

New Laws Enacted *Boards Must Act to Implement Legislation*

By Patrick Charles, Esq.
Assistant Deputy Director

T*his has been a busy legislative season with several recently enacted pieces of legislation affecting Massachusetts public retirement systems. Below is an overview of these new laws.*



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HERO Act

On August 8, 2024, the Governor signed Chapter 178 of the Acts of 2024, the HERO Act. Included in this legislation is the veterans’ buyback proposal that PERAC had originally sponsored in prior sessions, and which was filed by Representative Jerry Parisella and Senator John Velis at our request this session.

On August 19, 2024, we issued Memo #23 of 2024 which detailed Sections 18, 52, and 53 of the HERO Act and provided instructions for the retirement boards regarding implementation of the new veterans’ buyback sections. Included with the memo was a sample notice to members that the boards could use

as a template. We also conducted a webinar on August 27, 2024, detailing the provisions of the HERO Act. That webinar and a Q & A transcript is available on our website.

Salary Transparency Act

On July 31, 2024, Governor Healy signed into law Chapter 141 of the Acts of 2024, “An Act (continued page 3)

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PERAC Files Legislation

By Patrick Charles, Esq.
Assistant Deputy Director

For the 2025-2026 legislative session, PERAC has filed 7 pieces of legislation. Three of these are refiles from the 2023-2024 legislative session and three are refiles which have been amended. PERAC has filed one new bill.

1. An Act Relative to Pension Forfeiture
2. An Act Relative to Post-Retirement Earnings
3. An Act Relative to Chapter 32 Section 8 and Modifications of Retirement Allowances
4. An Act Providing for Statement of Financial Interests Flexibility
5. An Act to Provide for Payment of Creditable Service
6. An Act Clarifying the Chapter 32 Definition Of Wages
7. An Act Relative to the Enabling Statute of the Public Employee Retirement Administration Commission



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An Act Relative to Chapter 32, Section 8 and Modifications of Retirement Allowances

This bill would alter PERAC's statutory directive to modify allowances of members with overearnings to make it more effective and efficient.

An Act Providing for Statement of Financial Interests Flexibility

This bill would allow for a hardship waiver petition from the penalty of permanent debarment from retirement board service related to noncompliance with SFI filing requirements.

An Act to Provide for Payment of Creditable Service

This bill would require the employees of new governmental units in a Chapter 32 retirement system to purchase their service in the same manner as members of a system who purchase prior non-membership time.

An Act Clarifying the Chapter 32 Definition of Wages

This bill adds vacation, sick and personal time taken in the usual course to the Chapter 32, Section 1 definition of wages, excluding when they are used in conjunction with workers' compensation benefits. *(continued page 3)*

An Act Relative to Pension Forfeiture

This would provide for tiered levels of pension forfeiture of 2/3, 1/3, a minimum pension, as well as full forfeiture. This bill has been filed in multiple session and stems from a special commission on pension forfeitures that was created in order to respond to court rulings of pension forfeitures being unconstitutional under the 8th Amendment.

An Act Relative to Post-Retirement Earnings

This bill would limit the amount of recapture from a retiree over-earner to the amount of the pension paid. It would also clarify when the additional \$15,000 earnings capacity applies.

New Laws Enacted (continued from page 1)

Relative to Salary Range Transparency” (“Salary Transparency Act”). Sections 3 and 12 of the Act amend G.L. c. 32, § 5(2)(f) concerning the exceptions to the anti-spiking provision, for salary increases occurring under the Massachusetts Equal Pay Act, G.L. c. 149, § 105A (“MEPA”) and from “employer’s systemic wage adjustments.” Sections 4 and 11 amended Section 91(b) to allow a member to use the greater of either the salary from their last position or the salary upon which their benefit is based when calculating their post-retirement earnings limitations.

On August 14, 2024, PERAC issued Memos #21 and #22 outlining the provisions of the Act and steps that Boards should take in response.

Return to Service

Included in the FY 25 Budget was a provision amending the return to service process pursuant to G.L. c. 32, § 8 for those previously retired for disability. Now, a member may return to the same or similar position with a different employer even if that employer is in a different retirement system. A member may also request that PERAC evaluate them for a return to service in a different job with the same employer or a new employer.

On October 24, 2024, PERAC issued Memo #27 detailing the provision of this act.

