

PERAC

Pension News

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Gratitude for Year One

By Bill Keefe
Executive Director

If we didn't need to fill space in this newsletter, I would just say thank you and call it a day.

Joking about the space, we always have plenty of material, but the thanks is very serious.

Thank you to all the board members, staff, attorneys, vendors, stakeholders and anyone tied to public retirement who I've met and connected with directly over the past year-plus. The reception has been warm and welcoming. The spirit of collaboration has been strong. The passion and dedication to the people we serve



Attendees at 2024
Emerging Issues Forum

and the work we do has been palpable. The Chapter 32 community is full of good, hard-working people. In my experience, you do it with a smile and have a little fun along the way too. I wouldn't have it any other way. And to those I haven't directly connected with, I look forward to doing so and fully expect to have similar feelings.

There are endless facets and nuances to all that is Chapter 32. I came into this position not having all the answers. A year later, I still don't and never will. But with the incredible staff at PERAC and the vast cumulative knowledge and experience of all in the public retirement world, we will work together to come up with the answers. *(continued page 5)*

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Legislative Update

By Patrick Charles
Assistant Deputy Director

The Massachusetts legislature has named its Co-Chairs of the Joint Committee on Public Service for the 2025-2026 legislative session.

Senate President Karen Spilka has reappointed Senator Michael E. Brady of Brockton as Senate Co-Chair and House Speaker Ronald Mariano has named Representative Daniel J. Ryan of Charlestown to be the House Co-Chair of the Committee.

Senator Brady is in his 6th term in the Senate after previously serving in the House of Representatives from 2009-2015. He has been an elected official representing Brockton for over 20 years having served on the School Committee and City Council prior to being elected to the Statehouse.

Representative Ryan is in his 7th full term in the House of Representatives and served as the House Chair of the Joint Committee on Election laws last session. This will be Chairman Ryan's first term as the House Chair of the Public Service Committee

The Joint Committee on Public Service has jurisdiction over hundreds of bills regarding pen-



Senator Michael Brady
Senate Chair
Public Service Committee

sion benefits, collective bargaining, civil service and public employee healthcare. The committee holds hearings throughout the legislative session on all bills assigned to it. PERAC monitors all bills impacting the retirement system including the agency's legislative filings for this session.

"We are excited to have Chairman Brady return to Public Service and are equally excited to have Chairman Ryan join the Committee," said PERAC Executive Director Bill Keefe. "Chairman Brady has been a strong supporter of public retirement and we have a great working relationship with him and his staff. Chairman Ryan has hit the ground running having chaired a different committee and championed issues for working people.

"The work of the Public Service Committee is vital to public employees and retirees across the



Representative Daniel Ryan
House Chair
Public Service Committee

state. We will continue to serve as a resource for the committee and look forward to working together with Chairmen Brady and Ryan in this legislative session."

PERAC's Bills Heard by Committee

On April 14, 2025, the Joint Committee on Public Service held its first hearing of the 2025-2026 legislative session. All seven of PERAC's bills were on the agenda and Executive Director Bill Keefe and Assistant Deputy Director Patrick Charles testified in support of the legislation.

FY 2026 House Budget Passes

On April 30, 2025, the House passed its version of the Fiscal Year 2026 Commonwealth Budget. Included in the budget was the 3% State and Teachers' COLA. Also included was a provision regarding Retirement Plus (R+) and allowing members who (continued next page)

Long-Serving Board Directors Retire

By Natacha Dunker
Communications Director

Two well-regarded, long-serving board directors, with a combined 81 years of service, have recently retired.

Brookline Retirement Board executive director Frank Zecha retired May 16 after 23 years in that role and 39-plus years of public service. Having served as Amesbury Retirement Board administrator since 2012, Kevin Caira retired in February to cap a 42-plus-year career in public service.

"Frank and Kevin are both a rare combination of being extremely knowledgeable while having a great knack for understanding, and relating to, people," said PERAC executive director Bill Keefe. "They passionately dedicated their careers to helping anyone who needed it - active members, retirees, beneficiaries, board members, staff, municipal officials, and colleagues at other boards. Their day-to-day presences will be missed professionally and personally by all who know them."

Legislative Update (continued from page 2)

did not choose to participate in R+ a new one-time opportunity to elect into the program. Members who opt in now would be required to contribute make-up payments retroactive to their date of membership in the system. The House also included a provision from the Governor's budget amending the definition of "wages" in Section 1 of Chapter 32. On May 6, 2025, the Senate Ways and Means



Both will continue in public service, Kevin as a fourth-term Wilmington Select Board member and Frank as a member of the MWRA Retirement Board and executive director of the Blue Hills Retirement Board. Frank will also continue to serve as a member of the MACRS Executive Board.

Earlier in his career, Frank worked as a PERAC auditor and served as a Chelsea City Councilor. Before moving on to Brookline, he worked at the State Retirement Board with Kevin, who worked there for 23 years before going to Amesbury. Kevin also worked at Tewksbury Hospital before joining the State Board.



"It was a pleasure helping the members and retirees of both systems," said Kevin. "I truly enjoyed working with so many dedicated employees and the many other boards that I came in contact with over my 35-plus years of working in the public retirement system. I will miss everyone, but I am also looking forward to my next chapter."

Congratulations, gratitude, and best wishes to Frank and Kevin from all of us at PERAC. ■

Committee released its version of the budget which also contained the "wages" definition change.

This provision, originally proposed in stand-alone legislation by PERAC, would clarify the definition of wages so that any accrued sick, vacation or personal leave taken in the normal course of employment would continue to be regular compensation. Though the original intent behind PERAC's draft-

ing of this amendment was to address the *Vernava* decision regarding supplemental pay received while a member was on workers' compensation, the Governor's office proposed this change to address accrued leave that is taken to supplement a member's pay while they are receiving payments under the Paid Family Medical Leave law (PFML). ■

PERAC Staff Updates

Several promotions are cause to celebrate this month. Help us in sending them best wishes! ■



Stephen Forcucci, has been with PERAC since the fall of 2020, initially hired as a .Net Developer. He was promoted to Senior .Net Developer. Stephen has over 10 years of development experience and works behind the scenes on the PROSPER application.



Tony Tse, with PERAC since 1997, has been promoted to Systems Architect. Staff have witnessed him get married to having children who are now old enough to be in high school and college! He has a Business Administration and Computer Science degree with minors in Economics and Math.



George Nsia, has been with PERAC since February, 2016, as an Auditor I. He was promoted to Auditor II. Prior to working at PERAC he worked at a CPA firm. He is an associate member of the Massachusetts Society of CPAs.



Junior Yanga started with PERAC as an Auditor I in May, 2018. He was also promoted to Auditor II. Junior recently graduated with a Masters' degree in Accounting at the University of Massachusetts, Boston (May, 2025)!



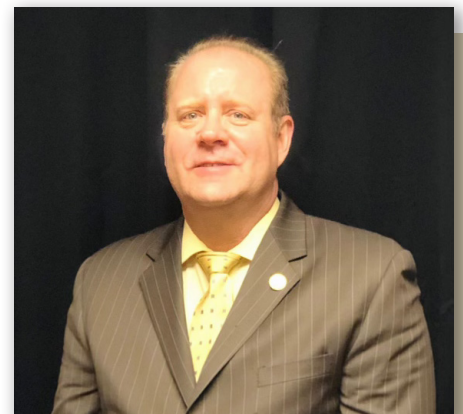
Carol Poladian has been with PERAC since November, 2016, as an Auditor I. She was promoted to Auditor II. Carol has public accounting and private sector experience. She is married to a state retiree so she has a vested interest in protecting public retirement benefits!

Congrats!

Somerville's Ross Captures NCPERS Election

Congratulations to Somerville Retirement Board member Tom Ross on his election as the National Conference on Public Employee Retirement Systems (NCPERS) Treasurer at their Annual Conference in Denver. Tom has been a Somerville firefighter for 38 years, a Somerville board member for 11 years, an NCPERS executive board member for eight years, and also serves as the Professional Fire Fighters of Massachusetts (PFFM) District 6 Vice President. As Treasurer, Tom will be one of six NCPERS executive board officers.

"Tom is a well-versed and well-respected member of both the public retirement community and the fire services," said PERAC executive director Bill Keefe. "His election to this national role is a testament to his experience and engagement and can only be a good thing for Massachusetts." ■



Creditable Crossword

Are you a Chapter 32 savant?

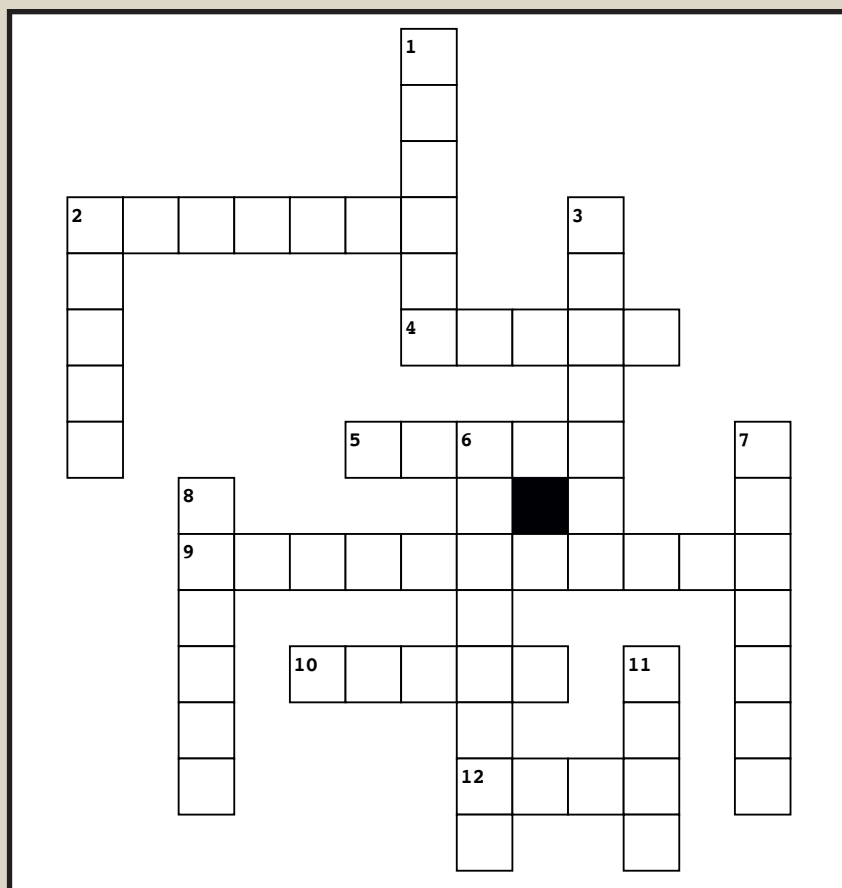
Test your knowledge by completing the Creditable Crossword! You can enter your completed crossword for a chance to win a prize. Correctly submitted entries will be entered into a drawing.

Across

- 2. Live long and _____
- 4. All 104 boards
- 5. Attorneys not directions
- 9. Unwilling
- 10. Cause of regular silence
- 12. Dough, not soda

Down

- 1. More than half
- 2. Wall or medical
- 3. Spending list
- 6. Care, skill _____ and diligence
- 7. How to get more time
- 8. The magic number
- 11. Retirement crustacean



How to play:

Print and enter your answers by hand. Or you can [click here](#) to complete an interactive version of this puzzle online and print your completed puzzle. Download or take a photo of your completed puzzle and send it to pension-news@mass.gov for a chance to win. Correct entries will be entered into a random drawing and will be announced at the July Commission meeting.

Year One (continued from page 1)

Your thoughts and ideas are valued, needed and sought after. Incorporating board staff into our trainings, getting out to board meetings, holding an actuarial roundtable, convening an initial administrators' roundtable — beyond informal regular emails and calls — all built bonds and provided invaluable feedback.

It has been an event-filled year of change with, among other things,

multiple pieces of significant legislation to implement, the triumphant repeal of the WEP-GPO, new PROSPER actions, and ... me. From my seat, we got through it, and we got through it well. Together. And I thank you for that.

I look forward to another great year ahead and strengthening our partnerships further. We are here to support, to work together, to serve as a resource; please don't hesitate to

contact us if we can help.

With deep appreciation and gratitude for the tremendous working relationships, the growing personal relationships, the many successes to date and with eager anticipation for what's to come, I, and all of us at PERAC, are grateful for, and proud to be part of, the Massachusetts public retirement community. ■

2025 Investment Return Assumption

By John Boorack
Actuary

At the beginning of each year, we review the investment return assumption to determine our recommendations for each retirement system using PERAC to perform an actuarial valuation. Based on our analysis this year, we recommended a 7.0% investment return assumption for use in the actuarial valuations for the State Retirement System, the Massachusetts Teachers' Retirement System and for the Commonwealth's total pension obligation. The Public Employee Retirement Administration Commission (PERAC) adopted the recommended 7.0% investment return assumption at its meeting on March 12, 2025. This is the same investment return assumption that has been used since the January 1, 2021, actuarial valuation.

The actuary uses several different assumptions when performing an actuarial valuation of a pension plan. The investment return assumption is one of the principal assumptions. For most public pension plans, the investment return assumption serves two purposes. First, it is used to project the growth of the plan's assets. Second, it is used as the discount rate for the plan's actuarial liabilities. The discount rate is the rate used to value the current cost of future



pension obligations. There is an inverse relationship between the discount rate and the value of the plan's actuarial liabilities – when the investment return assumption decreases, the associated actuarial liabilities increase, and vice versa. To demonstrate this relationship, consider a one-year, interest-bearing account. The present value would be the amount invested at the beginning of the year to have a balance of \$100 at the end of the year. In the extreme, let's assume two accounts, one that earns 0% and the other that earns 100%. For the account that earns 0%, you would need to invest \$100 at the beginning of the year to end up with a balance of \$100. For the fund that earns 100%, you would need to invest only \$50 at the beginning of the year to end the year with a balance of \$100. Therefore, the lower the interest rate, the higher the starting (or present) value.

Since most of the Chapter 32 retirement systems are invested in the Pension Reserves Investment Trust (PRIT), we use NEPC, the Pension Reserves Investment Management's (PRIM's) investment consultant, as our prima-

ry source in determining the recommended investment return assumption. We use information from secondary sources to help corroborate our recommendation. For example, we compare NEPC's Capital Market Assumptions (CMAs) to publicly available CMAs from other investment consultants to determine whether the NEPC CMAs are outliers in any given year. We use information from the National Association of State Retirement Administrators (NASRA) to compare our investment return assumption to the assumption used by other State, Teachers' and large city plans from across the country. To a lesser extent, we compare our recommended assumption to PRIT's historical investment performance over several time periods (5 years, 10 years, and 20 years). We analyze all this data to establish our recommended investment return assumption. For the handful of systems who are not invested with PRIM, we also review their investment policies, in addition to all the other information, to establish their recommended investment return assumptions. ■

Did you know?



The deadline for retirement systems to submit their annual statements to PERAC was May 1st. These statements must be submitted through PROSPER.

If your board has not submitted its statement and you have not formally requested an extension, please contact us right away. Our staff is here to help you if you need assistance.

Deadline approaching to purchase military service time

Are your members ready?

The deadline for vested Veterans not in the Guard or Reserves is August 8, 2025.

If members have questions about the process, please contact your retirement system or PERAC.



mass.gov/info-details/the-hero-act

Memos released last quarter:

- #01:** 2025 Interest Rate Set at 0.1%
- #02:** Repeal of the Social Security Windfall Elimination Provision and Government Pension Offset
- #03:** Required Minimum Distribution
Still Age 73 for This Year's Notifications
- #04:** 2025 Limits under Chapter 46 of the Acts of 2002
Federal Compensation and Benefit limits for 2024
- #05:** 2025 Limits Under Section 23 of Chapter 131 of the Acts of 2010
- #06:** COLA Notice
- #07:** Buyback and Make-Up Repayment Worksheets
- #08:** Investment Manager Statements via PROSPER
- #09:** Actuarial Data
Request for Member Data
- #10:** Tobacco Company List
- #11:** Updated Form SSA-1945
- #12:** Recent Investment Fraud Attempts
- #13:** Extension of Open Meeting Law Waivers
- #14:** Mandatory Retirement Board Member Training

Upcoming Meetings

June 11, 12:00 p.m.
Commission Meeting

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

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

September 10, 11:00 a.m.
Commission Meeting

Meetings are open to the public. See our website for details on how to attend in person or remotely.

PERAC

2025 Education Schedule

upcoming course highlights

Credits
board members
must earn

18
per term

3
Minimum
per term year

9
Maximum
per term year

May 29	Webinar (OIG)	Managing Risk
June 1-4	Conference (PERAC/MACRS)	Hyannis, MA
June 4	Webinar (AGO)	Open Meeting Law
June 17	Webinar (AGO)	Open Meeting Law

Next quarter:

Taxation Webinar with Ice Miller (part 2), July 10th
New Administrator Training, August 20th, Northampton

Save the date:

Emerging Issues Forum, Wednesday, September 18th

See our website for additional educational
resources and registration information, including:

- [Templates for the 2024 Annual Statement](#)
- [On demand webinars for credit](#)

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