

Commission Meeting Minutes

July 9, 2025

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:03 AM. Chairman Brown acknowledged the other Commissioners present at the PERAC offices: Michael Leung-Tat, Kathleen Fallon, and Richard MacKinnon. Commissioner James Guido participated remotely. Therefore, the Chairman explained, all motions made at this meeting will be voted on by roll call vote. The Chairman also announced the meeting was being recorded. Commissioners Kate Fitzpatrick and Jennifer Sullivan were not present for the meeting.

PERAC Staff in attendance at the PERAC offices: Executive Director Bill Keefe, First Deputy Executive Director Caroline Carcia, Deputy Executive Director Kenneth Hill, Assistant Deputy Director Patrick Charles, General Counsel Judith Corrigan, Actuary John Boorack, Compliance Manager John Galvin, Associate General Counsel Christopher Windle, Systems Architect Anthony Tse, Communications Director Natacha Dunker, Auditor I Otis Williams, Auditor I Cheryl Norden, Auditor I Kyle Sturniolo, Auditor I Catherin Christopher, Auditor I Phuong Nguyen, and Auditor I Douglas Dike.

PERAC Staff attending remotely: Fraud Prevention Manager Sandra King, Senior Actuarial Analyst Timothy Larkin, and Actuarial Analyst Nate Geitz.

Guests participating remotely: Tom Gibson representing the Belmont and Middlesex County Retirement Boards, Kathleen Kiely-Bechetti representing the Norfolk County Retirement Board and MACRS, and Pat Brock representing the Hampshire County Retirement Board.

Commissioner Richard MacKinnon made a motion to adopt the minutes of the Commission meeting of June 11, 2025. Commissioner Leung-Tat seconded the motion, and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, James Guido YES, and Richard MacKinnon YES. The minutes were adopted.

Actuarial Update

John Boorack discussed the preliminary results of the January 1, 2025 State Retirement Board Actuarial Valuation. Before he began, Mr. Boorack acknowledged Actuarial Analyst Nate Geitz of his staff for the analysis and work performed in producing these results. Mr. Boorack indicated that the Unfunded Actuarial Liability decreased slightly from the January 1, 2024 valuation results. The UAL decreased from \$14.1 billion to \$13.8 billion. The Funded Ratio increased slightly from 72.5% to 73.9% and there was an overall gain of approximately \$402 million, consisting of a \$146 million gain on the actuarial liability and a \$256 million gain on the actuarial value of assets. He explained that the final report will be available at the September Commission meeting.

Legal Update

Judith Corrigan updated the Commission on the Division of Administrative Law Appeals (“DALA”) case of Matthew Verga v. Gloucester Ret. Bd. v. PERAC, CR-21-0282 (June 6, 2025). Matthew Verga (“Mr. Verga”) worked for the Gloucester Public Schools as a custodian since November 1996

and during his career he reported various work-related injuries. Eventually, Mr. Verga filed an application for accidental disability retirement based on neck and shoulder injuries. The Gloucester Retirement Board approved the application and sent it in to PERAC for its Chapter 32, Section 21(1)(d) review. However, it was not clear that Mr. Verga had suffered an injury “as a result of, and while in the performance of,” his duties, as required by statute. PERAC remanded Mr. Verga’s application for this reason. After further review of Mr. Verga’s application, the Gloucester Retirement Board denied his application and Mr. Verga timely appealed.

DALA agreed with PERAC and held that Mr. Verga was not entitled to accidental disability retirement benefits as he was not injured “while in the performance of, his duties at some definite place and at some definite time”. DALA also found that Mr. Verga was not able to point to a specific injury or a hazard undergone that would satisfy the causation requirements of Section 7(1). DALA also found that Mr. Verga cannot amend his application to include these new alleged incidents and even if he did, there was no record that those events had happened as described. Mr. Verga has filed an appeal of the DALA decision with the Contributory Retirement Appeal Board.

Ms. Corrigan also reported that she and Felicia McGinniss attended the National Association of Public Pension Attorneys Annual Conference held in Denver, Colorado from June 24 to June 27, 2025. Ms. Corrigan highlighted many of the topics presented at the conference and indicated that it was well attended and an excellent program.

Legislative Update

Patrick Charles reported that the House and Senate both enacted the FY26 Budget and sent it to Governor’s desk on June 30, 2025. PERAC is tracking the following provisions:

Wages Definition: The final budget included an amendment from the Commission’ stand-alone bill to make clear that any accrued sick, vacation, and personal time used in the usual course of employment would be considered regular compensation, provided that the member was not also receiving Workers’ Compensation payments. This change means that anyone taking leave under the Paid Family Medical Leave Act (“PFML”) and using any accrued time to supplement those payments will have the accrued leave counted as regular compensation.

Cost of Living Adjustment: The 3% COLA for State and Teachers was approved.

Secure Choice Savings Program: This program does not impact public sector employees that are in the pension system and have access to the SmartPlan. This program would apply to employers with 25 or more employees who do not already offer a qualified retirement plan. The employer would enroll employees and direct deductions into the fund. Workers would choose whether to make contributions and at what level.

MBTA Advisory Board: Multiple provisions were adopted to make employees of the MBTA Advisory Board state employees for purposes of membership in the State Retirement System, thereby allowing them GIC insurance coverage.

Retirement Plus: The House Budget included a provision to allow members of the Massachusetts Teachers’ Retirement System and Boston Teachers who had not previously opted into Retirement

Plus¹ a new one-time opportunity to enroll. The Senate did not include this provision in their version of the budget, and neither did the final committee report.

