

## **Commission Meeting Minutes**

**November 12, 2025**

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:08 AM. Present for all or part of the meeting at the PERAC offices were Commissioners Kate Fitzpatrick, James Guido, Michael Leung-Tat and Richard MacKinnon. Chairman Brown and Commissioners Kathleen Fallon and Jennifer Sullivan participated remotely. Therefore, the Chairman explained, all motions made at this meeting will be voted on by roll call vote. Commissioners James Guido and Jennifer Sullivan each arrived after the meeting was already underway, which is why they have no recorded vote for the earlier motions in the meeting. The Chairman also announced the meeting was being recorded.

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, Director of Audits Caryn Shea, Systems Architect Anthony Tse, Communications Director Natacha Dunker, Senior Associate General Counsel Felicia Barrufi, Associate General Counsel Daniel Taylor, Manager of Medical Services Patrice Looby, and Clinical Case Manager Mariyam Gadatia.

PERAC Staff attending remotely: Compliance Manager John Galvin and Fraud Prevention Manager Sandra King.

Guests participating in person: None.

Guests participating remotely: James O'Leary and Frank Valeri.

Commissioner Michael Leung-Tat made a motion to adopt the minutes of the Administrative Sub-Committee meeting of October 8, 2025. Commissioner Richard MacKinnon seconded the motion, and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Kate Fitzpatrick YES and Richard MacKinnon YES. The minutes were adopted. Commissioners James Guido and Jennifer Sullivan had no recorded vote.

Commissioner Michael Leung-Tat made a motion to adopt the minutes of the Commission meeting of October 8, 2025. Commissioner Richard MacKinnon seconded the motion, and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Kate Fitzpatrick YES and Richard MacKinnon YES. The minutes were adopted. Commissioners James Guido and Jennifer Sullivan had no recorded vote.

### **Administrative Sub-Committee Update**

Chairman Brown explained to the Commission that the purpose of the Administrative Sub-Committee meeting held right before the Commission meeting was to review and approve amended

Commission Policy 97-004, involving the promulgation of PERAC regulations, and to accept the recommendations of PERAC staff regarding some changes to other policies.

The matter involving Commission Policy 97-004 was taken up first. This change to the policy would permit the Commission, in this age of the ability to hold meetings remotely, to have only one hearing, in addition to soliciting public comment, attendant to the promulgation of a regulation. In addition, another change clarifies the role of the office of Administration and Finance in PERAC's regulation process.

Commissioner Fitzpatrick made a motion to accept the recommendation of the Administrative Subcommittee and amend Commission Policy 97-004 as explained above. Commissioner Leung-Tat seconded this motion. A roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Kate Fitzpatrick YES, James Guido YES, and Richard MacKinnon YES. The motion carried. Commissioner Jennifer Sullivan had no recorded vote.

The next issue to be taken up were amendments to three other Commission policies:

97-006 "Selection of the Seventh Member" - The proposed amendments provide that all six Commissioners must vote for a new Chairman. In the event of a tie, deliberations will continue, with the possibility of new candidates for the position being suggested. This reflects the statute which provides no specified resolution in the event of a tie.

04-001 "Impartiality of the Commission" - This policy previously stated that the Chairman of PERAC could not sit on, or be employed by, a retirement board. This policy is being amended to state that no PERAC Commissioner may sit on, or be employed by, a retirement board, with the exception of the Auditor or the Auditor's Designee, who by statute must sit on the Massachusetts Teachers' Retirement Board.

97-007 "Confidential Nature of Records" - This policy needs a technical correction, as the "Chairman of the Audit-Fraud Subcommittee" is designated as the person who will, from time to time, inform those with access to confidential records of their various obligations in that regard. The amendment instead designates the Executive Director of PERAC as the individual who bears that responsibility.

Commissioner Guido made a motion to accept the recommendation of the Administrative Subcommittee and amend these three Commission policies as outlined above. Commissioner Leung-Tat seconded this motion. A roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Kate Fitzpatrick YES, James Guido YES, and Richard MacKinnon YES. The motion carried. Commissioner Jennifer Sullivan had no recorded vote.

### **Actuarial Update**

Mr. Boorack discussed the results of the January 1, 2025 Massachusetts Teachers' Retirement System Actuarial Valuation. He indicated that the Unfunded Actuarial Liability decreased from \$25.31 billion to \$24.25 billion, and the Funded Ratio increased from 60.7% to 63.3% since the January 1, 2024 valuation. Mr. Boorack reported that the Investment return assumption remains the

same as last year at 7.0%. He indicated that there was a gain on the actuarial accrued liability of approximately \$454 million partly due to the pay for continuing active members increasing more than assumed. He explained that this gain is small compared to the overall liability, thus indicating that the assumptions used in the last valuation are working. He also indicated that there was a small gain of approximately \$265 million on the actuarial value of assets since the actual return of 7.7% exceeded the assumption of 7.0%. Overall, there was a total gain of approximately \$719 million.

Commissioner Kate Fitzpatrick made a motion to accept the results of the Draft Teachers' Valuation Report dated January 1, 2025. Commissioner Richard MacKinnon seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Kate Fitzpatrick YES, James Guido YES, Richard MacKinnon YES and Jennifer Sullivan YES. The motion carried unanimously.

### **Legal Update**

Judith Corrigan introduced PERAC's new Associate General Counsel, Daniel Taylor, to the Commission. She told the Commissioners that Dan is a very welcome addition to the Legal Unit and comes to us from the Secretary of State's Office, Public Records Division.

Ken Hill then reported on a recent decision of the Division of Administrative Law Appeals ("DALA"), *Anthony McDermott v. State Board of Retirement and PERAC*, CR-19-0071. He first recounted the lengthy and somewhat tortuous administrative history of this case, which began after PERAC remanded Mr. McDermott's termination allowance to the State Board of Retirement pursuant to PERAC's authority under Chapter 32, Section 21(1)(d). The issue in the case was Mr. McDermott's entitlement to a termination allowance pursuant to Chapter 32, Section 10(2). To be entitled to such an allowance, a member has to have 20 years of creditable service. Mr. McDermott was terminated before he attained 20 years of service but was kept on paid administrative leave for 16 months thereafter.

In a Decision dated October 17, 2025, DALA determined that the payments made to Mr. McDermott during that 16-month period were payments for his services to his employer, rather than severance payments. Therefore, such payments constituted regular compensation, and Mr. McDermott was entitled to creditable service for the duration of his administrative leave. As a result, Mr. McDermott amassed more than 20 years of creditable service and was entitled to a termination allowance.

Mr. Hill explained that at DALA, the Magistrate is the finder of fact. The Magistrate here found that the facts supported Mr. McDermott's claim that he performed services for his former employer and was paid for those services. Although PERAC disagrees with some of the Magistrate's findings, there is no legal basis for PERAC to appeal further to the Contributory Retirement Appeal Board, so this DALA decision is a final ruling of law.

### **Legislative Update**

Patrick Charles reported on an update to the Violent Injury Disability Act. He indicated that included by both chambers in their version of the FY25 closeout supplemental budget were two provisions relative to the Violent Injury Disability Act that was inserted into Chapter 32 last year by Chapter 149 of the Acts of 2024. The closeout budget is now in conference committee but the two provisions

relative to the Violent Injury Disability Act were included in both chambers and would not be subject to conference. The first change would add members of the State Police to the provisions of the Violent Injury Disability Act. The State Police were previously omitted from the Act. The second change is an amendment to the definition of “violent act injury”. Because certain language is too broad in the Act, PERAC has worked closely with the sponsoring legislator and stakeholders to change the previous definition to the following:

*“Violent Act Injury”, a catastrophic or life-threatening permanent bodily injury sustained as a direct and proximate result of a violent attack upon a person by means of a dangerous weapon, which is used in a manner intended to cause serious injury or death, including, but not limited to, a firearm, knife, automobile or explosive device.*

This removes the previous reference to “life altering” and clarifies the definition of a weapon used in such an attack.

Mr. Charles then reported on both the House and Senate reporting deadline dates and reported on the status of Senate Bill 1788 An Act Relative to PTSD and Accidental Disability which was filed at the Commission’s request by Senator Brady. The bill was released favorably by the Public Service Committee on October 30, 2025 and is now with the Senate Ways and Means Committee.

Mr. Charles also reported that PRIM’s return for September was 1.8%. The calendar year to date return through September 30 was 10.26%. The fund balance as of September 30 was \$121.1 billion. He further noted that the Department of Revenue’s October revenue figures were not available yet.

### **Audit Update**

Caryn Shea reported that since the last Commission meeting, PERAC has released the Boston, Haverhill, Lynn, and Melrose Retirement System Audits. Ms. Shea explained the various findings in the audits. She told the Commission that Audit Staff continue to review and analyze the Annual Statements through the new PROSPER Application which is working out well. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

### **Executive Director’s Report**

Bill Keefe noted that Commissioner MacKinnon was reappointed to another term on the Commission, with his term now ending on November 7, 2030.

