PERAC's UNOFFICIAL

Dictionary of Chapter 32

FIRST EDITION

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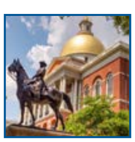
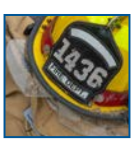
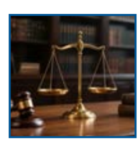
CONTENTS



INTRODUCTION

The definitions contained herein are **unofficial** and are general in nature, and intended to simplify many common and uncommon terms utilized in the Massachusetts public pension world.

- It is meant only to be a helpful reference guide.
- It has no precedential value.
- It should not be quoted.
- Anyone utilizing this booklet should always refer to the statutes and other reference materials cited for each definition.

USEFUL LINKS

- Massachusetts General Laws Chapter 30 (G.L. c. 30): **https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter30**
- Massachusetts General Laws Chapter 32 (G.L. c. 32): **https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIV/Chapter32**
- 840 Code of Massachusetts Regulations (840 CMR): **https://www.mass.gov/lists/perac-regulations**
- PERAC Memos: **www.mass.gov/perac-memos**
- PERAC Website: **www.mass.gov/perac**

A

Accidental Death

A type of survivor benefit granted when a retirement board determines that a member in service, or a retiree, dies as the natural and proximate result of a job-related injury or hazard. **See G.L. c. 32, § 9**.

Accidental Disability

A type of retirement for which an allowance may be paid to members who are permanently and totally disabled from performing the essential duties of their position because of a job-related injury or hazard. **See G.L. c. 32, § 7.**

Active Member (a/k/a Member in Service)

A current employee, or someone on an approved leave of absence, of a member unit of a retirement system. **See, G.L. c. 32, § 3(1)(a)(i)**.

Actuarial Accrued Liability (AAL or AL)

That portion of the Actuarial Present Value of pension plan benefits which is not provided by future Normal Costs or employee contributions. It is the portion of the Actuarial Present Value attributable to service rendered as of the Valuation Date.

Actuarial Assumed Interest

Interest that would have been so credited using a rate equal to a system's actuarial assumed rate of return on investments, as determined in the system's most recent actuarial valuation. See **G.L. c. 32, § 1**, and **PERAC Memo #14 of 2018**.

Actuarial Assumptions

Assumptions, based upon past experience or standard tables, used to predict the occurrence of future events affecting the amount and duration of pension benefits, such as: mortality, withdrawal, disability and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; and any other relevant items.

A (Continued)

Actuarial Cost Method (a/k/a Funding Method)

A procedure for allocating the Actuarial Present Value of all past and future pension plan benefits to the Normal Cost and the Actuarial Accrued Liability.

Actuarial Determined Contributions (ADC)

The target or recommended payment calculated for a defined benefit pension plan to finance future retirement benefits, combining the normal cost payments with payments to amortize any unfunded liabilities. It is the amount shown in the system's funding schedule.

Actuarial Equivalent

Any benefit or benefits of equal value when computed upon the basis of a mortality table to be selected by the actuary and an interest rate determined by the actuary. **See G.L. c. 32, § 1**.

Actuarial Gain or Loss

A measure of the difference between actual experience and that expected based upon the set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. **Note:** The effect on the Accrued Liability and/or the Normal Cost resulting from changes in the Actuarial Assumptions, the Actuarial Cost Method, or pension plan provisions would be described as such, not as an Actuarial Gain (Loss).

Actuarial Present Value

The dollar value on the valuation date of all benefits expected to be paid to current members based upon the Actuarial Assumptions and the terms of the Plan.

Actuarial Valuation

An assessment of a pension plan's financial condition. It is used to measure the funded status of the plan (funded ratio and unfunded actuarial liability) and to determine the contributions necessary to ensure the payment of all promised benefits.

A (Continued)

Aggravation of a Pre-Existing Condition

An applicant may be entitled to a disability retirement allowance if an injury worsens a medical condition from which the applicant already suffered to the point where the applicant is now incapacitated. (In the alternative, see also **Exacerbation of a Pre-Existing Condition**).

Allowable Earnings

The total income that a retiree can earn in a calendar year without having to repay any of their retirement allowance. (See also **Excess Earnings**). **See G.L. c. 32**, **§§ 91** and **91A**, **840 CMR 10.16** and **10.17**, **PERAC Memos #21 of 2026**, **#13 of 2022**, **#32 of 2020**, and **#25 of 2018**.

Amortization Payment

That portion of the pension plan appropriation which represents payments made to pay interest on and the reduction of the Unfunded Accrued Liability.

Annual Statement

The statement all retirement boards must submit to PERAC each year that describes the board's asset holdings and fund balances as of December 31, and the transactions during the calendar year that affected the financial condition of the retirement system.

Annual Statement of Earned Income

Every year, disability retirees must file with PERAC a form certifying their full amount of earnings from earned income during the preceding year, and provide PERAC with any and all pertinent tax documentation. **See G.L. c. 32, § 91A**, and **840 CMR 10.16**, **10.17**.

Annual Vendor Disclosure (AVD)

A form required for investment service providers [to retirement boards] to report compensation paid or received. This form is required as part of the RFP process and each year during the contractual relationship with the retirement board. Annual disclosures are to be submitted by the vendor to PERAC and to the board via PROSPER. The board must review the disclosures during its monthly board meeting.

A (Continued)

Annuity Reserve Fund (ARF)

The fund into which total accumulated deductions, including interest, is transferred at the time a member retires, and from which annuity payments are made.
See G.L. c. 32, §§ 1 and **22(2)**.

Annuity Savings Fund (ASF)

The fund in which employee contributions plus interest credited are held for active members and for former members who have not withdrawn their contributions and are not yet receiving a benefit (inactive members). **See G.L. c. 32, §§ 1** and **22(1)**.

Anti-Spiking

In an effort to prohibit or limit ***spiking***, which has been defined as the receipt of large pay increases in the years just prior to retirement to artificially inflate one's compensation in order to receive a larger pension than one otherwise would be entitled to receive, laws were created to penalize such practices. Pursuant to these laws, retirement boards must review the last five years of compensation received by a soon-to-be retiree and apply certain formulas. **See G.L. c. 32, §§ 5(2)(a) and 5(2)(f),** and **PERAC Memos #26/2024**, **#16 of 2014**, **#44 of 2012** and **#46 of 2012**.
(See also **Spiking**).

Assets

The value of cash/securities of a retirement system.

B

Beneficiary

A person or persons entitled to either a present or a potential benefit derived from someone else's membership in a retirement system. **See G.L. c. 32, § 1**.

Buyback

The purchase of prior non-membership service, or previously withdrawn service, or additional service credit allowed by statute (e.g., ***Veteran's Buyback***). **See G.L. c. 32, §§ 3(5)**, **4(2)(b)** and **4(2)(c)**.

Buyback Interest

One-half of the actuarial assumed interest rate. **See G.L. c. 32, § 1**, and **PERAC Memo #14 of 2018**.

C

Carried Interest

A contractual right that entitles the general partner of an investment fund to share in the fund's profits. In other words, investment income debt by the general partner(s).

Cash Books

A primary financial journal that chronologically records a retirement system's cash receipts and disbursements, and serves as an accounting ledger. By updating these records daily, a retirement board maintains an accurate, real-time understanding of its available cash balance and assets.

Cash Flow

The movement of money into and out of the retirement system assets.

Cash Reconciliation

The process of comparing the Board's internal cash accounts with external bank statements.

Clarification Request

In the event that a retirement board determines, following review of a medical panel certification and narrative, that additional information or further clarification is needed, the retirement board shall request such information from PERAC, who shall forward such request to the medical panel. Following this initial request for clarification, PERAC shall decide whether any further board requests for clarification are warranted and shall provide written notice of such decision. **See 840 CMR 10.11(2)**.

Clarification Response

A medical panel's or panelist's written response to a retirement board following a clarification request. **See 840 CMR 10.11(2).**

COLA (Cost of Living Allowance)

An annual inflation-based increase to a retiree's or beneficiary's allowance.
See G.L. c. 32, §§ 102, and **103**.

C *(Continued)*

COLA Base

The maximum amount of a member's retirement allowance upon which the annual COLA will be based. **See G.L. c. 32, §§ 102** and **103**.

