

Retiree Connection

Published for Retired Members
of the State Employees' Retirement System.

Winter 2020 ♦ Volume 15 Issue 1

Retirement Board Member Election: The Results are In!

The State Board of Retirement ("Board") completed its regularly scheduled Board Member Election on Friday, December 6th. The Board is pleased to announce that Francis E. Valeri was re-elected to another three-year term as one of two elected members of the Retirement Board. 14,748 (9.99%) MSERS members voted. The final results are as follows:



Francis E. Valeri

Candidate	Votes
Francis E. Valeri (Incumbent)	11,127
Joyce Wilkins Nkwah	2,418
Marziale Francis Carlopoli	1,203

Thank you to all who took part in this election!

Marianne Welch, Deputy Executive Director, Retires

The caption on the cake read "Treasury Service Above & Beyond." No truer words were spoken about Marianne Welch, former Deputy Executive Director of the Massachusetts State Retirement Board (MSRB). After serving 38 years in public service, all of which was with the MSRB, Marianne decided it was time to retire to spend more time relaxing and having fun with her beloved family.

Marianne began working at the Board right after she graduated from college. Over the years, she held various positions while advancing to the position of Deputy Executive Director.

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A Message from the Office of State Treasurer Deborah B. Goldberg

In this edition of Retiree Connection, I would like to congratulate Frank Valeri on being re-elected to another 3-year term on the Retirement Board. Frank began his service in January 2016 and has worked tirelessly for Massachusetts retirees. We are incredibly lucky to have him.

I also want to recognize former Deputy Executive Director, Marianne Welch. Marianne recently retired after 38 years of dedicated service to the Retirement Board.

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Marianne Welch, Deputy Executive Director, Retires

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During her time as Deputy Executive Director, Marianne worked hard to collaborate with Executive Director Nicola Favorito in leading and providing direction to the Board and its staff.

Marianne was a vital member of the Massachusetts Retirement Information System (“MARIS”) Team and implementation. In January 2017, MARIS replaced the Board’s 40-year old computer system. The replacement project is named after the Board’s late Deputy Director, Robert C. Minue.

A reception (one of many!) was held to honor Marianne’s exceptional dedication to public service. Many members of Marianne’s immediate family, friends, current and former Retirement Board staff, and Treasurer and Receiver General Deborah Goldberg attended.

In a formal proclamation, Treasurer Deborah Goldberg extended her best wishes to Marianne for a future of good fortune and continued success in all her endeavors.



Executive Director Nicola Favorito and
Marianne Welch

“I hope to see her on all her travels on Facebook. I know how much she loves all of you, her family.”
Treasurer Goldberg remarked.



“My work family has just been fabulous. I see friends from years ago, and I see co-workers from many years ago, who came for me today. Thank you, everyone, continue the good work at the Retirement Board,” remarked Marianne after the Treasurer presented her with the proclamation.

Marianne continued, “we did it, and we did it together. It may not have been easy, and we had a lot of bumps thrown at us

with Pension Reform and the passing of dearly beloved co-workers,” referring to the time she spent working on the implementation of MARIS since February of 2010. “But we pulled ourselves up by our bootstraps. We went live.”

“I’m going to be around, hopefully, maybe even in the Retirement Board a little bit on occasion,” Marianne commented on a few of her plans following retirement. “I’m going to do some traveling. Enjoy those little kids some more. And then, who knows what I’ll do. But it’s been a pleasure. Thank you.”

Marianne officially retired at the beginning of September of 2019. Marianne will undoubtedly be missed around the Boston office; however, all the Retirement Board staff are excited that she is taking on this new chapter of her life and wish her all the best in all her future ventures.



Treasurer Deborah Goldberg and
Marianne Welch

Notice of 2020 Pension Reserves Investment Management (PRIM) Board Election

Pursuant to Massachusetts General Laws c.32, §23 (2A)(a), the Pension Reserves Investment Management Board (PRIM) will conduct a regularly scheduled election for the Massachusetts State Employees' Retirement System representative on the PRIM board. The elected member will serve for a three-year term without compensation beginning July 20, 2020.

