Commission Meeting Minutes

July 8, 2026

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:06 AM. Present for all of the meeting at the PERAC offices was Chairman Philip Y. Brown. Present for all or part of the meeting but participating remotely were Commissioners Kathleen Fallon, James Guido, Michael Leung-Tat, and Jennifer Sullivan. Commissioners Richard MacKinnon and Kate Fitzpatrtick were not in attendance. Because of remote participation on the part of some of the Commissioners, the Chairman explained that all motions made at this meeting will be voted on by roll call vote. 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, Director of Audits Caryn Shea, Systems Architect Anthony Tse, Senior Associate General Counsel Felicia Barrufi, Associate General Counsel Daniel Taylor, and Compliance Manager John Galvin.

PERAC Staff attending remotely: Actuary John Boorack, Communications Director Natacha Dunker, Deputy Compliance Manager Sarita Yee, and Fraud Prevention Manager Sandra King.

Guests attending in person: none

Guests participating remotely: Attorney Linda Champion of Murphy, Hesse, Toomey and Lehane, and Charles McLaughlin, a member of the general public.

Commissioner Kathleen Fallon made a motion to adopt the minutes of the Commission meeting of June 10, 2026. Commissioner James Guido seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Kathleen Fallon YES, James Guido YES, and Michael Leung-Tat YES. There was no recorded vote for Commissioner Jennifer Sullivan. The minutes were unanimously adopted.

Legal Update

Felicia Baruffi presented on the Division of Administrative Law Appeals ("DALA") case of Thomas Cavanaugh v. Boston Retirement Board & PERAC, CR-24-0552 (Jun. 26, 2026), which dealt with whether Mr. Cavanaugh was entitled to receive the retroactive amount of his retirement allowance during the one-month period it was terminated in August 2024 as a result of his failure to timely file his 2024 Annual Statement. DALA determined that Mr. Cavanaugh was entitled to receive the one-month retroactive payment because he had shown "good cause" for filing late and was able to demonstrate that he actually did file with PERAC in July 2024. The issue was that he submitted the 2024 tax documents with another year's Annual Statement Form, but he only had extra forms because he has filed late every single year since 2017. The Boston Retirement System and PERAC submitted a Joint Request for Reconsideration of the DALA Decision based on two grounds: (1) DALA failed to address the Respondents' argument that, pursuant to the language of G.L. c. 32, s. 91A, Mr.

Cavanaugh was required to repay his previously received allowance from April 15, 2026 until his date of compliance, and (2) DALA's decision that "good cause" could be shown in the first instance at DALA is contrary to the established case law.

Attorney Baruffi also reported on the case of Matthew Verga v. Gloucester Retirement Board & PERAC, CR-21-0282 (CRAB Jun. 26, 2026) concerning whether Mr. Verga was entitled to an accidental disability retirement benefit pursuant to a G.L. c. 32, § 7. The Contributory Retirement Appeal Board ("CRAB") affirmed the DALA decision that Mr. Verga was not entitled to an accidental disability benefit because he did not establish that he was injured "while in the performance of, his duties at some definite place and at some definite time" as required by Section 7. Mr. Verga asserted that he was injured during incidents in December 2013 and March 2014 while he was shoveling snow; however, no injury reports were provided. Additionally, the Board presented evidence that on one of the alleged December 2013 dates, it had not even snowed and so a shoveling incident could not have occurred, calling into question the dates and times he was actually injured. Finally, CRAB affirmed that Mr. Verga did not meet the hazard undergone theory as he was not able to demonstrate a hazard that is not common to all or a great many occupations. Attorney Baruffi explained that the turn-around time for this CRAB decision was very quick and highlighted that it was only a page decision, merely affirming the DALA decision. Attorney Baruffi explained that the DALA decision was very detailed and so that may be why CRAB issued a shorter decision. Finally, Attorney Baruffi informed the Commission that in this case, the current CRAB Chair did not participate because she had been the Magistrate for the DALA case. At the time of the Commission meeting, PERAC had not received notification that this case was appealed to Superior Court.

Daniel Taylor presented on several educational sessions and informal discussions from the National Association of Public Pension Attorneys ("NAPPA") Legal Education Conference held in Grand Rapids, Michigan. Attorney Taylor described several challenges facing retirement systems across the country, including unfunded liability, potential violations of the exclusive benefit rule, and the importance of maintaining a working relationship with the state legislature. Two such examples were 1) attempts to use pension funds to finance small businesses, and 2) a Kentucky pension fund which declined from full funding to 12% funding due to the expansion of benefits and reduction of legislative appropriations. Attorney Taylor also reported on common issues related to disability retirement, and the solutions some states have developed to streamline the disability retirement process, such as requiring annual physical examinations for high-risk positions.