Comprehensive Medical Evaluation (CME)

A medical examination that disability retirees must undergo once per year during the first two-year period following their date of retirement, once in each three-year period thereafter, and at any time upon the written request of the retiree, but not less than one year from the date of their most recent CME. Such CME shall include a PERAC review of all updated and/or pertinent medical records, and may include mental or physical medical examinations to determine whether the retiree is able to perform the essential duties of the position from which they retired. Upon the retiree's request, the retiree may also be evaluated for a specific identified position other than the position from which they retired, including a position with a different employer in a different retirement system.

CRAB (Contributory Retirement Appeal Board)

An independent three-member administrative body that reviews and decides appeals of decisions of the Division of Administrative Law Appeals (DALA).

Creditable Service

All service, either earned or purchased, that may be used in the calculation of a member's retirement allowance. **See G.L. c. 32, §§ 1** and **4**.

Current Salary

The salary currently being paid for the position that was held by a retiree at the time of their retirement. **See G.L. c. 32, §§ 91** and **91A** and **PERAC Memo #22 of 2024**.

Custodian

A person or entity (e.g., bank, trust company, or other organization) responsible for holding financial assets of a retirement system.

D

DALA (Division of Administrative Law Appeals)

An independent administrative body that hears and decides appeals of retirement board and PERAC determinations on behalf of CRAB.

DD-214

An official military record showing active duty service in the military and character of discharge.

Dependent Allowance

A supplemental retirement allowance provided in certain circumstances for retirees or survivors who have children under the age of eighteen, or twenty-two if a full-time student, or are over said age but physically or mentally incapacitated as of the date of the retirement or death of their parent. **See G.L. c. 32, §§ 7(2)(a)(iii)**, **9(2)(b)** and **12B**.

Domestic Relations Order (DRO or QDRO)

A divorce agreement that divides current and/or future pension benefits as a marital asset.

Dual Member

Being a member of two or more retirement systems at the same time.
See G.L. c. 32, § 5(2)(e), **PERAC Memo #29 of 2014**.

E

Earnings from Earned Income

A term pertinent to disability retirees that means income associated with some labor, management or supervision. **See G.L. c. 32, § 91A**, and **840 CMR 10.16(4)**.

Exacerbation of a Pre-Existing Condition

An applicant may not be entitled to a disability retirement allowance if an existing injury temporarily flares up or is the result of the natural progression of the pre-existing condition. (In the alternative, see also **Aggravation of a Pre-Existing Condition**).

Excess Earnings

Retiree income that exceeds the amount that such retiree is statutorily allowed to earn. (See also **Allowable Earnings**). **See §§ 91**, **91A**, **840 CMR 10.16** and **10.17**, **PERAC Memos #21 of 2026**, **#13 of 2022**, **#32 of 2020**, and **#25 of 2018**.

Exclusive Benefit Rule

An IRS requirement that all expenditures of retirement system assets must be for the benefit of the members and beneficiaries of the retirement system.

Executive Session

A closed meeting of the retirement board that may occur for any one of the ten statutorily defined reasons. **See G.L. c. 30A, § 21**.

Expense Fund (EF)

The fund that a retirement board's expenses, including investment costs, are paid from. **See G.L. c. 32, § 22(5)**.

F

Findings of Fact

Factual determinations made by a retirement board based upon all evidence before it in a particular matter including, but not limited to, disability and termination applications. **See G.L. c. 32, § 7(1)**.

Fiduciary Duty

An obligation for retirement board members to act solely in the best interests of the retirement system and its members and beneficiaries.

Funded Ratio

A measure of a pension plan's funding status. It is the ratio of the plan assets to the Actuarial Accrued Liability. It shows the status on a percentage basis.

Funding Method

See **Actuarial Cost Method**.

Funding Schedule

The schedule based upon the most recently approved actuarial valuation which sets forth the amount which would be appropriated to the pension system in accordance with Section 22(6A), Section 22D or Section 22F of G.L. Chapter 32 to fully fund by a certain date. **See G.L. c. 32, §§ 22(6A)**, **22D**, and **22F**.

G

GASB (Governmental Accounting Standards Board)

An independent organization that creates accounting and financial reporting rules, known commonly as Generally Accepted Accounting Principles (GAAP), for state and local governments in the United States.

Gross Rate of Return

The total investment return before deducting fees, commissions, or expenses.

Group Classification

The assignment of a member's job title and duties to one of four retirement groups, each of which having different retirement calculations. **See G.L. c. 32, §§ 3(2)(g)**, and **5(2)**.

H

Hazard Undergone

A hazardous condition, which is not common to many occupations, to which a member is exposed while in the performance of their duties. This may awaken entitlement to accidental disability retirement benefits if such exposure caused the member to become permanently incapacitated from performing their job duties. **See G.L. c. 32, § 7(1)**.

I-J

Inactive Member

A member whose employment was terminated and who may be entitled to any present or potential retirement allowance, or to a return of his or her accumulated total deductions. **See G.L. c. 32, § 3(1)(a)(ii)**.

Independent Medical Examination (IME)

A medical examination of a member required by an employer.

Investment Consultants

Advisors selected by the boards to guide them in the investment of the system's assets, as part of their investment strategy.

Investment Rate of Return

An investment return rate is the actual, fluctuating market performance of a fund's investment assets. Investment return rates measure actual profit or loss over a given period.

K-L

Low Default Risk Obligation Measure (LDROM)

A measure of the plan's liability using the interest rates of low-risk securities.

M

MACRS (Massachusetts Association of Contributory Retirement Systems)

A private and non-profit association comprised of all the public retirement systems in Massachusetts.

MAPPA (Massachusetts Association of Public Pension Attorneys)

A private and non-profit association of attorneys who represent Massachusetts public pension plans.

Mass Retirees (Retired State, County and Municipal Employees Association of MA)

A private and non-profit advocacy group for retired members of public pension systems in Massachusetts.

Maximum Age

The last day of the month in which a member turns 65 and is forced to retire, if they are subject to mandatory retirement (i.e., police officers, corrections officers, and firefighters). **See G.L. c. 32, § 1**.

Medical Panel Request

A request by the retirement board for PERAC to assemble a medical panel to examine a disability applicant. **See G.L. c. 32, § 6**, and **840 CMR 10.08**.

Medical Panel Certificate and Narrative

Following the medical panel's examination of a disability applicant, the medical panel shall provide a certificate and narrative determining whether the member is permanently incapacitated from performing their essential job duties and, if such application is for accidental disability, whether such incapacity is job-related. **See G.L. c. 32, § 6**, **840 CMR 10.08**, and **10.10**.

Military Service Fund (MSF)

See **Special Fund for Military Service Credit**.

M *(Continued)*

Modification

Any disability retiree who has had excess earnings in an amount that results in the repayment of their entire retirement allowance for three or more consecutive years will be reviewed and their retirement allowance will be modified prospectively. Modification is **not** the same as waiving one's retirement allowance pursuant to G.L. c. 32, § 90B. **See G.L. c. 32, § 8(3)**, **840 CMR 10.16** and **10.17**.

N

Needham Waiver

In the event of a board error resulting in an overpayment to the member or underpayment by the member, the retirement board may be empowered to waive the amount owed by the member or beneficiary. **See G.L. c. 32, § 20(5)(c)(3)**.

Net Rate of Return

The total investment return after deducting fees, commissions, or expenses.

NGB-22

A National Guard military form showing a member's total service in the National Guard.

Normal Cost (NC)

Total Normal Cost is that portion of the Actuarial Present Value of pension plan benefits, which is to be paid in a single fiscal year. The Employee Normal Cost is the amount of the expected employee contributions for the fiscal year. The Employer Normal Cost is the difference between the Total Normal Cost and the Employee Normal Cost.

O

Once a Member, Always a Member

Once a member has established membership in a retirement system, such member will remain a member until separation from service, even if the member's number of working hours dips below the minimum number of hours needed to first establish membership. **See G.L. c. 32, § 3(1)(a)(i)**, and **PERAC Memo #8 of 2017**.

Open Meeting Law

The law which governs the conduct of meetings by public entities.
See G.L. c. 30A, §§ 20-24.