Violent Assault Disability Act

On July 31, 2024, the Governor signed Chapter 149 of the Acts of 2024, “An Act Relative to Disability Pensions and Critical Incident Stress Management for Violent Crimes.” This Act provides police officers, firefighters and EMTs with a 100% disability pension under Section 7 if they are disabled as the result of a “violent act injury.” This is defined as “a catastrophic, life-threatening or life-altering and permanent bodily injury sustained as a direct and proximate result of a violent attack upon a person by means of a dangerous weapon, which is designed for the purpose of causing serious injury or death, including, but not limited to, a firearm, knife, automobile or explosive device.” On October 29, 2024, PERAC issued Memo #28 detailing the provisions of this Act and steps Boards need to take. ■

Filed Legislation

(continued from previous page)



PHOTO: NATACHA DUNKER

Patrick Charles during his New Legislation presentation at Emerging Issues Forum

An Act Relative to the Enabling Statute of the Public Employee Retirement Administration Commission

This new bill would amend Chapter 7, Section 50 to strike three paragraphs from PERAC’s enabling statute dealing with rehabilitation services and programs that have never been utilized.

Additionally, PERAC has asked two legislators to file a bill relative to PTSD and accidental disability which would amend section 7 to allow an employee, in any group, to use official records of the employer to document an incident that could lead to an emotional or psychological injury as part of an accidental disability retirement application even if said incident occurred more than two years prior to the filing of the application for disability. ■

Cybersecurity Guidance

PERAC Urges Boards to Remain Vigilant

By John Galvin
Compliance Manager

The threat of cybersecurity intrusions into personal and professional devices and IT systems has become increasingly frequent and varied. Despite the best efforts of entities large and small to protect their data and assets, successful attacks continue to occur. While PERAC, MACRS and retirement boards have all placed additional emphasis on cybersecurity in the recent past, more needs to be done.

In September, the US Department of Labor, Employee Benefits Security Administration issued updated cybersecurity guidance specifically for pension plan sponsors, fiduciaries, and participants. This guidance addresses 3 specific areas; Hiring a Service Provider, Cybersecurity Program Best Practices, and Online Security Tips. In summary, strong IT security and internal controls are the best remedy to combat the extensive efforts being made to compromise our systems. We urge all boards to prioritize this effort and work with PERAC and your municipalities to



safeguard our information and assets. Our collective, coordinated initiatives are critical to maximizing this effort.

If you detect fraud or a fraud attempt, notify your board, the police, your vendors and PERAC. In the event of a successful attack, your insurance carrier should also be contacted. Review any recent account changes to make sure they were legitimate and review your financial accounts.

We commend systems for their ongoing vigilance in monitoring and detecting fraud and for notifying PERAC so that we can inform all boards of this activity. The number

of reports detailing thwarted fraud attempts far outweigh the number of successful ones.

To report a fraud or fraud attempt or for questions with the DOL guidance, please contact Compliance Manager John Galvin at: john.p.galvin@mass.gov. ■

PERAC Emerging Issues Forum

Our Annual Event Shines at New Location

By Natacha Dunker
Communications Director

After many years at the College of the Holy Cross, our annual event moved this year to a new location at the DoubleTree by Hilton in Westborough. With nearly 200 attendees, the location proved to be a welcome change and gave new energy to our longstanding event.

The presenters were excellent as usual and provided attendees with insight into emerging fields, new legislation, and the state of the economy.

PERAC Chairman, Phil Brown, opened the event, followed by remarks from Bill Keefe, PERAC Executive Director. This was Bill's first Forum as executive director following his appointment earlier this year.

The first presentation of the day focused on Artificial Intelligence. Paul Andrews, managing partner with the CFA Institute and Anthony Falzone, Chief Operating Officer from the Pension Reserves Investment Management (PRIM) Fund, gave attendees a better understanding of this emerging and quickly developing field and how it may affect retirement in the future.

Mr. Andrews advised boards that the immediate plan should be to listen. The priority should be to protect the organization and proprietary information. Both presenters encouraged attendees to focus on

educating themselves on the impact this emerging field can have on their work.

Evan Horowitz, from the Center for Policy Analysis at Tufts University, gave a lively presentation on the state of the Massachusetts economy and shared some of his recent research and analyses with attendees, along with his predictions on what may lay ahead for the economy.

Patrick Charles, PERAC Assistant Deputy Director, presented on recently enacted legislation and gave a preview of future webinars.

We closed out the day with a roundtable discussion. The panel was moderated by Phil Brown, and included four retirement system directors. Dennis Gallagher, Braintree Retirement System Executive Director, discussed home rule petitions; Eric Cohen, New Bedford Retirement System Executive Director, discussed the selection process for the 5th member; Rachel Grimaldi, Worcester Regional Retirement System Executive Director, discussed



Qualified Domestic Relations Orders; and the final speaker of the day was Erika Glaster, the Executive Director of the Teachers' Retirement System.

