PERAC Pension News

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New COLA Provisions

By Patrick Charles
Assistant Deputy Director

On July 9, 2026, Governor Healey signed the Fiscal Year 2027 (FY 27) budget, Chapter 137 of the Acts of 2026, which included two Cost of Living Adjustment (COLA) provisions in sections 22-27 and 32-38. On August 27, 2026, we issued Memo #23 of 2026 which detailed those provisions.

For the State and Teachers' retirement systems, there will be a COLA Reserve Fund established which will provide a funding mechanism for Enhanced COLA benefits and future COLA base increases. The State and Teachers' retirement systems have not seen a COLA base increase since 2012.

For local retirement systems, there is a local option for the systems to provide Enhanced COLAs and establish a COLA Reserve Fund to provide advanced funding for the Enhanced COLA.

To be eligible for the Enhanced COLA, a member must: (1) have retired prior to July 1, 2020; (2) have a retirement allowance that is below 80% of the average salary in their retirement system; and, for superannuation retirees, (3) have retired with at least 20 years of creditable service. Disability retirees have no minimum creditable service requirement.

There are three tiers of Enhanced COLA. For local systems, each tier is a separate local option. Tier 1 pays an



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extra $100 annually to members who have been retired for 10-14 years. Tier 2 pays an extra $200 annually to members who have been retired for 15-19 years. Tier 3 pays an extra $300 annually to members who have been retired for 20 or more years.

The COLA Reserve Fund, at the local level, is a fund established to hold assets to cover the cost of pre-

(continued page 6)

Inside this issue

Emerging Issues Forum 2
PERAC "Unofficial" Dictionary 2
Forum Highlights 3
Chairman Brown Reappointed 3
PERAC Turns 30! 4
Creditable Crossword 5
New & Noteworthy 7
Upcoming Education Schedule 8

Full House at the Emerging Issues Forum

By Natacha Dunker
Communications Director

It was a full house at this year's Emerging Issues Forum held on September 17th in Westborough, MA.

PERAC Executive Director, Bill Keefe, welcomed well over 200 attendees to this year's Forum and Chairman Phil Brown provided opening remarks.

An engaging group of panelists presented on "Hiring an Investment Manager", "The State of the State Economy", "Artificial Intelligence", and "Human Resources for Retirement Boards." We received many positive comments on the presentations.

The highlight of the day, however, was the mug each attendee received commemmorating PERAC's 30th anniversary this November.

We extend our sincere thanks to all the attendees and presenters for helping to make this event a success every year! Let us know if you have ideas for 2027! ■



Evan Horowitz, Director, Tufts University Center for State Policy Analysis presents on the State of the State Economy

PERAC Releases "Unofficial" Dictionary

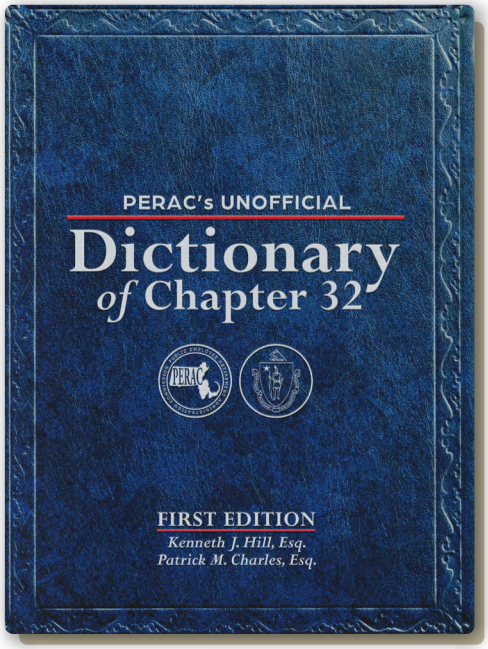
By Kenneth J. Hill, Esq.
Deputy Executive Director

While brainstorming ideas for topics to present at upcoming Administrator Training sessions, PERAC staff considered feedback received from recent session attendees. One of those attendees suggested that PERAC do a presentation on the words and terms that are particular to Chapter 32. We thought it was a good idea and got to work on it. It quickly spiraled out of control. We realized that we could not do it as a presentation but, rather, would need to create a document. Thus, we created "PERAC's Unofficial Dictionary of Chapter 32."

The dictionary is "unofficial" because it does not utilize the statutory and/or caselaw definitions of the words and terms but, rather, contains definitions meant to simplify many common and uncommon terms in Chapter 32. It contains more than 150 definitions, as well as links to pertinent statutes, regulations, and PERAC memoranda. It is available for download on our website.

As you will see on the cover, it is our "First Edition" of the dictionary. We anticipate updating the dictionary in the future and welcome all suggestions.

Special thanks to Patrick Charles, whose work on the dictionary was invaluable. In addition to Patrick, however, the dictionary would not exist without the incredible assistance and suggestions of numerous PERAC staff members including, but not limited to, Bill Keefe, Judith Corrigan, Felicia Baruffi, Dan Taylor, John Boorack, Caryn Shea, John Galvin, Sandy King, Patrice Looby, and Natacha Dunker. Special thanks and recognition to Karen McMahon, who devised the layout of the dictionary and inserted the hyperlinks. ■



The cover of the Unofficial Dictionary, designed by PERAC Deputy Communications Director, Karen McMahon.

Highlights from Emerging Issues Forum



Audrey Chen, Chief Technology Officer at the Massachusetts Executive Office of Technology Services and Security (EOTSS), gave a demonstration on the AI projects the Commonwealth is working on.



PERAC Deputy Exeuctive Director, Ken Hill, gave a presentation on some of the hallucinations and real life legal issues that have come up relative to AI



(L-R) Mary Aicardi, Human Resources Practice Leader, UMass Boston Collins Center, Michael Pasquariello, Ex. Dir, Somerville RB, Ryan Horan, Dir. Braintree RB, Michelle Malone, Ex. Dir., Lexington RB, and Bill Keefe present on HR for Retirement Systems.



Mark Foster of SageView Advisory Group presents in front of a full house as John Galvin, PERAC Compliance Manager looks on during their investment presentation.

Phil Brown reappointed as PERAC Chairman



PERAC Chair Phil Brown, gave opening remarks at this year's Emerging Issues Forum.

At the October Commission meeting, Philip Y. Brown, Esq. was unanimously reappointed to a new five-year term as Chair by his fellow Commissioners.

Chairman Brown was first appointed to the Commission by Governor Deval Patrick in September, 2013 and first chosen as chair of the Commission by his fellow Commissioners in October, 2014.

Before establishing his firm, Brown Counsel, Chairman Brown had over 30 years of experience in Boston-area law firms. He holds a B.A. from Haverford College, an M.A. in politics from New York University, and a J.D. from Northeastern University School of Law.

PERAC Turns 30!

By Bill Keefe
Executive Director

This November, PERAC celebrates its 30th year as an agency. To commemorate that milestone, we have gathered some anecdotes from current and former colleagues.



Former Commissioner James Machado testifies, along with former Commission Chair, Judge Domenic Russo and Executive Director, Joe Connarton, before the Joint Committee on Public Service in 2006, staffed by attorney Patrick Charles, now PERAC Assistant Deputy Director

Caroline Carcia

1st Deputy Exec. Director, employed at PERAC since the beginning!

This year, we are celebrating 30 years at PERAC. When I started (at then PERA) in 1987, our "network" was a room full of filing cabinets, each desk had a typewriter and rolodex, printing was done on dot matrix printers, "cc'ing" required carbon copy, there were no e-mails, the "cloud" was just weather, and a "mouse", was a pest. While the tools and technology look completely different today, the core mission of this agency and the dedication of the people here have remained the same. It's been an extremely humbling experience to be part of PERAC's technological transformation to better serve our constituents.

I have had the privilege to work with 1 Acting Executive Director and 4 Executive Directors, a total of 41 Commissioners and attended over 327 Commission meetings, but who's counting?

Frank Valeri

Dep. Dir, 2007-2013, Gov. Affairs Dir., 1998-2002, President, Mass Retirees

I fortunately was given the opportunity to work at PERAC by the first Executive Director, Bob Stalnaker and again by his long-time successor Joe Connarton. I also had the privelege to work with John Parsons, Joe's sucessor.

Now working outside of PERAC, I get to work with the current executive director, Bill Keefe, in a different capacity and can see that he has maintained the historical oversight philosophy of his predecessors that PERAC's responsibility to regulate and protect public retirement systems is best accomplished through assistance versus intimidation. The staff's continued professionalism, dedication, and objective decision making over the past three decades has been exemplary.

Jim Machado

Former PERAC Commissioner for 20 years. Retired Fall River Police Sergeant

It was an honor to serve as PERAC commissioner for over 20 years and see the transformation from simply a regulatory body to a valuable resource to retirement systems, members, and beneficiaries. Thirty years later, through communication, collaboration, and education, PERAC continues to enhance its standing and respect in the retirement community.

Joe Connarton

PERAC Exec. Director, 1999 - 2018

Thirty years ago, PERAC was created in large part due to a media storm of intense criticism of our public pension system! Since its inception, the commission and its staff have been steadfast to its mission, and it has maintained a positive and steady presence within the Commonwealth's retirement community! It was a singular honor to have had the opportunity to work with so many talented Commission members and individuals within the agency!

John Parsons

PERAC Exec. Director, 2018-2024, PERAC General Counsel, 2012 - 2018

Congratulations to PERAC on its 30th anniversary. The agency's oversight and collaborative efforts have improved the fiscal health of the Commonwealth's retirement systems, to the great benefit of public employees. Thank you *(continued page 6)*

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.

How to play:

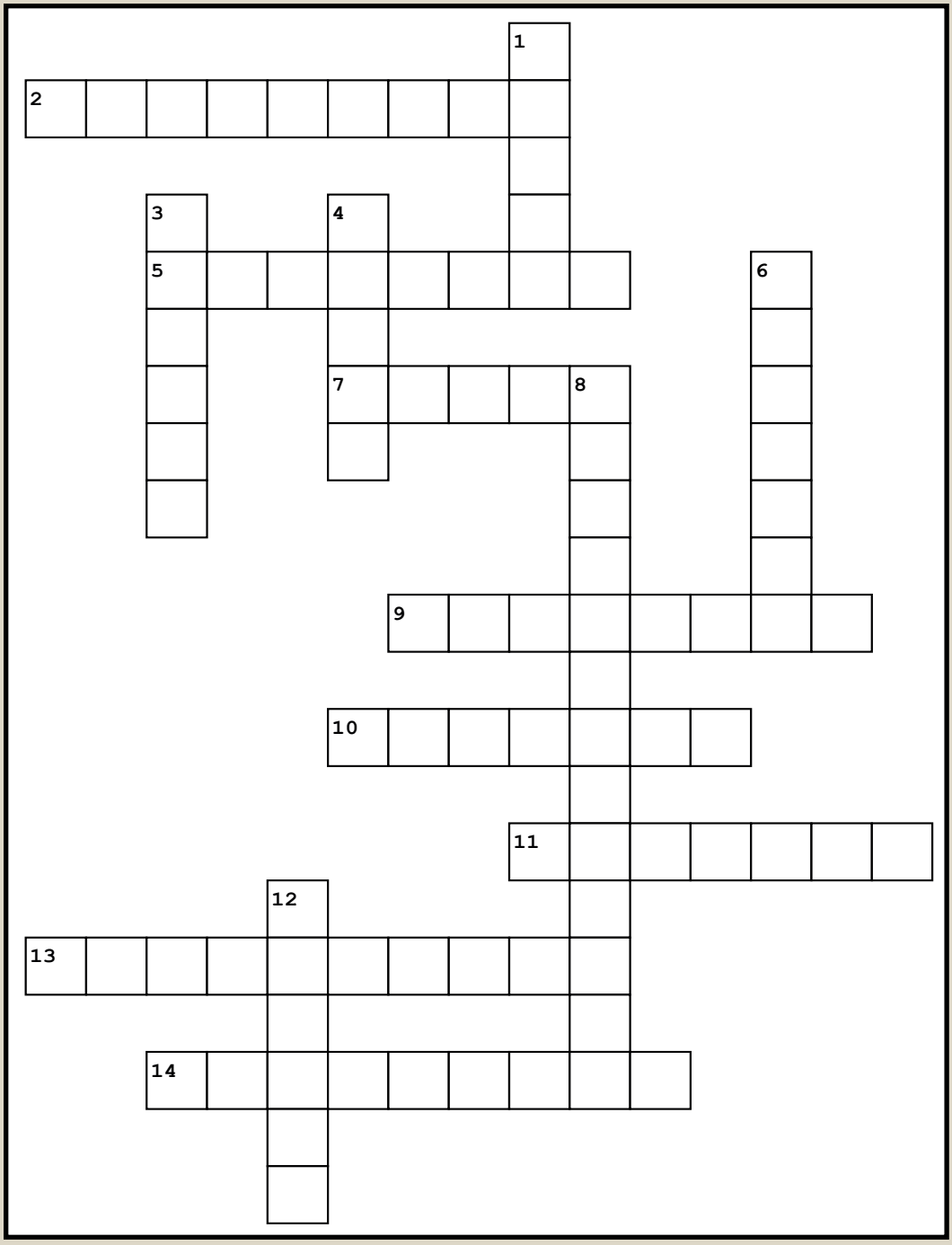
Print this page and enter your answers by hand or **click here to complete an online version of this puzzle**. You can download your completed puzzle or take a photo of your printed puzzle. Submit the download or photograph of your completed puzzle to:
pension-news@mass.gov for a chance to win.