Open Session

A meeting of a public body that is open to the public.

Option A

A retirement benefit which is the full retirement allowance for the lifetime of the member only. **See G.L. c. 32, § 12(2)(a)**.

Option B

A slightly reduced retirement benefit with any funds remaining on account from the retiree's annuity being disbursed to a named beneficiary or beneficiaries upon the retiree's death. **See G.L. c. 32, § 12(2)(b)**.

Option C

Option C is also known as the ***Joint and Last Survivor Allowance***. Selecting this option means that the allowance payments that a retiree would receive during their lifetime would be approximately 7 to 15% less than those they would receive under Option A. Upon the retiree's death, their sole designated beneficiary will be paid a monthly allowance for the remainder of his or her lifetime. That allowance will be equal to two-thirds of the allowance which was being paid to the retiree at the time of their death. **See G.L. c. 32, § 12(2)(c)**.

O *(Continued)*

Option C Pop-Up

When a nominated Option C beneficiary predeceases the retiree, the Option C benefit ***pops up*** to an Option A benefit, and will cease upon the retiree's death.
See G.L. c. 32, § 12(2)(c).

Option D

Upon the death of a member in service or a member inactive, their sole designated beneficiary will be paid a monthly allowance for the remainder of the beneficiary's lifetime. An eligible spouse may elect to receive the Option D benefit, trumping any other named beneficiary. The Option D allowance will be equal to the Option C benefit that the member would have received if they had retired on the date of their death.
See G.L. c. 32, § 12(2)(d).

Ordinary Disability

A type of retirement for which an allowance may be paid to members who are permanently and totally disabled from performing their job after having achieved a certain number of years of creditable service. **See G.L. c. 32, § 6**.

P

Pension

A pension is the difference between the total retirement amount owed to a retiree and the retiree's annuity portion. See G.L. c. 32, § 1.

Pension Fund (PF)

The fund into which appropriation amounts as determined by PERAC are deposited and from which pension benefits are paid.

Pension Fund Appropriation

The annual amount that a member unit must pay into the retirement system, according to the funding schedule. See G.L. c. 32, §§ 22, and 22D.

Pension Reserve Fund (PRF)

The fund which shall be credited with all amounts set aside by a system for the purpose of establishing a reserve to meet future pension liabilities. See G.L. c. 32, § 22(3).

PERAC (Public Employee Retirement Administration Commission)

The seven-member commission that oversees the operation of the 104 retirement systems in Massachusetts.

Personal Injury

An injury suffered while performing one's job duties that may be compensable. An applicant may be eligible for accidental disability retirement benefits if they are permanently and totally incapacitated because of an injury sustained while in the performance of their duties at a definite place and time without serious and willful misconduct on the applicant's part. See G.L. c. 32, § 7.

Points Statement

Official military record of a member's entire military service with the National Guard or Reserves, including both active and inactive duty.

P (Continued)

Pooled Funds

Investments with money from more than one investor/board.

Pre April 2, 2012

Anyone who became a member of a retirement system prior to this date and who's benefits are determined by the provisions of Chapter 32 prior to passage of Chapter 176 of the Acts of 2011.

Post April 2, 2012

April 2, 2012, was the effective date of Chapter 176 of the Acts of 2011. This was the major pension reform legislation signed into law by then-Governor Deval Patrick. Post 4/2/12 can refer to members of the retirement system who began membership on or after that date, or to the plan provisions effective on or after this date.

Post Retirement Earnings

Earned income derived from a retiree working for a private or public entity after retiring from a Chapter 32 retirement systm. Such earnings may be limited by statute. **See G.L. c. 32, §§ 91** and **91A**.

Pre-Employment Physical

Required medical record that provides evidence that a member underwent a physical examination either prior to or after employment, that provides evidence that the member did not have any condition that would disqualify that member from one of the statutory presumptions. **See G.L. c. 32, §§ 94**, **94A** and **94B**.

Present Value of Future Benefits (PVFB or PVB)

The value on the valuation date of the future benefits that are expected to be paid to members of the System discounted with interest and the probability of benefit receipt.

