

MEMORANDUM

TO: All Retirement Boards

FROM: Bill Keefe, Executive Director

RE: Revised Language for Benefit Calculation Approval Letters

DATE: June 24, 2025

Recently, a couple of retirement boards had audit findings concerning the calculation of retirement benefits and the regular compensation used in determining these benefits. These boards logically argued that the benefit calculations were sent into and approved by PERAC, so therefore, they should not be the subject of an audit finding.

When reviewing benefit calculations, the Calculation Unit reviews them only for reasonableness. Due to resource and time constraints, it does not perform an audit on the information submitted, or the methodologies used, by the retirement board as part of its review. However, this information is subject to further review by the PERAC Audit Unit.

As a result, we are updating the language in the benefit approval letters to clarify this fact. In the next few weeks, we will be updating the benefit approval letters to contain additional language regarding the reasonableness of the results and that the calculations are subject to further review as part of a future PERAC audit.

The Calculation Unit will selectively do a deeper review of some calculations with more complexity. Likewise, if a board would like to flag a problematic calculation for a more thorough review, the Calculation Unit will take these on a limited basis. As with determining veteran status and eligible buyback time, we are here to assist, but we can only take on requested reviews of complex cases on a limited basis.

If there are any questions, please contact our Director of Audits, Caryn Shea, or our Actuary, John Boorack.

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