Erika will be retiring at the end of the year and her speech provided encouragement and acknowledgement to retirement system staff for the important work that they do. It was a great way to end the day!

Our staff worked hard putting the event together and we were pleased to receive so much positive feedback on this year's Forum! ■

PERAC Staffing Updates

By Natacha Dunker
Communications Director

PERAC has ramped up its hiring this past year with several new hires in the Audit Unit and a new attorney in the Legal Unit. We are also pleased to announce the promotion of Sarita Yee to Deputy Compliance Manager. ■



PHOTO: NATACHA DUNKER

Connor Allan
Auditor I

Connor comes to PER-AC with internal audit, corporate accounting, and sales experience. He is greatly enjoying his time so far.



PHOTO: NATACHA DUNKER

Can Cao
Auditor I

Can has 10+ years' experience as an accounting professional in the private sector and is looking forward to serving in the public sector.



PHOTO: BILL KEEFE

Jordan Pipes
Auditor I

Jordan recently worked at Harvard University with the International Payee Tax Compliance team and earned his MBA from SUNY Oswego.



PHOTO: BILL KEEFE

Tom Tracy
Auditor II

Tom comes to PERAC in a part-time role after serving as Watertown's City Auditor/Asst. City Mgr. for Finance for 29 years. He has felt very welcomed by the entire PERAC staff!



PHOTO: BILL KEEFE

Christopher Windle
Assoc. General Counsel

Christopher is a graduate of Boston University School of Law where he earned his J.D. and an L.L.M. in Taxation. He joins the legal team after working as a contractor with DALA.



CONGRATULATIONS TO ALL!



COURTESY PHOTO

Sarita Yee Promoted to Deputy Compliance Manager

Sarita Yee has been promoted to Deputy Compliance Manager to expand her role in the Compliance Unit and to recognize her work in shaping the Investment Unit to what it is today - from being the sole analyst to the de facto supervisor to the two new Investment Analysts, to taking lead on PROSPER enhancements for the Cash Books. Now that the Compliance and Investment Units are combined, she will continue to oversee the Investment Analysts and Investment Unit reporting as well as continue to expand her role in the Compliance Unit. ■

new & noteworthy

PERAC is on the move!

It's official! Our offices will be moving in 2025!
 Be on the lookout for further announcements
 as we finalize the schedule.

We will welcome you
 soon to 10 Cabot Road
 in Medford!



ADOBE STOCK ILLUSTRATION

Recently released Memos:

- #19: Reinstatement to Service under G.L. c. 32 s. 105**
 Introduces updates to the reinstatement form
- #20: Cost of Living Increase for Supplemental Dependent Allowance**
 Annual dependent allowance increased
- #21: New Anti-Spiking Exemptions**
 New law takes into account pay equity provisions
- #22: New Standard for Calculating Public Sector Post-Retirement Work Limitations**
 New law helps clarify previous salary limitations
- #23: Veterans' Buyback Changes**
 New law makes major changes to this buyback
- #24: Tobacco Company List**
- #25: Mandatory Retirement Board Member Training**
 Schedule of available training for fourth quarter
- #26: The Application of the Anti-Spiking Provision G.L. c. 32, s. 5(2)(a) (Hartnett Decision)**
 Updated guidelines after court decision
- #27: Changes to Return to Service under G.L. c. 32, § 8**
 Provides for more options for disability retirees
- #28: Violent Assault Disability**
 Guidance on Chapter 149 of the Acts of 2024

Looking for something?



Filtered search has moved on the mass.gov website. To filter your search to just PERAC, click on the main search button, then select the "All organizations" drop down, and start typing "Public Employee Retirement Administration Commission" and select. Now you can enter what you are searching for and you will get results only from our pages.

Upcoming 2024 Commission Meetings

November 13, 11:00 a.m. Commission Meeting	December 18, 11:00 a.m. Commission Meeting	The 2025 Schedule will be posted in December
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Meetings are open to the public. See our website for information on joining in person or remotely.

PERAC

2024 Education Schedule

course highlights

Credits board members must earn

18
per term

3
Minimum per term year

9
Maximum per term year

November 19	Training (PERAC)	New Administrator Training
November 19	Webinar (AGO)	Open Meeting Law
December 5	Webinar (AGO)	Open Meeting Law
December 8-11	Conference	MACRS Fall Conference
Upcoming:	NCPERS 2025 Pension Communications Summit & Legislative Conference	
View for Credit on our website:		
Veterans' Buyback webinar		
New Legislation webinar		

Go to mass.gov/perac-education for additional resources & registration links

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