Correct entries are entered into a random drawing and the winner will be announced at the November Commission meeting.

There were four winners to our last puzzle:
1. Nathaniel Chen, N. Attleboro
2. Karen Defeo, Saugus
3. Kayla Sheehan, Watertown
4. Linday Baker, Barnstable

Nate, Karen and Kayla all completed the crossword despite a typo in the original and Lindsay's name was drawn from the remaining entries. Congrats to all!

Answers will be available in the next issue. See page 7 for answers to the last puzzle.



Across
2. **Town** system w/ highest # active members
5. PERAC conference "____ Issues"
7. "____ $5,000 Rule"
9. Northernmost ret. bd.
10. Purchase of prior non-member service
11. Establishing right to a ret. allowance
13. Annual vendor ____
14. Section 3(8)(c) ____

Down
1. # of PERAC commissioners
3. Two repealed Social Security laws (abbr.)
4. Sandy King's Unit at PERAC
6. ____ 32
8. Section 105
12. "Once a member, ____ a member"

New COLA Provisions (continued from page 1)

funding the Enhanced COLA benefits. In any year in which a system's investment return exceeds the actuarially assumed rate of return (which will vary by system), 7.5% of the return that exceeds the expected return is transferred to the COLA Reserve Fund. Once the fund has enough assets to cover the actuarially determined cost of the Enhanced COLA, the funds are transferred to the pension reserve fund and the Enhanced COLA is paid going forward.

It is important to note that, prior to the payment of any Enhanced COLAs, a system must have sufficient assets accrued to cover all adopted Enhanced COLA tiers. The actuary of the system will determine the cost of each tier and will certify each year how much money is in the COLA Reserve Fund. Once sufficient funding is achieved, the system's actuary will notify the board and the transfer will take place. Once this occurs, the benefit will begin during the annual COLA process.

As previously mentioned, the Enhanced COLA and COLA Reserve fund are local options and must be adopted by a retirement board and its local legislative body. If a system wants to adopt any of the Enhanced COLA provisions, it must also adopt the COLA Reserve Fund. The COLA Reserve Fund is only to be used to prefund the adopted Enhanced COLA tiers. Once the assets are transferred to pay benefits, the COLA Reserve Fund will stop being credited with any assets, regardless of future investment performance.

The new COLA provisions are complex and systems should refer to Memo #23 of 2026 for a more detailed explanation. There is also a webinar, from September 30, 2026, available on our website which provides excellent information on the two provisions and the process. ■

PERAC Turns 30! (continued from page 4)

to all the employees and board members that have contributed to this effort.

Kate Fitzpatrick

PERAC Commissioner since 2016
Retired Needham Town Manager

I am lucky to have been in the PERAC orbit for its entire existence. I spent roughly 17 years on the Needham Retirement Board, and then as a commissioner for 11 years. I served on the Special Commission to Study the Massachusetts Contributory Retirement System, which led to significant modifications to the system in 2009 and 2011. While serving on PERAC, I have worked with amazing board members, and three of the five executive directors. I learned how to navigate the Orange Line. Most of all, I had the opportunity to work with PERAC staff - at every level - who demonstrate their passion for the system and its many, many intricacies, and their dedication to its members and retirees. Happy 30th PERAC!

John Brown

Member, Fitchburg and Middlesex County Ret. Boards, MACRS, PFFM

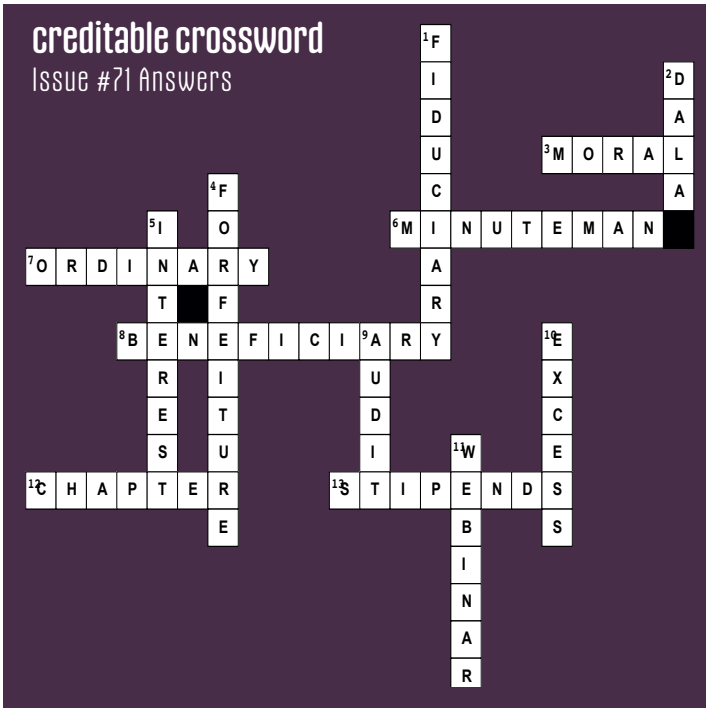
Congratulations to PERAC on the 30th Anniversary of serving the Massachusetts retirement community with fairness and transparency. I must recognize the dedication and loyalty of the PERAC staff over the last three decades. The public employees in Massachusetts have been the beneficiaries of exemplary service and representation. So many great people have been a part of the journey as PERAC provided retirement board members with the expertise and tutelage to serve our constituency. Thank you for your leadership and thanks to an excellent staff for being there. ■

NEW & NOTEWORTHY Updates

Deadline Approaching

Retirement Boards: while we changed the process for submitting your appropriations questionnaire, the deadline remains the same.

Please submit your appropriations questionnaires by October 31st through the PROSPER application.



Memos released last quarter:

#20: **Reinstatement to Service Under G.L. c. 32, § 105**
Updated application effective July 1, 2026 through June 30, 2027

#21: **Updated Calculation Figures for Post-Retirement Work Under Section 91 and Section 91A**
Change to law effective July 9, 2026

#22: **Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors**

#23: **COLA Reserve Fund and Enhanced COLA**
Information and guidance on the new legislation

#24: **Tobacco Company List**

#25: **Mandatory Retirement Board Member Training – 4th Quarter, 2026**

Upcoming Meetings

November 18, 11:00 a.m.	December 16, 11:00 a.m.
Commission Meeting	Commission Meeting

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

2026 Education Schedule

upcoming course highlights

Credits board members must earn

18 per term

3 Minimum per term year

9 Maximum per term year

November 4	New Administrator Training	Woburn, MA
November 9	Boards and Commissions	Webinar (OIG)
November 10	Cases of Interest	Webinar (PERAC)
November 19	Open Meeting Law	Webinar (AGO)
November 24	Understanding Leadership	Webinar (OIG)
November 30	Fraud Awareness	Webinar (OIG)
December 1-3	MACRS Fall Conference	Quincy, MA
March 11, 2027	New Administrator Training	Norwood, MA

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

- On demand webinars for credit

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