

PERAC

Pension News

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Caroline Carcia Promoted Elevation Recognizes Her Dedication to PERAC

By Natacha Dunker
Communications Director

Caroline J. Carcia has been named PERAC's Deputy Executive Director for Administration. This promotion, effective May 1, 2019, gives Caroline the distinction of having been promoted by all four Executive Directors she has served under: Jack McGlynn, Bob Stalnaker, Joe Connarton, and now John Parsons.

Executive Director Parsons noted, "Caroline's promotion to this new position is well deserved, and a recognition of her many years of hard work and dedicated service to PERAC and its predecessor agency, PERA." In fact, Caroline is one of only five current PERAC employees who began their employment with PERA, and is currently the 2nd longest serving employee at PERAC.

Caroline began working for PERA while still in high school, and her first day off from the job was to participate in her high school graduation ceremony! While maintaining a full-time work schedule, Caroline earned her Bachelor of Arts degree from the University of Massachusetts, majoring in Political Science and minoring in Business Administration. As it turned out, the concentration in Business



Caroline Carcia
Deputy Executive Director
for Administration

Administration was to serve her in good stead, as she worked her way up in the organization to become involved in virtually all aspects of PERAC, (continued, page 6)

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Audit Procedure Revisited

PERAC Adopts New Audit Protocols

By Joseph Martin
Deputy Executive Director for Policy

The Public Employee Retirement Administration Commission (PERAC) adopted new audit protocols at its April 10, 2019 meeting. The approach targets high risk areas, avoids duplication with private work, and will produce more timely and substantive reports.

"We believe," explained PERAC Executive Director John Parsons, "that the adoption and implementation of these guidelines will lead to improved collaboration with the retirement systems as retirement boards receive regular, comprehensive, and targeted evaluations to improve system administration."

In keeping with national trends in the audit field, PERAC will tailor its audits by considering the risk level of the system to be audited. A key aspect of this new approach will be the review and, when warranted, acceptance of audits performed by private firms in lieu of segments of the PERAC audit. Although this acceptance has been incorporated into law and regulation for several years, it has not attained widespread use. PERAC believes that increasing the use of private audits will enable more frequent assess-

ment of the systems' condition and the earlier detection and correction of deficiencies. Retirement boards are encouraged to retain private auditors and employ those auditors to conduct annual audits of the system. The parameters of the PERAC audit in such instances will be assessed in light of those private audits. It is expected that as a result of this action the PERAC audit will be less intrusive for the Board while the level of scrutiny of the condition of the system is enhanced by the annual review.

Director of Audits Caryn Shea has already begun to initiate audits in accordance with the new directive. "As PERAC and the retirement boards become familiar with the new approach," Shea said, "we anticipate that audits will be seen as a collaborative endeavor to avoid duplication and improve operations."

In addition to whether or not the system has been audited in the intervening period, other risk factors that will bear on the determination of the level of review to be conducted include staff stability, findings in prior audits, asset management practices, and ongoing compliance with statute and regulations as assessed by various PERAC Units. Other considerations, such as the timely filing of accounting information and the Annual Statement, will also be taken into account. ■

"... we anticipate that audits will be seen as a collaborative endeavor to avoid duplication and improve operations."



Spotlight: The Actuarial Unit

By John Boorack
Actuary

In this edition, the spotlight shines brightly upon PERAC's Actuarial/Calculation Unit. The unit currently consists of John Boorack (Actuary), Jim Lamenzo (Actuarial Consultant), Tim Larkin (Senior Actuarial Analyst), Sam MacElveen (Senior Actuarial Analyst), Michael Humbert (Actuarial Analyst) and Sherry Brooks-Ross (Benefit Calculation Specialist).

Several changes have recently taken place in the Actuarial Unit. The long-time leader of the unit, Jim Lamenzo retired in May and John Boorack assumed the role of Actuary. On a separate note, in early June, Sam MacMillan married her long-time boyfriend/fiancé and became Mrs. Sam MacElveen.

PERAC serves as the actuary for the State Employees' Retirement System (SRS), Massachusetts Teachers' Retirement System (TRS) as well as for 38 local retirement systems. In this capacity, the actuarial unit is responsible for performing annual actuarial valuations of the Commonwealth's total pension obligation (SRS, TRS, Boston Teachers, and COLA reimbursements to Local Systems), and biennial actuarial valuations for the local retirement systems.

The unit also prepares annual disclosures under GASB 67/68 for these retirement systems. Additionally, the unit develops and/or

approves pension funding schedules for all of the retirement systems.

The schedules are used to determine the annual pension appropriations for each retirement system. The actuarial unit provides annual appropriation letters including an allocation by governmental unit. The unit also performs a number of cost analyses each year to determine the impact of assumption or benefit changes for retirement systems, the Legislature and other parties. It also performs other special reports and analyses including periodic experience analyses

of mortality, retirement, disability and termination.

The Unit is also tasked with reviewing and approving benefit calculations for nearly all of the retirement systems as well as determining the pro-ration of the pension portion of benefits for members who have worked in multiple retirement systems during the course of their careers (known as Section 3(8)(c) reimbursements). During 2018, the unit reviewed and approved approximately 4,000 benefit calculations/3(8)(c) reimbursements. ■



Pictured: (Clockwise, top, left) Samantha MacElveen, Timothy Larkin, Sherry Brooks-Ross, Michael Humbert, Jim Lamenzo, and John Boorack

Spring MACRS Conference

PERAC Staff present several sessions at the annual event

**Executive Director
John Parsons addresses
the MACRS attendees for
the PERAC Update on
Monday, June 3rd.**



By Natacha Dunker
Communications Director

PERAC staff once again participated in the annual Massachusetts Association of Contributory Retirement Systems' (MACRS) annual conference. This year was a TEDs year (Trustees Educational Seminar), so there were additional sessions over the weekend. The Kevin J. Regan Annual Spring Conference in Hyanis was very well attended by board members and staff from across the Commonwealth.

On Saturday, General Counsel Judith Corrigan, along with Senior Associate General Counsels Ken Hill, and Patrick Charles presented *Chapter 32 in a Nutshell*.

Fraud Prevention Manager Sandra King, Medical Services Manager Kate Hogan, and Compliance Director Tom O'Donnell presented an update on the PROSPER application on Sunday. There have been several enhancements to the application since its initial launch that have made it easier to use.

The full conference began on Monday morning with a keynote

presentation by Attorney Robert Klausner, followed by a PERAC Update from Executive Director John Parsons.

PERAC staff was an integral part of several presentations throughout the week, with Patrick Charles participating in the Legislative Panel on Monday, Derek Moitoso participating in the Legal Panel on Tuesday, and Judith Corrigan and Patrick Charles presenting a Forms Update on Wednesday.

The Conference included several other informative speakers from the public and private sector including Hank Kim, Executive Director and

Counsel for the National Conference on Public Employee Retirement Systems, who presented *The State of Public Pensions* and Kelly Tuthill, Vice President of Marketing and Communications at Regis College who spoke on *The Power of Resiliency*, recounting how she managed to thrive despite her battle with breast cancer while continuing to work as a television reporter.

Our thanks go out to Kathleen Kiely-Becchetti and everyone at MACRS for a well organized event! ■

Conference Highlights

There was an overflow of excellent speakers at this year's conference! Pictured, clockwise from top right: Hank Kim, NCPERS Executive Director; Judith Corrigan, PERAC General Counsel; Betsy Early, Worcester Retirement Board's outgoing Executive Director, who was surprised with an award for her years of service ahead of her retirement; the Legislative Panel Presentation (Shawn Duhamel, Coley Walsh, Michael O'Reilly, and Patrick Charles); and finally, keynote speaker Kelly Tuthill, Communications Director for Regis College speaking with conference attendees following her remarks.



PERAC Legislative Agenda

By Patrick Charles
Senior Associate General Counsel

For the 2019-20 legislative session, PERAC has filed 6 pieces of legislation which have all been referred to the Joint Committee on Public Service. These bills were the subject of an article in the November 2018 edition of the Pension News. To date, two of PERAC's bills have had public hearings before the Public Service Committee.