Attorney Taylor further reported on discussions relating to the implementation of and best practices for use of artificial intelligence, especially the importance of standards relating to cybersecurity and privacy. They also reported on changes to the federal regulatory landscape, which has seen recent developments related to taxation, Social Security, and compensation limits. They then detailed the disability standards employed by the New York State pension system, which differ significantly from Massachusetts standards by declining to recognize injuries which stem from risks inherent to a person's duties. Finally, Attorney Taylor reported on a session involving pension forfeiture. Massachusetts is unique in finding that a pension forfeiture constitutes a fine under the 8th amendment to the US Constitution. All other state and federal jurisdictions which have addressed the issue have found that a pension forfeiture is not a fine.

Legislative Update

Patrick Charles reported that on May 21, 2026 a hearing was held on the proposed changes to 840 CMR 6.00 Standard Rules for Disclosure of Information. Several online participants asked questions. There were no written comments submitted and no changes to the draft regulations that were submitted to the Commission in April. The next step is to submit the proposed regulations to the Legislature for its 45-day review.

Commissioner Kathleen Fallon made a motion to submit proposed Regulation 840 CMR 6.00 – Standard Rules for Disclosure of Information to the Legislature for its 45-days review period. Commissioner James Guido seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Kathleen Fallon YES, James Guido YES, Michael Leung-Tat YES, and Jennifer Sullivan YES. The motion was adopted.

Mr. Charles then reported that on Wednesday, July 1, 2026 the Legislature voted to approve the FY2027 annual budget and send it to the Governor. Several pension-related provisions were included as follows:

COLA

The COLA proposal that included the establishment of a COLA Reserve Fund as well as a system for Enhanced COLA benefits for employees with at least 20 years of service who have been retired for at least 10 years were included in the final budget. There were some changes from the original House language. The percentage of excess gains that would be set aside each year and placed into the COLA Reserve Fund was reduced from 10% of excess gains to 7.5% of excess gains. The Enhanced COLA provisions parameters stayed the same as the House budget, but the effective date is delayed until there are sufficient reserves in the reserve fund to cover the actuarial cost of providing the Enhanced COLA. The local systems will have the local option to provide for the Enhanced COLA and for the establishment of the COLA Reserve Fund.

Post Retirement Earnings:

Included in the budget is an amendment to the earnings limitations cap contained in both Section 91 and 91A. The plus $15,000 limit will be increased to $25,000. This would be effective immediately and apply to calendar year 2026 earnings limitations for all Section 91A retirees. Non-disability retirees must be retired for one calendar year before the extra earning ability is added to their post-retirement calculation, so this will not have universal application to all non-disability retirees immediately.

Veteran's Buyback for Judges

A provision was included to allow for members of the judicial retirement system to purchase military service in the same manner as provided to other system members under G.L. c. 32, s. 4(1)(h). This will allow judges to purchase military service and have those years included in the required years of service needed for a judicial pension.

Retirement Plus
The Retirement Plus provisions that were originally in the House budget were not included in the final budget. As mentioned last month, the Senate has passed a stand alone bill that would provide another one-time opportunity for members to elect Retirement Plus.

H5527 An Act Relative to Massachusetts Winning Global Investment, Talent, and Innovation
On June 22, 2026, the Committee on Economic Development and Emerging Technologies released an amended version of the Governor's bill H 5386, removing a provision that PRIT set aside $50-100 million dollars for a fund to invest in early stage or growth state companies.

H5496- CRAB reform
A supplemental budget bill H 5496 has passed the House and is now in the Senate. Section 27 of this bill includes language that would have the attorney general, PERAC, the governor, and for disability cases, the Secretary of Health and Human Services, to appoint up to four additional members to CRAB when the CRAB Chair determines there is a backlog. PERAC convened a group including public pension attorneys, board directors and members, MACRS, Mass. Retirees, the Professional Fire Fighters of Massachusetts and the Mass. Coalition of Police to discuss this proposal with the Attorney General's Office and offer an alternative plan to join in advocating for additional staff attorneys for CRAB. We had a very good meeting with the AG's Office. They explained they realize the additional appointments are not a long-term fix, but as they have made a request internally for staff attorneys to assist in the drafting of CRAB cases, they are expecting a surge of cases which the additional appointments could help expedite. Discussion will continue with the AG's Office on ways to improve CRAB.

Mr. Charles then reported that PRIM's return for May was 2.02%. The calendar year to date return through May 31 was 5.7%. The fund balance as of May 31 was $129.7 billion.