Nomination papers were made available on November 15, 2019, at the Retirement Board's offices, One Winter St., 8th FL, Boston; 436 Dwight Street, Room 109A, Springfield; or through its website at: www.mass.gov/retirement.



Completed nomination papers must be received at the Retirement Board's offices on or before 5:00 p.m., January 24, 2020.

After qualification of candidates, official ballots will be issued on or about March 15, 2020, and must be returned by May 8, 2020, to the Election Vendor. You may obtain a complete set of Election Rules from the Retirement Board's offices or through its website.

If you have any questions, please contact Nicola Favorito, Esq., Executive Director at (617) 367-7770.

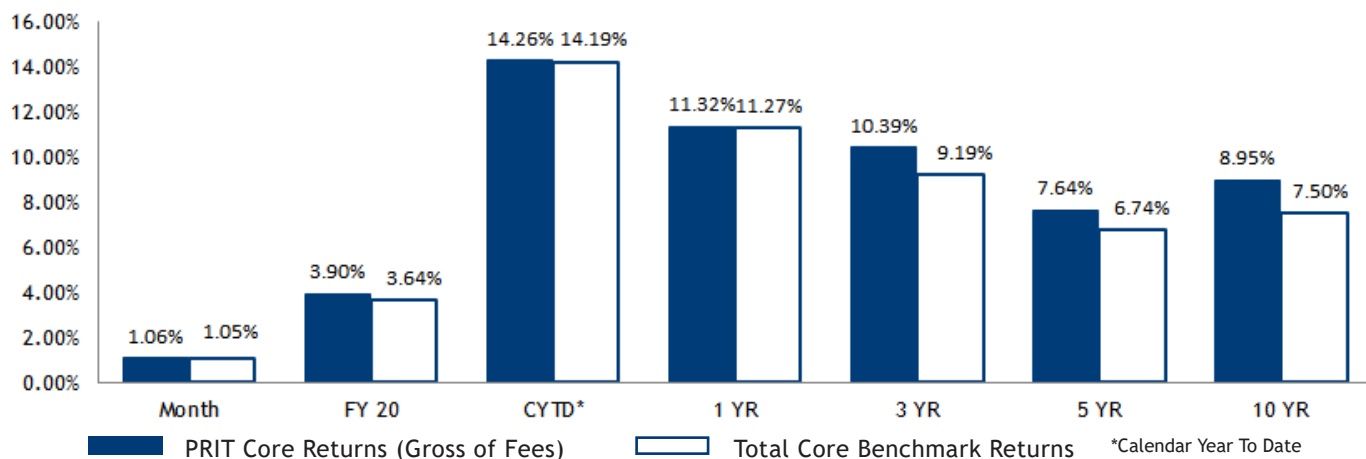
Your State Pension Fund - PRIM Board Update as of November 30, 2019

Pension Reserves Investment Trust (PRIT) Fund Assets:

State Employees' Retirement System (SERS) Net Assets:

\$77,477,423,000

\$29,139,477,733



A Note About PRIT Fund Updates

The PRIT Fund updates are courtesy of the PRIM Board. Due to limited space, we can only provide a condensed version of fund updates. For full quarterly updates and more detailed information about the PRIM Board, please visit their website at www.mapension.com.

The Retired State, County and Municipal Employees Association, also known as Mass Retirees, Announces the Creation of the Public Retirees Alliance

Mass Retirees and the Texas Retired Teachers Association have announced the creation of the Public Retirees Alliance.

The Public Retirees Alliance looks to address reforming the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) laws on file. Their website looks explicitly at “Public Servants Protection and Fairness Act - H.R. 4540” and not the other bills (such as H.R. 3934) that have been filed in terms of addressing the WEP.

For more information, please visit their website <https://www.publicretirees.org/>

Comparing Windfall Elimination Provision (WEP) Replacement Bills, H.R. 3934 versus H.R. 4540

Recently, two bills seeking to modify the current Windfall Elimination Provision (WEP) Laws were filed in the House of Representatives. The following provides an overview of the similarities and differences between them. If you have any questions regarding the current WEP or GPO laws, please reach out to the Social Security Administration’s office: <https://www.ssa.gov/agency/contact/>

Both:

- **Formula is the same** in both, just called something different. Formulas calculate benefit amounts based on the proportion of lifetime earnings subject to FICA taxes.
- **No “claw back” from current retirees** to help offset additional costs for new formula versus WEP. That provision was in the original H.R. 711 (2014), but was removed before the bill was ultimately killed.
- **Both require SSA to show noncovered as well as covered earnings records on the annual Social Security Statements.**

H.R. 4540 - Submitted by Representative Richard E. Neal (D-MA-1):

- WEP replacement formula is called the “**Public Servant Protection**” (PSP) formula.
- **Benefit protections are permanent.**
- **Provides relief payments to current retirees who turn 62 in 2022 (i.e., \$150/month). No payments to spouses.**
- **Future retirees (after 2022) get the PSP formula.**
- **H.R. 4540 is more expensive than H.R. 3934, both in the short-term and long-term.**
- **Hold harmless to Social Security Trust Fund** for initial increased costs for PSP versus WEP. U.S. Treasury is to offset and Trust Fund deficits by transferring funds from general federal revenue to the Social Security Trust Fund.
- **Requires a study by the Comptroller General (i.e., Government Accountability Office, GAO) rather than the Commissioner of Social Security.** HR 4540 requires a GAO study and reporting to Congress within two years of the extent to which state and local governments know whether the public employee pension they pay are based on noncovered service to fill a critical knowledge gap for determining the feasibility of data exchanges or other reporting mechanisms on noncovered pensions.

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H.R. 3934 - Submitted by Representative Kevin Brady (R-TX-8):

- WEP replacement formula is called the “**Public Servant Fairness**” (PSF) formula.
- **Relief payments for current retirees begin 9 months after the bill is enacted.**
- **Today’s workers** with noncovered Social Security earnings and a noncovered pension who are first eligible for benefits from 2022 to 2060 – age 21 to 59 in 2019 – the higher of either current law or the proportional formula is applied;

Future workers who are 20 and younger today (first eligible for benefits in 2061 and later), a worker’s benefit amount will be calculated using total lifetime earnings and then adjusted for the proportion of earnings that came from jobs where the individual paid Social Security taxes;

Currently retired public servants subject to the WEP who are first eligible for benefits before 2022 (60 and older in 2019) will receive restoration of benefits payments that offset a portion of the WEP reduction; in 2022 the payment will be \$100 per month for retired workers and \$50 per month for individuals receiving a spouse benefit (the amount will be updated annually based on the Social Security cost-of-living adjustments).

- **Benefit guarantee option to choose which formula is best for the person expires in 2060.** At that time retirees will no longer have the option to choose which system/formula (PSF or existing WEP) will apply; all will be subject to new PSF formula. When the option expires 70 percent will not be negatively impacted based on current data.
- **Requires a study by the Commissioner of Social Security to test ways to increase information sharing between SSA and state/local pension systems** to improve the accuracy of applying the WEP, i.e., data exchanges. Uses same approach outlined in HR 6933 (i.e., data exchanges) and requiring a study/pilot project by the Commissioner of Social Security.
- **H.R. 3934 has no transfer from general revenue to Social Security Trust funds versus such transfers included in HR 4540.**

Links to information about both bills and existing WEP/GPO information:

H.R. 3934

Equal Treatment of Public Servants Act, Ranking Member Brady Proposal

- <https://gop-waysandmeans.house.gov/equal-treatment-of-public-servants-act-of-2019/>

Previous letter was sent to Congress supporting this bill, but Ranking Member Brady’s staff requested a brief reiteration of NCSSSA’s support due to the introduction of Chairman Neal’s proposal.