P (Continued)

Presumptions

The three sections of the statute that presume that a certain public safety member's medical condition was caused by the member's job duty. **See G.L. c. 32, §§ 94** (Heart), **94A** (Lung), and **94B** (Cancer).

PRIM (Pension Reserves Investment Management)

The board created to invest the State Board of Retirement's and Teachers' Retirement Board's assets. It also invests local systems' assets that are placed there by the systems. **See G.L. c. 32, § 23**.

PRIT (Pension Reserves Investment Trust)

The fund established to hold the assets being invested by PRIM. **See G.L. c. 32, § 22(8)**.

PROSPER (PERAC Real-Time Online Self-Service Portal for Efficient Regulation)

The digital portal used by PERAC and the retirement boards to manage various administrative functions.

Public Records Request

An inquiry seeking any document created by or received by a public entity, whether in physical or electronic form. All such documents must be disclosed upon request unless covered by one of the exemptions enumerated in G. L. c. 4, § 7(26), or another legal doctrine such as the attorney-client privilege. **See G.L. c. 66, § 10**, and **950 CMR 32.00**.

Q-R

Realized Gain/Loss

Occurs when a board sells an investment for more or less than its purchased price.

Refund of Deductions (a/k/a Return of Accumulated Deductions)

An inactive member is entitled to a return of their contributions, plus interest, within 60 days of so requesting on a prescribed form. **See G.L. c. 32, § 11**.

Regional Medical Panel

A three-member panel of independent doctors who specialize in the area of medicine related to the injury for which an applicant seeks to retire for a disability benefit. Upon a retirement board's request, PERAC will appoint and assemble a regional medical panel that may examine the applicant as a group or separately, depending on the applicant's preference, to determine if the applicant is permanently and totally disabled from their position and, if the application is for accidental disability, whether the injury is job-related. **See G.L. c. 32, §§ 1**, **6**, and **840 CMR 10.10**.

Regular Compensation

Compensation received exclusively as wages by an employee for services performed in the course of employment for his or her public employer, which are included in the calculation of an employee's retirement allowance. There are numerous requirements for what is and what is not considered regular compensation. **See G.L. c. 32, § 1**, **840 CMR 15.03(3)**, and **PERAC Memo #33 of 2011**.

Regular Interest

The interest credited to a member's account, based on total accumulated deductions, during their membership. This rate is determined by PERAC annually in consultation with the Commissioner of Banks, and is based on the average interest rate of savings accounts for at least ten (10) financial institutions. **See G.L. c. 32, §§ 1**, and **22(6)(b)**, and **PERAC Memo #14 of 2018**.

Redeposit

A member's payment of previously withdrawn funds in order to purchase prior creditable service. **See G.L. c. 32, §§ 3(6) and 3(8)**.

Q-R (Continued)

Reinstatement

The return to active membership following a retirement. The member must repay all retirement allowances received, and work for at least five years in order to complete the reinstatement process. See G.L. c. 32, § 105.

Retiree

A member who is no longer in service and is collecting a retirement allowance.

Restoration to Service Re-Evaluation (RTSR)

If a disability retiree is found able to return to the job from which they retired, but a job is not available, PERAC will continue to monitor the retiree's medical status. See G.L. c. 32, § 8.

Return to Service (RTS)

If, after a CME, it is determined that a disability retiree is able to perform the essential duties of the position from which they retired, or a different job upon the retiree's request, PERAC shall appoint a medical panel of three physicians to examine the member separately to determine the scope of the retiree's mental and physical capabilities and whether the retiree is able to perform the essential duties of such job. See G.L. c. 32, § 8, and 840 CMR 10.10, 10.11, 10.14 and 10.15.

Request for Proposal (RFP)

A public posting requesting bids for services or goods. See G.L. c. 32, § 23B.

Roll Call Voting

A listing of individual retirement board member's votes on a motion before the retirement board.

S

Salary Average

The three or five year average amount of regular compensation received by a member and used in their retirement calculation. **See G.L. c. 32, §§ 5**, and **10**.

Section 3(5)

Permits a member, under certain limited circumstances, to purchase prior non-membership time from a different retirement system.

Section 3(8)(c) Liability

The calculation of the amount of a retirement allowance owed by each system based on service in each system, when a member retires having worked in multiple systems. **See G.L. c. 32, § 3(8)(c)**.

