

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: All Retirement Boards

FROM: John Parsons, Esq., Executive Director

RE: Coronavirus Update

DATE: April 6, 2020

This memorandum represents PERAC's fourth memo since the challenges of the CV-19 pandemic have arisen and contains new information as well as updates to the earlier memos (Memorandums 15-17 of 2020). Governor Baker's March 31, 2020 decision to keep non-essential entities closed until May 4, 2020 has caused us to take a second look at earlier decisions and to enhance prior guidance.

We would like to take a moment to commend all retirement staff and board members for their perseverance and diligence during this challenging time. Because of your commitment, retirees continue to be paid and active members continue to receive crucial advice at this time.

### **PERAC Office Status**

Our office in Somerville remains closed to the public and is expected to remain so until May 4, 2020. We are continuing to receive and process mail as well as information received through the PROSPER system. All PERAC staff can be reached by email and are checking email and voicemail daily.

### **Post-Retirement Work in the Public Sector**

Pursuant to legislation recently passed (Chapter 53 of the Acts of 2020), superannuation retirees (disability retirees are excluded from the legislation) working in the public sector will be subject to a different hours/earnings calculation for CY 2020. Specifically, hours and earnings that occur during the current State of Emergency as defined in the Governor's Executive Order of March 10, 2020 will not be included in the retiree's earnings limitations for CY 2020. Please note that this work need not be directly related to the coronavirus; the law covers any hours/earnings from the emergency period. So, for example, if the State Emergency lasts 3

months, the hours and earnings from this period will not be included in the 2020 limitations, you would only look at the hours and earnings from the other 9 months. PERAC will publish guidance to boards and municipalities providing the law's text and further detail.

### **Retirement Calculations**

As we have indicated in our prior CV-19 memos, PERAC does not have the ability to process retirement calculations remotely, due to limitations in accessing software and security precautions. We continue to encourage boards to make estimated payments to new retirees, at least during this challenging period. Due to concerns relative to new retirees going an extended period without a retirement check, PERAC calculations staff this week completed and mailed out all retirement calculations in our possession, through roughly March 3, 2020. (This does not include applications where we have requested additional information from a board). For those boards that continue to submit calculations, if you could indicate whether you are making estimated payments, this would allow us to prioritize calculations.

### **Annual Statements**

With the extension of the Governor's declaration relative to essential services from April 7, 2020 until May 4, 2020, PERAC is revisiting the issue of the filing deadline. While we do not have the ability to waive or change the filing deadline, PERAC is hereby granting a 30-day extension to every retirement board, effectively adjusting the filing deadline to June 1, 2020. We encourage boards to continue to submit the Statement as soon as it is completed. Please see PERAC Memo #17 relative to a discussion of board member signatures in conjunction with the Annual Statement.

### **Medical Panels**

As of the issuance of PERAC Memorandum #17, PERAC had suspended the scheduling of medical panels due to CDC health guidance and the large number of cancellations. With the specter of this difficulty continuing into May if not longer, PERAC is relaxing its requirements relative to in-person medical examinations. Pursuant to this memo, with the agreement of a member, retirement board, employer, and the medical panel, examinations may take place by records review or teleconferencing. As is currently done when an examination is done based on records only, each party will need to sign a waiver indicating their assent to the alternative process. This accommodation will allow members' examinations to move forward at a time when municipalities are paying workers compensation or 111F payments on behalf of these members or a member may be in deteriorating health. If a member being scheduled assents to an alternative review, PERAC will then reach out to the retirement board/employer as to their assent. Please email Kate Hogan if you have questions relative to this process.

### **Paid Sick Leave under new Federal Law**

As you are likely aware, Congress recently passed the Families First Coronavirus Response Act ("FFCRA"). This law contains provisions for 10 days of paid sick leave for full-time employees unable to work due to the coronavirus. PERAC has determined that this paid leave should be treated the same as an employee's other paid sick leave, and regular compensation should be

charged for these days. The circumstances of how a member qualifies for this leave are laid out in the legislation; whether an employee qualifies for the leave is a determination to be made by the employer. We note that the FFCRA contains other types of leave related to the coronavirus that are detailed; guidance is expected to be issued by the federal government in the days ahead. We recommend that you work with your municipalities on the implementation of these provisions and further issues that may arise relative to regular compensation. PERAC will continue to review the further guidance that is issued.

### **State Tax Deadline and 91A filings**

Pursuant to state legislation signed this week (Chapter 53 of the Acts of 2020), Massachusetts has adopted the recent federal change to the federal tax deadline. Both federal and state tax filings are now due on July 15, 2020, and therefore, PERAC 91A filings for disabled retirees are now due on this date as well.

### **Board Education**

Subsequent to the release of PERAC's 2<sup>nd</sup> Quarter Education memorandum released earlier last week (Memo #18 of 2020) NCPERS announced an upcoming April 7<sup>th</sup> presentation on Navigating through A Crisis with the CALPERS CEO. PERAC is offering education credits on this one-hour session, which we anticipate will be available subsequent to April 7<sup>th</sup> on our website. Registration information for the April 7<sup>th</sup> webinar can be found on the NCPERS website.

### **Conclusion**

Thank you for your attention to our recent board memorandums and your continued efforts to remain up to date. We are doing everything we can to support these efforts. Please continue to make us aware of issues that arise and steps that we can take to assist you through this challenging period.