post Chapter 176 Benefit Structure Review (Three Hours Credit)

The Commission has scheduled the following sessions for a review by PERAC of the benefit changes instituted by Chapter 176:

1. Thursday, July 19, 2012 at 10:00 a.m. at the Fairhaven Town Hall, Fairhaven MA (Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations).
2. Tuesday, August 21, 2012 at 10:00 a.m. at the PERAC Offices, 5 Middlesex Avenue, 3rd Floor, Somerville, MA (Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations).
3. Wednesday, September 12, 2012 at 10:00 a.m. at the PERAC Offices, 5 Middlesex Avenue, 3rd Floor, Somerville, MA (Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations).

PERAC Disability Training Program (3 Hours Credit)

1. Thursday, September 6, 2012 at 10:00 a.m. at the Council Chambers, City Hall, Gardner MA. (Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations).

Actuarial Basics and Funding Strategies (Two Hours Credit)

1. Thursday, September 13, 2012 at 7:00 p.m.. at the PERAC Offices, 5 Middlesex Avenue, 3rd Floor, Somerville, MA (Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations).
2. Wednesday, September 26, 2012 at 10:00 a.m. at the Middlesex County Retirement Board, 25 Linnell Circle, Billerica, MA ((Please e-mail Rose Cipriani at RCipriani@per.state.ma.us to make reservations

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State Ethics Commission Seminars (Three Hours Credit)

The State Ethics Commission will also be conducting educational seminars on this topic throughout 2012 at its offices in Boston at One Ashburton Place, Room 619.

The following is the schedule of these sessions for the remainder of 2012:

July 26, 2012 at 10:00 a.m.

August 23, 2012 at 10:00 a.m.

September 27, 2012 at 10:00 a.m.

October 25, 2012 at 10:00 a.m.

November 29, 2012 at 10:00 a.m.

Seating at these sessions is limited. Please contact 617-371-9500 to enroll.

Office of the Inspector General – Bidding Basics (Three Hours Credit)

The Office of the Inspector General (OIG) has developed an introductory online course that covers the legal requirements for the procurement of contracts by local government bodies for supplies and services under M.G.L. c. 30B. Although that statute does not apply to “a contract for retirement board services” recently enacted law sets forth similar requirements for retirement boards to follow when seeking certain services. In addition, retirement board members, under their fiduciary duty to act as a prudent expert would act, should employ best practices in this area.

(1) The course takes two to three hours to complete. It is available through the Commonwealth’s Learning Management System PACE through an internet connection. In the alternative you can complete the course using a CD. Registration forms are available at www.mass.gov/ig/mcppo/bb_online_regform.doc and must be submitted to the OIG.

PERAC is in discussion with the OIG to schedule stand alone sessions for retirement boards. As soon as plans are finalized we will inform you.

Thank You

The Commission would be remiss if we did not also thank all the rank and file members of the retirement boards who, in spite of other pressing duties, are making a good faith effort to fulfill their duties and responsibilities under the new law.