

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOHN W. PARSONS, ESQ., *Executive Director*

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MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: Proposed Regulations Regarding Compliance with the IRS Code

DATE: December 1, 2022

The retirement plans which are constituted under Chapter 32 of the Massachusetts General Laws must comply with the Internal Revenue Service (“IRS”) rules regarding such plans. Please see G.L. c. 32, § 12D, which provides:

A retirement system subject to this chapter shall pay all benefits in accordance with the requirements of section 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan as defined in section 414(d) of the Internal Revenue Code.

In light of the above statutory mandate and as part of the Commission’s ongoing regulation review, the Commission recently filed proposed amendments to 840 CMR 3.00, and 840 CMR 13.00. 840 CMR 3.00 is titled “Internal Revenue Code Compliance Provisions.” 840 CMR 13.00 is titled “Service Purchases and Buybacks,” and was originally enacted in 2002 to implement the provisions of the Federal Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”). It was EGTRRA that first permitted a rollover of any kind into or out of a Chapter 32 plan.

The proposed amendments to these regulations have been drafted in consultation with the Commission’s tax counsel, Ice Miller, LLP, of Indianapolis, Indiana, and are attached for your review and comment.

We will hold two public hearings on these proposed amendments to the regulations, and these public hearings will be conducted via the Zoom platform. Remote hearings regarding the proposals will be held on **Thursday, December 15, 2022 from 10:00 a.m. to 12:00 p.m.** and **Monday, December 19, 2022 from 1:00 p.m. to 3:00 p.m.** Directions to access the hearings can be located at PERAC’s website <http://www.mass.gov/perac>. In addition, we will be accepting written comments about the proposed amendments through the close of business on Wednesday, December 21, 2022. These written comments may be tendered via U.S. mail, dropped off at the PERAC offices at 5 Middlesex Avenue, Somerville, MA, or submitted via email to Doreen Duane at doreen.m.duane@mass.gov.



MEMORANDUM

TO: All Retirement Boards
FROM: John W. Parsons, Esq., Executive Director
RE: Proposed Regulations Regarding Compliance with the IRS Code
DATE: December 1, 2022

Log into these remote hearings as follows:

Thursday, December 15, 2022 from 10:00 a.m. to 12:00 p.m.

WEBINAR LINK:

<https://us02web.zoom.us/j/82187327362?pwd=d1ZlRjREeWRmVUZZUWtmSnRPT2JLZz09>

VIA ZOOM CONFERENCE CALL NUMBER: 1-309-205-3325

MEETING ID: 821 8732 7362

PASSCODE: 917052

Monday, December 19, 2022, from 1:00 p.m. to 3:00 p.m.

WEBINAR LINK:

<https://us02web.zoom.us/j/84505525871?pwd=OEtkK0dBdHBJejZCRG5hWFExNXJEUT09>

VIA ZOOM CONFERENCE CALL NUMBER: 1-305-224-1968

MEETING ID: 845 0552 5871

PASSCODE: 395120

If you have questions about the hearings, please contact Doreen Duane at doreen.m.duane@mass.gov.
If you have questions about the proposed changes to the regulations, please contact PERAC Associate General Counsel Felicia McGinniss at felicia.m.mcginiss@mass.gov.

Attachments: 840 CMR 3.00 with proposed amendments
840 CMR 13.00 with proposed amendments