Mr. Keefe reported on the staff activities that have occurred since the last Commission meeting on October 8, 2025. He noted that a representative from the Commonwealth’s Smart Plan presented at the monthly staff meeting regarding the Deferred Compensation Plan (457 Plan) and met individually with employees who requested to discuss their portfolios. He then discussed the most recent COLA Commission meeting and explained that other meetings will be scheduled in the coming weeks to start working on a report to file by the deadline date provided. He noted that the Legal Unit attended the retirement party of James Quirk, a longstanding pension attorney whom staff have worked with for many years. Bill mentioned the retirement board meetings he himself has attended in the past month. Bill told the Commission that PERAC hosted an Administrator’s training in Danvers on November 5, 2025, with over 55 attendees.

Mr. Keefe went through the PERAC Memoranda issued since the last Commission meeting which are included in the Commission packet. PERAC Memorandum #27/2025 relates to the FY27 Appropriation Questionnaire, PERAC Memorandum #27/2025 relates to Section 100 benefits and Cost of Living Adjustments, PERAC Memorandum #29/2025 relates to the Pension Fraud Posters.

Mr. Keefe then reported on the Commission's Fiscal Year 2025 actual spending amounts and the reporting requirements outlined in Commission Policy #99-001.

Mr. Keefe further discussed the annual letters the agency sends to the Massachusetts Medical Society and Department of Public Health as part of our outreach efforts seeking additional physicians to perform medical panel reviews and Comprehensive Medical Evaluations.

He then turned his attention to the proposed Calendar Year 2026 Commission meeting Schedule that is included in the Commission packet. Generally, the Commission meets on the 2<sup>nd</sup> Wednesday of each month at 11:00 AM. He noted that the Commission might want to consider moving the November 11, 2026 meeting, as that currently falls on Veterans' Day. He also noted that the December 9, 2026 meeting might conflict with the 2026 MACRS Conference in Springfield. He mentioned possible alternative dates.

Commissioner Richard MacKinnon made a motion to adopt the 2026 Commission meeting schedule, with the meetings being held on the 2<sup>nd</sup> Wednesday of each month, except that in November the meeting will be held on November 18, 2026 and in December the meeting will be held on December 16, 2026 should the MACRS Fall Conference be held in December. Commissioner James 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, Kate Fitzpatrick YES, James Guido YES, Richard MacKinnon YES and Jennifer Sullivan YES. The motion carried unanimously.

Mr. Keefe then recognized Clinical Case Manager Mariyam Gadatia on her recent promotion and thanked her for all her service to the Commission in the Disability Unit.

Mr. Keefe then announced PERAC's Holiday Party will be held on Wednesday, December 17, 2025 following the Commission meeting with a luncheon and Yankee Swap.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, December 17, 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, Kate Fitzpatrick YES, James Guido YES, Richard MacKinnon YES, and Jennifer Sullivan YES, and the motion was adopted.

The meeting was adjourned at 11:54 A.M.

### **Commission Meeting Documents**

Commission Agenda for the meeting of November 12, 2025  
Audit/Fraud Subcommittee Minutes dated October 8, 2025  
Commission Minutes dated October 8, 2025

### **Administrative Sub-Committee**

Commission Policy 97-004 “Commission Regulations”  
Commission Policy 97-006 “Selection of Commission Seventh Member”  
Commission Policy 04-001 “Ensuring Impartiality of the Commission”  
Commission Policy 97-007 “Designation of Persons with Access to Records Obtained  
by the PERAC Fraud Prevention Unit”

### **Actuarial Update**

Draft Teachers’ Valuation Report – As of 1/1/25

### **Legal Update**

DALA decision in *Anthony McDermott v. State Board of Retirement & PERAC*, CR-19-0071  
Memo discussing *McDermott* decision

### **Legislative Update**

Memorandum regarding Legislative updates

### **Audit Update**

Boston Retirement System Audit – 2018-2021  
Haverhill Retirement System Audit – 2017-2020  
Lynn Retirement System Audit – 2018-2021  
Melrose Retirement System Audit- 2018-2021  
Audit Tracking Report

### **Executive Director’s Report**

Staff Activities Memorandum  
Memorandum No. 27 of 2025 Appropriation Questionnaire  
Memorandum No. 28 of 2025 Section 100 COLA  
Memorandum No. 29 of 2025 Fraud Poster  
PERAC Policy 99-001 – Reporting of FY 25 Expenditures  
Draft 2026 Commission Meeting Schedule

Approved:



Philip Y. Brown, Chairman  
Public Employee Retirement  
Administration Commission