Lastly, Mr. Charles reported that the June 2026 revenue figures from the Department of Revenue have not been released yet due to the end of the Fiscal Year.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Framingham and Northampton Retirement System audits. She explained that the Framingham audit had several findings and Northampton had no findings. Ms. Shea discussed the findings in the Framingham audit report. Ms. Shea then reported that follow-up audits were conducted for the Beverly and Methuen Retirement Boards.

Ms. Shea then reported that she presented on Cashbook Reconciliation for the Massachusetts Collectors and Treasurer's Conference on June 16, 2026. She also informed the Commission that PERAC has received 99 Annual Statements to date with 93 reviewed by Audit staff. Ms. Shea then went through the status of other board audits as outlined in the Audit Tracking Log.

Executive Director's Report

Bill Keefe announced that Felicia Baruffi was elected as President of the Massachusetts Association of Public Pension Attorneys for a two-year term.

Mr. Keefe then discussed creating a taskforce to consider legislative action regarding dealing with the back log of retirement cases at the Contributory Retirement Appeal Board ("CRAB").

Mr. Keefe then went over the staff activities that have occurred since the last Commission meeting on June 10, 2026. He reported that John Boorack, Caryn Shea, and himself presented at the Massachusetts Treasurer's & Collector's Conference on June 16, 2026. He also discussed that Patrick Charles, Ken Hill, John Boorack and himself presented at the Department of Revenue's Local Services Local Finance Commonwealth Fellowship program on June 25, 2026. He explained that this program is for a selected group of students at a Community College that are interested in a career in local government.

Mr. Keefe then discussed that both he and Caroline Carcia attended an ANF one-hour community session on ChatGPT. He explained that Executive Branch agencies are currently using EOTSS ChatGPT and sharing their experience with its capabilities. He explained that we are in contact with EOTSS to learn more about rolling out ChatGPT at PERAC for various uses.

Mr. Keefe discussed the several attempted cyber-attacks sent to retirement boards from an actual public pension attorney and an actual Actuary's e-mail addresses. He informed the Commission that we notified the retirement boards immediately of this attempt.

Mr. Keefe also informed the Commission that communications were sent to the retirement boards regarding the status of interested legislative matters and informing the boards that we are receiving unnecessary confidential information and documents as part of the medical panel process. Both communications are included in the Commission packet.

Mr. Keefe then discussed the most recent PERAC Memoranda regarding the Tobacco Company List and the 3rd Quarter Educational offerings which are included in the Commission packet.

Mr. Keefe noted that we have secured dates for the next three Administrator Trainings which are listed in the 3rd Quarter Educational Memorandum #19/2026 with the most immediate session being held on August 19, 2026 in Northampton. Mr. Keefe reminded the Commission that the Emerging Issues Forum will be held on September 17, 2026 in Westborough and that registration will open in the coming weeks. He further noted that he will be attending the National Association of State Retirement Administrator's ("NASRA") conference being held in Boston, MA from August 8-12, 2026.

Lastly, Mr. Keefe discussed that PERAC Pension News No. 71 has been released to interested parties and is included in the Commission packet.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, September 9, 2026, at 11:00 AM.

Commissioner James Guido made a motion to adjourn the meeting. Commissioner Michael Leung-Tat seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Kathleen Fallon YES, James Guido YES, Michael Leung-Tat YES, and Jennifer Sullivan YES. The motion was adopted.

The meeting was adjourned at 11:49 A.M.

Commission Meeting Documents
Commission Agenda for the meeting of July 8, 2026
Commission Minutes dated June 10, 2026

Legal Update
Thomas Cavanaugh v. Boston Retirement Board & PERAC, CR-24-0552
Matthew Verga v. Gloucester Retirement Board & PERAC, CR-21-0282

Legislative Update
Memorandum regarding Legislative updates
PRIM Board Quarterly Update – First Quarter 2026

Audit Update
Framingham Retirement System Audit
Northampton Retirement System Audit
Beverly Retirement System Follow-Up Audit
Methuen Retirement System Follow-Up Audit
Audit Tracking Report

Executive Director's Report
Staff Activities Memorandum
Communication to Retirement Boards RE: Cyber Incidents
Communications to Retirement Boards – 6/23/26 RE: Legislative Matters
Communication to Retirement Boards – 6/25/26 RE: Submission of Medical Records
PERAC Memorandum #18/2026 – Tobacco Company List
PERAC Memorandum #19/2026 – 3rd Quarter Educational Offerings
Pension News No. 71

Approved:

Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission