

MEMORANDUM

TO: All Retirement Boards

FROM: Bill Keefe, Executive Director

RE: PERAC Regulations 840 CMR 2.00, 8.00, 11.00, 12.00, & 15.00

DATE: April 17, 2024

PERAC has been engaged in a multi-year process to review and update its regulations. As part of that process, we have recently promulgated amendments to sections 840 CMR 2.00 *Retirement Board Travel*; 840 CMR 8.00 *Applicability of \$30,000 Salary Cap*; 840 CMR 11.00 *Service After Age 70*; 840 CMR 12.00 *Service Between Age 65 and 70*; and 840 CMR 15.00 *Miscellaneous*. These regulations were published by the Secretary of the Commonwealth on March 29, 2024, and are now in effect.

Summarized below are the substantive changes that were made to each of the above referenced regulations. Minor changes, such as spelling and grammar, are not discussed. Complete copies of all of our regulations are available on our website.

840 CMR 2.00 Retirement Board Travel

The majority of the changes to 840 CMR 2.00 were to simplify subsections and update language so that the regulations would keep up with future changes to travel.

840 CMR 2.06 now notes that mileage reimbursement will be at the IRS set rate if the retirement board does not have a supplemental regulation establishing a different rate.

840 CMR 2.07 no longer allows for board members and board staff to seek reimbursement for staying at their own place, such as a rental or vacation home.

840 CMR 2.11 regarding board credit cards has been removed from this section and added to 840 CMR 15.00.

All retirement boards should review the travel regulations and consider whether they wish to adopt additional supplemental regulations. If the board already has supplemental regulations, it should review its existing regulations and make any amendments necessary to maintain compliance with the updated provisions of 840 CMR 2.00.



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840 CMR 8.00 Applicability of \$30,000 Salary Cap & 840 CMR 11.00 Service After Age 70

840 CMR 8.00 and 11.00 were both repealed in their entirety as there are currently no capped systems and G.L. c. 32, § 90G ³/₄, regarding the treatment of service after age 70, was repealed in 2017. As such, these sections are no longer relevant.

840 CMR 12.00 Service Between Age 65 and 70

840 CMR 12.00 was largely repealed given that there is no longer a distinction between age groups for service after 65. Subsection 12.01 was the only subsection retained as that concerns the mandatory retirement age for certain public safety employees.

840 CMR 15.00 Miscellaneous

840 CMR 15.00 had several notable updates and changes. However, PERAC did not make any changes or updates regarding Regular Compensation under 840 CMR 15.03.

840 CMR 15.01 no longer requires that a notarized affidavit be filed with the retirement board. Instead, retirees and beneficiaries are eligible to submit annual attestations, at least once every 2 years, that are signed under the “penalty of perjury.” Retirement boards must complete a random audit of at least 5% of the attestations received.

Alternatively, retirement boards can complete data/death matches, no less than every six months, through a contracted third-party provider. If a Board uses a data/death match service, they do not need to send the attestations, however, the Board may continue to do so as an added measure. All records of the data/death match must be maintained and accessible through the next PERAC audit.

840 CMR 15.02 deals with the buybacks of prior membership service, and the purchase of non-membership service, when permitted. The primary change to this subsection is the interest rate charged on the purchases.

840 CMR 15.04 concerns benefit calculation factors, and the new language addresses the timeline for revised mortality tables and/or revised interest rates.

840 CMR 15.05 is a new subsection covering board credit card usage that was removed from the travel regulations. Retirement boards must create a supplemental regulation, approved by PERAC, that addresses the use of a credit card. The retirement board must also vote on the authorized users. Credit cards can now be used not only for board-related travel expenses but also for the purchase of office supplies, such as paper, stamps, and subscription services. Credit card statements must

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be paid in full every month and cannot be used for personal use, cash advances, or electronic cash transfers. The use of debit cards by a retirement board is prohibited.

All Boards must specifically review any current credit card usage regulations and submit amended regulations to PERAC for approval. If there is a Board that does not have a current credit card regulation, then prior to using a credit card, the Board must adopt a new supplemental regulation and submit it to PERAC for approval.

840 CMR 15.07 is a new subsection that addresses non-disability hearings conducted by a retirement board. The non-disability hearings will closely mirror the original disability hearing language, which is still retained in 840 CMR. 10.00. This section should be used for matters including, but not limited to, G.L. c. 32, §§ 15, 16, 91, and 91A.

Boards should review the amended regulations, review their own regulations, and determine if they need to adopt any new or amended supplemental regulations. If you have questions, please feel free to contact Assistant Deputy Director Patrick Charles at (617) 591-8914.