H.R. 4540

Equal Treatment of Public Services Act, Chairman Neal Proposal

- <https://waysandmeans.house.gov/media-center/press-releases/neal-introduces-legislation-fix-social-security-wep-provision-improve>

If you have any questions regarding either of these bills, please reach out to Representative Neal or Brady’s offices.

Representative Richard Neal: <https://neal.house.gov/> | Representative Kevin Brady: <https://kevinbrady.house.gov/>

Understanding Your Benefits:

2019 State Retirement System Actuarial Valuation Report Highlights¹

Every January the Public Employee Retirement Administration Commission (PERAC) publishes a valuation report of the Massachusetts State Employees' Retirement System. The report provides demographic, financial and funding information about the plan as of each January 1st. Some highlights from the 2019 report are summarized below. The full report is available on the MSRB website as a downloadable pdf. To access it go to mass.gov/retirement > click on the “**Newsletters & Publications (MSRB)**” link > then scroll and click the “**Publications (MSRB)**” link, scroll to the bottom of the page and look under the “**State Retirement System Actuarial Valuation Reports**” section. The report title/link name is [2019](#). Additionally, the full report, along with other retirement systems valuation reports, can be found on PERAC's website, mass.gov/perac.

State Employees at a Glance:

Total number of MSERS members	87,969
Average age	47.0
Average years of creditable service	12.5
Average annual salary	\$72,235

Funding Level (in thousands)

Total actuarial liability of MSERS	\$42,595,224
Actuarial value of MSERS Assets	\$27,595,224
Unfunded actuarial liability ²	\$15,458,585
MSERS funded ratio	63.7%

State Retirees and Survivors at a Glance:

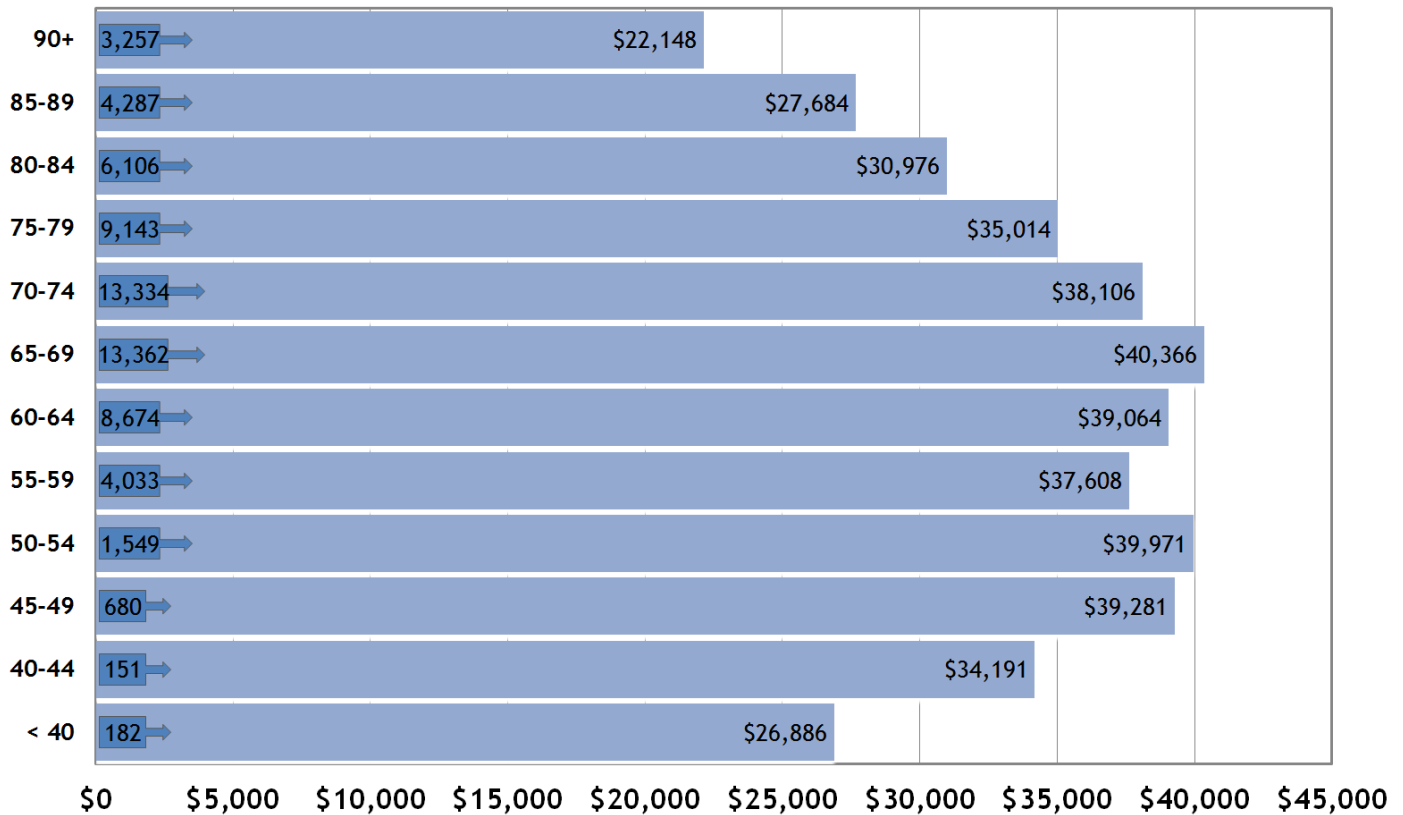
Total number of retirees and survivors	64,758
Average age	71.9
Total benefits paid	\$2.336 Billion
Average annual benefit	\$36,084

²Unfunded Actuarial Liability Explained:

Unfunded actuarial liability is when the estimated cost of future benefits the Commonwealth is expected to pay in retirement benefits is larger than the estimated future value of current assets. The commonwealth currently makes annual payments to the PRIT fund and is mandated by M.G.L., Chapter 32 to bring the unfunded actuarial liability to zero by June 30th, 2040.

¹This valuation was based on member data as of December 31, 2018.

Average Pension Benefit by Age Group as of 1/1/19



■ Number of Retirees & Survivors ■ Average Benefits

The largest number of benefit recipients are in the 65-69 age range with the highest average benefit of \$40,336. There are 3,257 benefit recipients aged 90 and above, and there are only 182 benefit recipients that are aged 40 and younger.

A Message from the Office of State Treasurer Deborah B. Goldberg

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Marianne was the driving force in the implementation of the new MARIS software system, which manages all aspects of retirement information necessary to operate the Board's responsibilities. MARIS replaced a 40 year old legacy system and this conversion was an enormous undertaking. Marianne spent many, many hours successfully overseeing the project and we are incredibly grateful for her efforts.

Marianne worked her entire career at the Retirement Board, beginning right after her college graduation. She never stopped working hard and dedicated her life to public service. Marianne will be truly missed as she embarks on her well-deserved retirement. We wish her all the best in her future endeavors.

Deborah B. Goldberg,
Treasurer and Receiver General

Applications Now Being Accepted to Host Scam and Fraud Prevention Workshops Across Massachusetts

These workshops give seniors the financial skills they need to protect themselves from scams and frauds

The State Treasurer's Office of Economic Empowerment, in a public-private partnership with People's United Bank and the Financial Planners Association, is now accepting applications to host workshops for the 2020 Scam and Fraud Prevention program. This round of applications marks the fourth consecutive year for this successful statewide program.

The program educates individuals on the dangers of financial scams that frequently target the elderly and equips them with the skills needed to identify and avoid financial exploitation.

"The elderly are the most frequent and vulnerable targets of financial scams and fraud," said Treasurer Deborah Goldberg. "I am grateful for our continued partnerships and for the opportunity to provide workshops and education to seniors across Massachusetts on financial security."

Host a Workshop Near You

To request a workshop near you, email us at empowerment@tre.state.ma.us

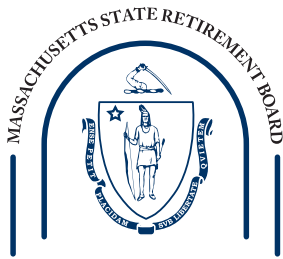
IRS Form 1099-R to be Mailed by the End of January.

The MSRB will mail your IRS Form 1099-R by January 31st. This form contains important benefit payment information required to complete your 2019 tax return. Your Form 1099-R is now available to view online on PayInfo. However, it is important to note that the digital version of this form is unofficial and for reference only.

Please be sure to keep your mailing address up to date with MSRB to ensure you receive your 1099-R tax statement in a timely manner. Note, even if you receive your allowance through direct deposit, the board will periodically mail important correspondence to you. Members who need to update their address may use the Retiree Change of Address Form, which is posted on our website.

One important reminder is for retired members who received a monthly retirement benefit both pre and post age 59 ½ in 2019. Please be advised that most of you will receive two Form 1099-R's. The retirement allowance paid up until the month before you turned age 59 ½ will be reported on one Form 1099-R using distribution code 2, and the retirement allowance paid for the remainder of the year will be reported on a second Form 1099-R using distribution code 7. Information from both forms should be used for tax reporting purposes. If you receive two Form 1099-R's, you may only be able to view one due to limitations to the PayInfo application.

Note: the MSRB cannot accept address changes over the telephone, nor can MSRB staff advise you on tax-related matters. Please direct all questions about your individual tax liability to your accountant tax professional, the Internal Revenue Service, or your state Department of Revenue.



2020

Massachusetts State Retirement Board Pension Check Calendar

**Direct Deposit of your monthly benefit occurs on the last business day of the month.
Paper checks are mailed two business days prior to the direct deposit date.**

Month	2020 Mail Dates	2020 Direct Deposit Dates
January	Wednesday, 1/29	Friday, 1/31
February	Wednesday, 2/26	Friday, 2/28
March	Friday, 3/27	Tuesday, 3/31
April	Tuesday, 4/28	Thursday, 4/30
May	Wednesday, 5/27	Friday, 5/29
June	Friday, 6/26	Tuesday, 6/30
July	Wednesday, 7/29	Friday, 7/31
August	Thursday, 8/27	Monday, 8/31
September	Monday, 9/28	Wednesday, 9/30
October	Wednesday, 10/28	Friday, 10/30
November	Wednesday, 11/25	Monday, 11/30
December	Tuesday, 12/29	Thursday, 12/31

Main Office: One Winter Street, 8th Floor, Boston, MA 02108. Phone: 617-367-7770 Toll Free (within MA): 1-800-392-6014
Regional Office: 436 Dwight Street, Room 109A, Springfield, MA 01103. Phone: 413-730-6135
mass.gov/retirement

Massachusetts Treasurer Deborah B. Goldberg Assumes Presidency of The National Association of State Treasurers

Treasurer Goldberg To Lead Association Throughout 2020

WASHINGTON, DC – On January 3, 2020, Treasurer and Receiver General of the Commonwealth of Massachusetts Deborah B. Goldberg, assumed office as President of the National Association of State Treasurers (NAST), the nation's leading advocate for responsible state treasury programs and related financial practices and policies. Treasurer Goldberg was elected NAST President at the Association's 2019 Annual Conference. She succeeds Utah State Treasurer David Damschen, who served as NAST President throughout 2019.

Treasurer Goldberg's extensive leadership and fiscal management experience provide her with a strong foundation to effectively carry out NAST's top priorities. After being elected Massachusetts State Treasurer in 2014, Treasurer Goldberg was reelected in 2018. She is known for her deep commitment to the advancement of policies that break down barriers and create economic empowerment opportunities for everyone.

"I am honored to serve as President of NAST this year," said Treasurer Deb Goldberg. "I look forward to leading my bipartisan colleagues in our efforts to enhance economic stability and economic security for all citizens in every one of our states. We will collaborate to promote legislation that supports our initiatives to rebuild infrastructure, increase access to financial literacy programs, enhance returning unclaimed property to its rightful owners, and grow affordable retirement and ABLE savings accounts."

"Treasurer Goldberg has been an important member of NAST since 2014, and so it is no surprise to see her elected as our President," said NAST Executive Director Shaun Snyder. "2020 will be an important year for NAST, and Treasurer Goldberg is the right person to lead us in our next phase."

Throughout her year-long term, NAST President and State Treasurer Goldberg will lead the association's efforts to provide advocacy and support for sound fiscal policies and programs. NAST's top legislative priorities include promoting and maintaining tax-exempt municipal bonds, restoring the ability to use tax exempt advance refunding of municipal bonds, financial literacy, 529 college savings plans, ABLE accounts, and unclaimed property.

About National Association of State Treasurers

The National Association of State Treasurers seeks to provide advocacy and support that enables member states to pursue and administer sound financial policies and programs benefiting the citizens of the nation. Membership is composed of all state treasurers or state finance officials with comparable responsibilities from the United States, its commonwealths, territories, and the District of Columbia. The private sector is represented through the Corporate Affiliate Program that was established to build professional relationships and foster cooperation between the public and private sectors. The association serves its members through educational conferences and webinars, a variety of working groups, policy advocacy, and publications that provide information about developments in public finance. For more information, visit www.nast.org.

1960's Musicians and Bands

For this **Retiree Connection**, we have another puzzle to solve! Check out our word search puzzle below to see if you can find the names of some famous musicians and bands that were popular throughout the 1960s!

E L S C P T O H U S L U Q S J
U L N U N E E K Y E L B R E A
Q B V E P N A O D Q P E S L C
L I J I D R B Z H W H A D R K
O W P R S H E K P T W T R A I
I H I M C P R M O V F L Y H E
S X W A P N R R E Z Z E B C W
A B E E D M B E V S Y S X Y I
F B L T H Y B D S W T I S A L
H I M R L T J M U L J Y F R S
N Y A R D B I R D S E O K W O
L X E K X J I Q Y M M Y B J N
A V R O L L I N G S T O N E S
E S F S N O S A E S R U O F M
S E E G E E B L N Q A Q O A M

Word Search Legend

BEATLES

HENDRIX

THEWHO

LEDZEPPELIN

ELVIS PRESLEY

BYRDS

BEACHBOYS

ROLLINGSTONES

YARDBIRDS

RAYCHARLES

SUPREMES

FOURSEASONS

BEEGEES

EVERLYBROTHERS

JACKIEWILSON

Puzzle created on <http://puzzlemaker.discoveryeducation.com/>



THE COMMONWEALTH OF MASSACHUSETTS
State Retirement Board
ONE WINTER STREET, 8TH FLOOR, BOSTON, MA 02108

This Newsletter was printed using soy inks on post-consumer recycled fiber.

You can help too!

If you would like to be added to our e-mail list to receive this newsletter electronically, please e-mail your request to:

MSRBCommunications@tre.state.ma.us

We Want to Hear from You!

Please send any comments you have about our newsletter to the editor at pdaddona@tre.state.ma.us or by mail to our Boston office. Please include your name and address. At the discretion of the editor, selected items may be re-printed in future issues, and edited for clarity and space.

Retiree Connection

Winter 2020 ♦ Volume 15 Issue 1

REMINDERS

- The 2020 Pension Paycheck calendar is also posted online at mass.gov/retirement!
- Stay up-to-date with the *Retiree eNews Bulletin*, which is emailed every month! Email your subscription request to MSRBCommunications@tre.state.ma.us.

State Retirement Board

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Related Agencies

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1-877-457-1900

Group Insurance Commission
617-727-2310, Ext. 2



You Served the Commonwealth... We Serve You!