Mr. Charles noted that the Massachusetts Department of Revenue (“DOR”) June revenue report is not currently available due to the Fiscal Year end processing.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Beverly Retirement System Audit and Adams and Webster Retirement System Follow-up Audits. Ms. Shea explained that the Beverly Audit had one finding related to active member issues pertaining to incorrect contribution rates being deducted, incorrect interest rates being used for service purchases, and creditable service being calculated incorrectly. Ms. Shea reported that the Adams Retirement System Follow-up Audit had three findings, and all issues have been resolved. She reported that the one finding in the Webster Audit was resolved as well. Ms. Shea told the Commission that 102 Annual Statements have been submitted to date and that the Audit staff will begin reviewing and analyzing the statements. She further indicated that PERAC’s IT Unit in conjunction with our IT vendor, CGI, and the Audit staff rolled out a new application in PROSPER that will streamline the Annual Statement review process. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

Compliance Update

John Galvin reported that to date two active board members and 13 inactive board members have yet to file their Statement of Financial Interests statements that were supposed to be filed with the Commission by May 1, 2025. He indicated that staff are reaching out to these members and that certified letters will be disseminated shortly in the hopes that the members will comply with this requirement.

Mr. Galvin reported that PRIM’s return for May 2025 was 2.47%. The calendar year to date return through May 31, 2025 was 3.04%. The fund balance as of May 31, 2025 was \$112.7 billion. He reported that the S&P 500 was up 6.15% in May 2025, with a year-to-date return of 0.51%. The Dow Jones Industrial Average gained 3.14% for the month and was down 0.64% year to date.

Executive Director’s Report

Bill Keefe went over the staff activities that have occurred since the last Commission meeting on June 11, 2025. He also welcomed and introduced the six new Auditors we hired on July 7, 2025: Otis Williams, Cheryl Norden, Kyle Sturniolo, Catherin Christopher, Phuong Nguyen, and Douglas Dike.

Mr. Keefe reported that PERAC recently released a new Help Desk e-mail for the retirement board administrators to submit inquiries to the agency that will be logged in and disseminated to the appropriate unit for response. It is hoped that this approach will also provide us with educational topics for future trainings. He indicated that we have received over 40 inquiries since the creation of the Help Desk on June 2, 2025.

¹ For Boston Teachers, this program is referred to as “TARP” which stands for “Teachers’ Alternative Retirement Plan.”

Mr. Keefe informed the Commission that the Berkshire County Retirement Board (“the Board”) has been unable to select its fifth member, therefore, the Commission will have to select the member. The candidates will submit resumes and will have an opportunity to make a presentation to the Commission at the September Commission meeting.

Mr. Keefe noted that included in the Commission packet is Memorandum #17/2025 relating to updating the language used in the benefit calculation approval letters. He noted that PERAC’s Calculation Unit approves retirement board calculations based on the materials provided to us from the boards and that they do not perform an audit of the information submitted, therefore, we changed the calculation approval letters to clarify this.

Mr. Keefe discussed the most recent cyber-attack of a retirement board where ransomware was placed on the board’s IT Network and prevented them from accessing the network. He noted that no funds were missing and there were no reports of misuse of any personal or sensitive data. He indicated that the board in question took the necessary steps to prepare for this scenario. He indicated that included in the Commission packet is Memorandum #18/2025 informing the retirement boards of this recent cyber-attack.

Mr. Keefe reported that the 3rd Quarter Training schedule has been released and included in the Commission packet is a copy of the schedule in PERAC Memorandum #20/2025.

Mr. Keefe reported that on July 30, 2025, Chuck DiChiara, a Waltham Police Officer will be presenting to the staff Workplace Safety Training at PERAC Offices.

Mr. Keefe indicated that the Administrators’ Training will be held on August 20, 2025 in Northampton. The topics and presentations are geared for newly hired Board Administrators.

Lastly, Mr. Keefe noted that PERAC’s Annual Emerging Issues Forum will be held on September 17, 2025 at the DoubleTree by Hilton in Westborough, MA.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, September 10, 2025 at 11:00 AM.

Commissioner MacKinnon made a motion to adjourn the meeting. Commissioner Guido seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, James Guido YES, and Richard MacKinnon YES, and the motion was adopted.

The meeting was adjourned at 11:50 AM.

Commission Meeting Documents

Commission Agenda for the meeting of July 9, 2025

Commission Minutes dated June 11, 2025

Actuarial Update

State Retirement System Actuarial Valuation Results

Legal Update

Matthew Verga v. Gloucester Retirement Board & PERAC, CR-21-0282

Legislative Update

Memorandum regarding Legislative updates

Audit Update

Beverly Retirement System Audit

Adams Retirement Board Follow-Up Audit

Webster Retirement Board Follow-Up Audit

Audit Tracking Report

Compliance Update

Memorandum regarding Compliance updates

Mass PRIM PRIT Fund Performance Summer as of May 31, 2025

Executive Director's Report

Staff Activities Memorandum

PERAC Memorandum #17/2025 – Revised Language for Benefit Calculation Approval Letters

PERAC Memorandum #18/2025 – Cyber-Attack

PERAC Memorandum #20/2025 – Mandatory Retirement Board Member Training – 3rd Quarter, 2025

Save the Date – Emerging Issues Forum – September 17, 2025 – DoubleTree by Hilton, Westborough, MA

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission