

MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons Esq., Executive Director

RE: Coronavirus Impact

DATE: March 23, 2020

This memorandum represents PERAC's third memo since March 13, 2020 relative to the ongoing impact of the coronavirus and incorporates this earlier guidance. We are herein updating and amending the earlier memos, addressing additional questions and issues that have arisen, and providing guidance in the event of a statewide lockdown.

At the outset, please understand that PERAC has no extraordinary authority to change or waive existing law or regulation, regardless of the circumstances. Our guidance is our best effort to provide direction on how to deal with the statutory requirements that boards and PERAC are bound by. Secondly, the Legislature is presently working on additional legislation that may affect the prior or present guidance we are providing in this memo. Finally, boards should consult their legal counsels relative to municipal directives issued that PERAC is likely not aware of.

Monthly Meetings

Memorandum #15 included Governor Baker's Executive Order relative to conducting public meetings during the pandemic. Boards are statutorily required to meet monthly and should be making arrangements to meet by teleconference, consistent with the Executive Order's requirement relative to public access. Note that requirements relative to posting and public notice remain intact. There are numerous programs available to provide these services. Apart from the obvious functions of approving retiree payroll and expenditures, boards should give careful thought relative to proceeding with matters that necessarily involve parties such as members, attorneys, municipal officials, etc.

Board Elections

Several boards have inquired relative to ongoing or upcoming elections. The Legislature is expected to address the issue of elections generally in the near future; it is unknown whether it will affect retirement board elections. Boards should weigh the realities of gathering signatures, closed board offices, etc. prior to initiating an election, and for ongoing elections, the board may need to consider expanding deadlines within the election cycle to address current limitations. PERAC is available to discuss these situations as they arise. Keep in mind that pursuant to Chapter 32, s. 20,



MEMORANDUM - Page Two

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and other similar provisions, a board member is eligible to serve “until the qualification of the member’s successor”.

PERAC Medical Panels

Effective immediately, PERAC will no longer be scheduling medical panels until further notice. The majority of previously scheduled appointments have been recently cancelled due to the impact of the pandemic, and it is no longer feasible to schedule appointments. Additionally, due to the Governor’s March 23, 2020 shutdown and CDC guidance, remaining scheduled appointments are being cancelled. PROSPER will continue to accept a board’s request for a medical panel, so that we will be able to recover quicker at the point we begin scheduling again. Please advise your members as to the current restrictions in the disability process.

91A Filings

On March 21, 2020, the Federal government announced that the federal tax filing deadline will be moved from April 15 to July 15. Therefore, July 15, 2020 will be the new deadline for disability retirees to submit their annual PERAC filing. (It is anticipated that MA will adopt this date as well but as of this writing that had not happened.)

Training/Education

As you know, a board member’s education requirements are statutory, and PERAC’s ability to grant waivers in this area are very limited. Nonetheless, we are mindful of the realities of the situation, and determined to provide board members with every opportunity to earn their 3 credits for this current period. PERAC’s quarterly Education memo contains a significant number of online opportunities to earn credit. In addition, in conjunction with the staff of PRIM, PERAC this week will be posting a short PRIM presentation discussing the current investment market. Given the substance and timing of this release, PERAC will provide 3 credits to each board member that completes the presentation.

Annual Statements

PERAC recognizes that boards may experience challenges in the completion of the 2019 Annual Statements by May 1. As you know, the statute authorizes PERAC to grant extensions in this area and boards should submit these requests in writing. Additionally, a particular challenge may present itself relative to the need to have each board member sign off on the document. Boards

MEMORANDUM - Page Three

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are authorized to submit unsigned statements, and subsequently to submit the minutes reflecting the board members' adoption of the Statement. Ultimately, we will seek a traditional signed statement when normalcy returns to the monthly meeting process.

Funding Schedules, Appropriations, etc.

PERAC recognizes that funding and appropriation determinations reached earlier in this cycle will be significantly affected by the current economic downturn. It is our belief that the MA Legislature will need to address in a uniform manner the various municipal funding challenges that will result from this unprecedented situation, and we anticipate that PERAC will participate significantly in those discussions as they relate to pension funding.

Future Limitations

Given the continuing deterioration in the nation's pandemic situation, boards should be making immediate arrangements to ensure that retiree payroll will continue to be processed in the event of a statewide "shelter in place" order, now effective from 3/24/2020-4/7/2020. Boards should be working with their municipalities to ensure that the process can be completed remotely. This challenge may result in the board authorizing the municipality to utilize the previous payroll, subject to adjustment when feasible. In the meantime, we continue to encourage boards to utilize estimated payments to new retirees while awaiting PERAC approval. In addition, boards should make direct deposit information available to those who currently do not participate in direct deposit.

Messaging

Boards are encouraged to provide up to date information on their websites for anxious retirees and members, including contact information.

Thank you for your continuing efforts and collaboration during this difficult time. PERAC's office effective March 23, 2020 (until April 7, 2020) is no longer physically open; however, all staff are available through email. Please contact us with any questions and stay healthy.