On May 29, 2019, H.22, *An Act Relative to Veterans' Buyback*, was heard and Senior Associate General Counsel Patrick M. Charles and PERAC Commissioner James Machado provided written and oral testimony in support of the legislation. House 22 would allow members of the retirement system who are veterans the opportunity to purchase creditable service under G.L. c 32, s. 4(1)(h) at any time prior to the member becoming vested in the retirement system. Currently, members must make the purchase or affirm that they intend to purchase the service, depending on the rules of the local board, within 180 days of being provided notice.

On June 25, 2019, H. 21, *An Act Relative to Pension Forfeiture*, was heard and Executive Director John W. Parsons and Patrick M. Charles offered written and oral testimony in support of the legislation. This bill follows the decision in *PERAC v. Bettencourt* in 2016, and the Legislature's subsequent establishment

of a Special Commission on Pension Forfeiture. That Commission issued a report, along with legislation, last session and H. 21 is a refile of H.4555, which was released favorably by the Committee on Public Service last session with amendments.

This legislation redrafts section 15 of Chapter 32 and shifts Massachusetts from an all or nothing jurisdiction by providing for partial forfeiture. If forfeiture is warranted, a retirement board would be able to forfeit a member's benefit by 1/3, 2/3 or to a minimum allowance. The minimum allowance is equal to that which a group 1 employee would receive at minimum retirement age with 10 years of creditable service. The bill also allows for full forfeiture in limited circumstances.

We are expecting that PERAC's remaining bills will receive public hearings in the near future and we will keep you updated in upcoming issues of the Pension News. ■

Caroline Carcia

(continued from page 1)

including human resources, financial matters and the day to day operation of the agency. In her over 32 years of service, Caroline has been an integral and energetic part of the agency, usually working behind the scenes. "Caroline has worked very hard for this agency," said Judith Corrigan, the General Counsel of PERAC. "I have only worked with her for the past 20 years, but I know how much she has contributed to the agency and this promotion is great for both Caroline and for PERAC. In her new role, Caroline will continue to be an asset to both PERAC and the public pension community she has served loyally and with tremendous energy for over three decades."

A native of Medford, Massachusetts, Caroline moved over the border into New Hampshire twenty years ago, and currently resides in Salem with her significant other, Michael. ■

New & Noteworthy


Did you know?

PERAC lists open retirement board positions on our website. If your retirement system has a job opening or an open board member position, please email them in Word or pdf format to our Communications Director, Natacha Dunker, at nadunker@per.state.ma.us.


Please note: 5th member postings will be reviewed by our Compliance Unit before they are posted.

Memos released last quarter:

- #12:** Tobacco Company List
Quarterly update of prohibited investments
- #13:** Mandatory Retirement Board Member Training
Reviews guidelines for board member education as well as provides the schedule of upcoming training
- #14:** Forfeiture of Retirement Allowance for Dereliction of Duty by Members
Advisory to boards advising them of members ineligible for membership
- #15:** Application for a Waiver of Education Restrictions
New law enacted in January allows for waiver due to extenuating circumstances. New form attached.
- #16:** Cash Book Submissions
New email address available for the submission of cash books, along with administrative reminders
- #17:** Tobacco Company List
Quarterly update of prohibited investments
- #18:** Audits
An overview of an updated Audit procedure for Retirement Boards



Register today!



EMERGING ISSUES FORUM

September 12, 2019
9:00 a.m. - 3:00 p.m.

Go to Mass.gov/PERAC for link

Upcoming Meetings

August 14, 11:00 a.m.
Commission Meeting

September 11, 11:00 a.m.
Commission Meeting

October 9, 11:00 a.m.
Commission Meeting

November 13, 11:00 a.m.
Commission Meeting

Meetings are held at our Somerville office unless otherwise noted and are open to the public.

PERAC

2019 Education Schedule third quarter

Credits
board members
must earn

18
per term

3
Minimum
per term year

9
Maximum
per term year

July 25	Boston	Conflict of Interest
August 7	Littleton	Know Your Responsibilities
August 15	Danvers	Board Administrator Training
August 28	PERAC/Webinar	Audit Process Revisions
September 12	Worcester	Emerging Issues Forum
September 25	PERAC	Audit Process Revisions
September 26	Boston	Conflict of Interest
4th Quarter Preview	Save the Date for Board Administrator Trainings Registration not yet open for these dates:	
	October 31st Northampton	November 20 Westborough

See our website for additional educational opportunities and registration information.

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