

PERAC Pension News

No. 70

February 2026

A Publication of the Public Employee Retirement Administration Commission

Focus on Funding & Cybersecurity *Retirement Boards will be Key Partners*

By Bill Keefe
Executive Director

Providing accurate, complete, timely and friendly service to members, board members, staff, the Chapter 32 community, government officials and the public will always be a top priority for us at PERAC.

Moving through 2026 and beyond, there are two policy areas highlighted at the fall MACRS conference that will also be top priorities: funding and cybersecurity.

In 2025, we started discussing both topics with stakeholders and speaking out on these issues. We will leverage that foundation into action in 2026 by bringing people together



PHOTO: ADOBE STOCK IMAGES

and building consensus. We will not – and we cannot – do this alone. It will be a collaboration with the intent to provide assistance, guidance, clarity and direction.

On funding, there were actuarial panels at Emerging Issues and the fall MACRS conference. Both panels were united: as boards near full funding, it

is important to have a gradual ramp down in the appropriation to avoid the cliff effect. This will provide stability for both the governmental body and the retirement board. It recognizes the governmental body's need to repurpose retirement payments to other worthy priorities – just don't take them all at once. *(continued page 5)*

Inside this issue

| | | | |
|--|---|---|---|
| ▶ Commonwealth Valuation | 2 | ▶ COLA Commission Releases Report | 5 |
| ▶ 91A Statement Mailing This Month | 2 | ▶ Legislative Update | 6 |
| ▶ PERAC & Board Updates | 3 | ▶ New & Noteworthy | 7 |
| ▶ MACRS Conference | 4 | ▶ Education Schedule | 8 |

Commonwealth Valuation

By John Boorack
Actuary

The Commonwealth Actuarial Valuation Report presents the results of the actuarial valuation of the pension benefits that are the obligation of the Commonwealth of Massachusetts. The four components of the report are the State Employees' Retirement System (SRS), the Massachusetts Teachers' Retirement System (TRS), Boston Teachers, and the Cost-of-Living Allowance reimbursements to local systems.

The chart in Table 1, on this page, shows a comparison of the principal valuation results of the January 1, 2024 and the January 1, 2025 actuarial valuations. The unfunded actuarial liability (UAL) represents the actuarial accrued liability less the value of plan assets. The funded ratio is the value of plan assets divided by the actuarial accrued liability. The funded ratio represents the portion of the actuarial accrued liability covered by plan assets. As of January 1, 2025, the actuarial liability was \$124.0 billion, and the actuarial value of plan

| | Valuation Date | |
|-------------------------------------|----------------------|----------------------|
| | 1/1/2025 | 1/1/2024 |
| Actuarial Liability | | |
| Actives | \$54,330,601 | \$52,098,968 |
| Retirees and Inactives | \$69,699,196 | \$68,719,686 |
| Total | \$124,029,797 | \$120,818,654 |
| Assets (Actuarial Value) | \$83,564,367 | \$78,567,120 |
| Unfunded Actuarial Liability | \$40,465,430 | \$42,251,534 |
| Funded Ratio | 67.4% | 65.0% |

Table 1 | All dollars in thousands

assets was \$83.6 billion. The difference of \$40.5 billion is the UAL. The funded ratio is 67.4%.

It is important to note that plan assets have grown faster than plan liabilities since 1990. As of January 1, 1990, the actuarial accrued liability was approximately \$20.0 billion and the actuarial value of assets of was \$7.8 billion which resulted in an UAL of \$12.2 billion and a funded ratio of approximately 39%. Since 1990, the actuarial liability has grown by about 6.2 times while assets have grown by about 10.7 times.

For this reason, we believe the funded ratio represents a better measure of the Commonwealth's funding

progress. Although the funded ratio reached 85.2% on January 1, 2000, this was the result of average annual returns from 1985-1999 that exceeded 12.5% and attaining such a high level of funding so quickly was not expected. If there had been no gain or loss on assets from 1985-1999, the funded ratio would have been about 45%. Over the past 20 years (2005-2024), the average annual return on assets on a market value basis is approximately 7.6%. Over a 10-year and 5-year period, the returns were 8.1% and 8.1% respectively. The 40-year return (since inception) is 9.4%. ■

91A Statements Mailing this Month

Disability retirees will receive their 91A form later this month. They have already received a reminder postcard. For more information on filing online they can go to mass.gov/91A

Please let your retirees know they may still file their 91A forms by mail if they wish. Forms must be submitted by the deadline of April 15, 2026 whether filed online or by mail.

Congratulations are in order!

By Natacha Dunker
Communications Director

PERAC welcomed a new colleague, others hit major milestones and we have a winner! Join us in congratulating them! ■



Daniel Taylor
Asst. General Counsel

Dan previously worked at the Secretary of State's Office and the Civil Service Commission. They graduated from Northeastern University and Suffolk Law School. Welcome Dan!



Regina Manning
Disability
Case Manager II

After 27 years at PERAC providing dedicated service to members, Regina joined the ranks of the retirees in December. We wish her the best of everything!



Rose Morrison
Administrative
Assistant

It's hard to believe that Rose recently celebrated 40 years at PERAC! Anyone who has interacted with Rose knows what an asset she is. Maybe another 40?



Kaitlyn Doucette
Director, Methuen
Retirement Board
Kaitlyn submitted correct answers to last issue's crossword puzzle and won the prize drawing! She received a limited edition PERAC mug!

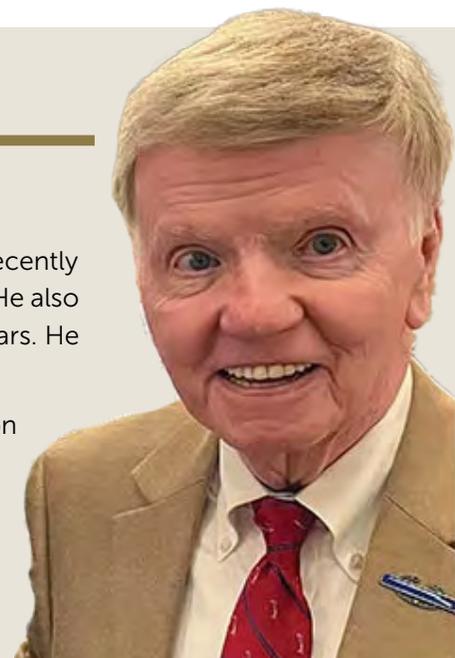
Jim Fleming, MWRA Board Chair, Retires

By Natacha Dunker
Communications Director

Mass Water Resources Authority Retirement System (MWRA) Board Chair, Jim Fleming, recently retired. Jim served on the MWRA board since 1994, and as Chairman for almost 27 years. He also served on the Salem School Committee for 20 years and the Salem City Council for 3 years. He was elected to the Mass Retirees Executive Board in 2024.

Jim previously worked for the MWRA's Treasury Department. He is a graduate of Boston College, Georgetown University Law School, and the Wharton School Pension Fund Program. He is an NCPERS Accredited Fiduciary and a Chartered Pension Professional.

We wish him well in his retirement! ■



MACRS Conference

"Perspective is Everything"

By John Galvin
Compliance Manager

Attending the Conference of the Massachusetts Association of Contributory Retirement Systems (MACRS) in Springfield, retirement board members and staff had the opportunity to explore a diverse range of timely topics directly affecting their boards and members.

Kathleen Kiely-Becchetti kicked things off by welcoming attendees to the conference. Next was keynote speaker Dale Arnold who discussed his upbringing and how he was able to beat the odds and walk away from an incredible radio announcing career feeling grateful and accomplished. Did you know Dale Arnold is the only person to have done play-by-play broadcasts for all five of the Boston area's major professional sports franchises? That is an accomplishment!

The keynote speaker for Tuesday was Jake Thibeault, a senior at Babson College who suffered a life altering on-ice collision. Thibeault now focuses his athletic ability, strength, and determination toward taking another step to his goals of walking and sharing his powerful and inspirational message: "To me,



there is no such thing as a bad day. I'm human, I have bad moments. There are days when I have a ton more bad moments than good. But I have that perspective. Those are good moments. Perspective is everything."

Retirement board members were able to earn up to six educational credits for attending certain sessions at the conference to help meet their annual education requirement. Three credits were offered for attendance at the Legal Panel moderated by Tom Gibson, where Ken Hill, PERAC Deputy Executive Director, presented on recent Violent Act Injury legislation. Three credits were also offered for attendance at the PERAC presentations on Presumptions, Dual Membership and Actuarial Valuations/

Pension Funding Basics on Wednesday morning with Judith Corrigan, Felicia Baruffi and John Boorack presenting. PERAC Executive Director, Bill Keefe, also spoke on addressing funding and cybersecurity issues.

Other well attended sessions included a cyber and fiduciary insurance update, and a "99% vs 101%: What's the Difference?" presentation, which was paneled by Colin Edgar and Joan Moreau of Stone Consulting, and Steve MacLellan of Meketa Investment Group. ■

COLA Commission Releases Report

By Bill Keefe
Executive Director

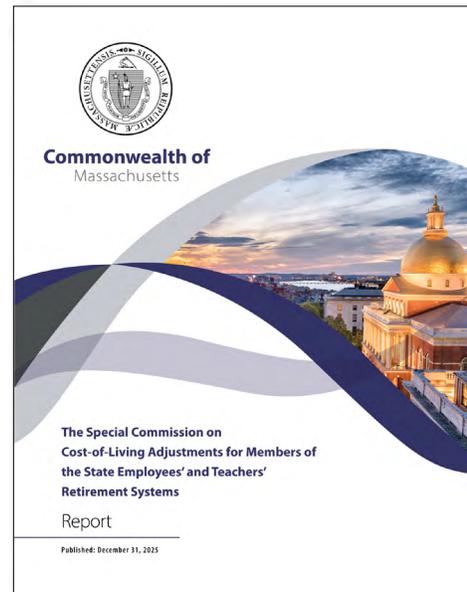
The Special Commission to study the State and Teachers' Retirement Systems COLA issued its report at the end of December.

The Commission made three recommendations to the Legislature:

- develop an Enhanced COLA that is targeted to those who have been retired longer and whose benefits are below a designated benchmark;
- institute a COLA base increase process that will ensure such increases can be both responsibly financed and occur on a more regular basis;
- and create a mechanism to sustainably fund COLA base improvements.

While this report's focus was State and Teachers', local option adoption of the recommendations will be part of the legislation to enact them. A potential increase in the State and Teachers' COLA base of \$13,000 – last acted on in 2011 – could have a residual effect for local boards.

You can find the report on our website at mass.gov/perac and clicking on Special COLA Commission. ■



Funding & Cybersecurity (continued from page 1)

On the flip side, for systems still working to get to full funding, we join the actuaries in promoting a “layered approach” to liabilities. The layered approach would do away with deadlines in favor of continued steady progress with different “sleeves” of liability. It would provide flexibility and create stability. We have discussed both concepts with boards, MACRS, the Mass. Municipal Association and the Mass. Government Finance Officers Association with preliminary

agreement. This spring, we will present them to the Auditors and Accountants Association, the Treasurers and Collectors Association and the Mass. CPA Society Government Committee.

We are taking a similar approach with cybersecurity by engaging stakeholders and partners— boards, MACRS, the MMA, the state Executive Office of Technology Services and Security, PRIM and the MBTA Retirement Fund – to work together to arrive at workable solutions

in this critical and challenging area. Items for consideration include required training, password policies, security standards, and disaster recovery and business continuity plans.

As valued partners in public retirement, please join us in addressing these challenges. ■

Legislative & Regulatory Update

By Patrick Charles
Assistant Deputy Director

PERAC has had a few legislative and regulatory updates recently.

Electronic Signatures 840 CMR 28.00:

On January 7, 2026, PERAC held a remote hearing on the amendments to 840 CMR 28.00, Electronic Signatures. The amendments will permit the use of electronic signatures on forms that require a witness signature and were detailed in Memorandum #34 of 2025.

There were no recommended changes and, on January 14, 2026, the Commission voted to approve the amended regulation and file it with the Legislature. After filing, the regulation was accepted by both the House and the Senate and referred to the Joint Committee on Public Service on January 23, 2026, as Senate Bill 2923.

By statute, the Legislature has 45 days in which to review the regulatory filing and provide any comments to the Commission. Following that 45-day period, the regulation will be brought back to the Commission for a final vote to authorize final publication with the Secretary of State.

Standard Rules for Disclosure of Information (840 CMR 6.00)

On February 11, 2026, the Commission approved amendments to 840 CMR 6.00 Standard Rules for Disclosure of Information.

The amendments to the regulation are primarily designed to bring the regulation into compliance with changes to the Public Records law.

Following the Commission's approval, the amendments will be presented to Administration and Finance (A&F) for review. Upon A&F's approval, PERAC will publish the amendments with the Secretary of State and schedule a public hearing.

Violent Act Disability Update

On November 25, 2025, Governor Healey signed Chapter 73 of the Acts of 2025. On December 2, 2025, PERAC issued Memorandum #33 of 2025, which apprised the retirement boards of these amendments and steps that should be taken going forward when processing violent act injury disability applications.

The first change adds members of the State Police to the eligible class of candidates for Violent Act Injury disability. When the original legislation was passed, it inadvertently omitted members of the State Police from the eligible class because such members retire pursuant to G.L. c. 32, § 26 rather than § 7. This change amends Section 26 to make State Police eligible for the Violent Act Injury disability provided for in Section 7.

The second change removed the term "life-altering" from the scope of the injury that may qualify an applicant for Violent Act Injury Disability, as there was concern that the term was overly broad. Following this change, an applicant now must sustain a "catastrophic or life-threatening and permanent bodily injury..."

The final change amended the definition of the dangerous weapon used in the attack from a focus on the design of the weapon to the use of the weapon. Now, following this change, the violent attack must occur by means of a dangerous weapon "which is used in a manner intended to cause serious injury or death..."

Amended Definition:

"Violent Act Injury", a catastrophic or life-threatening 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 used in a manner intended to cause serious injury or death, including, but not limited to, a firearm, knife, automobile or explosive device. ■

new & NOTEWORTHY

SFI's Due May 1st

Board members should have received a reminder to complete their Statement of Financial Interest through PROSPER. Please complete your forms by May 1st to avoid disqualification from future board service.



ADOBESTOCK ILLUSTRATION

Recently released Memos:

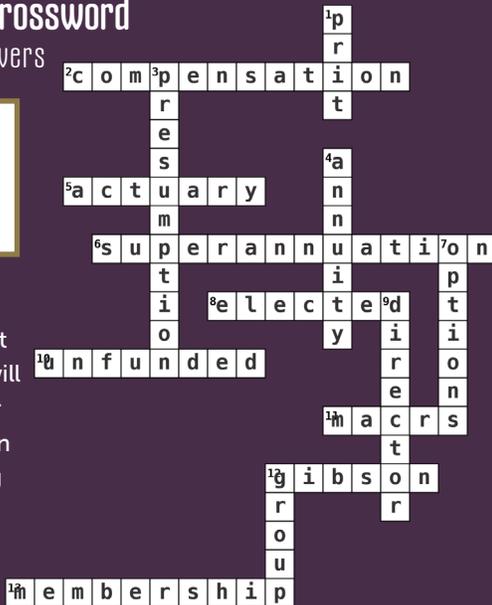
- #01: 2026 Interest Rate Set at 0.1%**
- #02: Anti-Spiking Calculation Pursuant to Section 106 for Union Members**
Up to \$100 per test approved by Commission
- #03: 2026 Limits Under Chapter 46 of the Acts of 2002**
Set in consultation with Commissioner of Banks
- #04: 2026 Limits under Section 23 of Chapter 131 of the Acts of 2010**
Overview of change to federal SSA benefits
- #05: COLA Notice**
Guidance for notification requirements
- #06: 840 CMR 10:10(3) & 10:15(1)(c) - Annual Review of Medical Testing Fee**
PERAC can approve up to \$100 per case
- #07: Required Minimum Distribution: Still Age 73 for this Year's Notifications**
- #08: Fraud Alert**
Fraud attempt stopped by Board
- #09: Buyback and Makeup Repayment Worksheets**
Use for calculating buybacks/make-ups and the cumulative interest
- #10: Actuarial Data**
Request for boards to submit member data as of 12/31/25 to PERAC by 3/31/26

credible crossword

Issue #69 Answers

How well did you do?

Miss the puzzle? Don't worry - we will have another one for you in an upcoming issue!



Upcoming Commission Meetings

March 11, 11:00 a.m.

April 8, 11:00 a.m.

May 13, 11:00 a.m.

June 10, 11:00 a.m.

Meetings are open to the public. See our website for information on joining in person or remotely.

PERAC

2026 Education Schedule

course highlights

Credits
board members
must earn

18
per term

3
Minimum
per term year

9
Maximum
per term year

| | | |
|-------------|-------------------|---|
| February 24 | PERAC Webinar | Preparing the Annual Statement |
| February 27 | Webinar (OIG) | Fraud Awareness |
| March 2 | Webinar (AGO) | Open Meeting Law |
| March 2-4 | NCPERS Conference | Communications & Member Services Summit |
| March 3 | PERAC Training | New Administrator Training |
| March 11 | Webinar (OIG) | Boards & Commissions |
| March 12 | Webinar (OIG) | Fraud Awareness |
| March 27 | Webinar (AGO) | Open Meeting Law |

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

Public Employee Retirement Administration Commission | 10 Cabot Road, Suite 300, Medford, MA 02155
Phone 617 666 4446 | Fax 617 628 4002 | Web www.mass.gov/perac

Philip Y. Brown, Esq.

Principal | Brown Counsel
Chair

The Honorable
Diana DiZoglio
Auditor of the Commonwealth
Vice Chair

Kathleen M. Fallon

Practice Area Director
Public Consulting Group

Kate Fitzpatrick

Town Manager (retired)
Needham

James J. Guido

Lieutenant
Chelsea Police Department

Richard MacKinnon, Jr.

President
Professional Fire Fighters
of Massachusetts

Jennifer F. Sullivan, Esq.

Investment Professional



Bill Keefe

Executive Director

Natacha Dunker

Editor