Section 4(2)(b)

Commonly referred to as ***Call Firefighter*** or ***Call or Reserve Police Officer*** service that may be purchased for creditable service. **See G.L. c. 32, § 4(2)(b).**

Section 4(2)(c)

Permits a member, under certain limited circumstances, to purchase prior non-membership time from the same retirement system. **See G.L. c. 32, § 4(2)(c).**

Section 7

See **Accidental Disability**. **See G.L. c. 32, § 7**.

Section 9

See **Accidental Death**. **See G.L. c. 32, § 9.**

S (Continued)

Section 12(2)(d)

See **Option D**. **See G.L. c. 32, § 12(2)(d).**

Section 15 Forfeiture

The loss of a member's benefit as the result of misappropriation of funds or the conviction of a crime related to the member's position. **See G.L. c. 32, § 15.**

Section 91

The limitations on post-retirement public sector employment for all retirees. **See G.L. c. 32, § 91.**

Section 91A

The limitations on post-retirement earnings for all disability retirees. **See G.L. c. 32, § 91A.**

Section 100

Killed in the Line of Duty benefit. A 100% benefit paid to a surviving spouse of a public safety officer who was killed under certain conditions. **See G.L. c. 32, § 100**.

SFI Disclosure (Statement of Financial Interest)

An annual disclosure form for retirement board members to report personal financial holdings, such as real estate, investments and employment. **See G.L. c. 32, § 20C**.

Special Fund for Military Service Credit

The fund which is credited with amounts paid to the retirement board by the employer equal to the amount which would have been contributed by a member during a military leave of absence as if the member had remained in active service. **See G.L. c. 32, §§ 1** and **22(4)**.

S *(Continued)*

Spiking

The receipt of large pay increases in the years just prior to retirement to artificially inflate one's compensation in order to receive a larger pension than one otherwise would be entitled to receive. **See G.L. c. 32, §§ 5(2)(a) and 5(2)(f)**, and **PERAC Memos #26/2024**, **#16 of 2014**, **#44 of 2012** and **#46 of 2012.** (See also **Anti-Spiking**).

Superannuation Retirement

Normal retirement based upon years of creditable service, age, and group classification. Upon meeting the minimum vesting requirements, a member may retire for *superannuation* retirement. **See G.L. c. 32, § 5**.

Survivor

Someone receiving a benefit as a beneficiary of a deceased member.

T-U

Under $5,000 Rule

If someone is employed in a position receiving less than $5,000 annually, such person shall not be granted creditable service for such employment. **See G.L. c. 32, § 4(1)(o)**; see also **PERAC Memo #10 of 2010**.

Unfunded Actuarial Liability (UAL)

A measure of a pension plan's funding status. It is the difference between the Actuarial Accrued Liability and the plan assets. It shows the status on a dollar basis.

Unrealized Gain/Loss

Changes in the value of an investment held in a retirement board's portfolio.

V

Vacation Buyback

Some employers permit certain employees to receive payments in lieu of utilizing vacation time. For the majority of employees, such payments do **not** constitute regular compensation, but for a very select and limited number of employees, such payments may be regular compensation. **See G.L. c. 32, § 106**, **PERAC Memo #23 of 2022**, and *Joseph O'Leary v. CRAB* & others, 490 Mass. 480 (2022).

Vesting

When one establishes the right to a retirement allowance, usually upon reaching a certain age and/or earning sufficient creditable service. **See G.L. c. 32, § 10**.

Veteran

A member who was honorably discharged from military service after completing at least 180-days of active duty or 90-days of active duty, one of which was wartime. **See G.L. c. 4, § 7 clause 43rd**.

Violent Act Injury Disability

Certain limited applicants (firefighters, emergency medical technicians, licensed health care professionals and police officers) may be entitled to an enhanced benefit if they can prove that they suffered catastrophic or life-threatening permanent bodily injuries as a result of a violent physical attack by means of a dangerous weapon that was used in a manner intended to cause serious injury or death. **See G.L. c. 32, §§ 1** and **7**, and **PERAC Memos #28 of 2024**, and **#33 of 2025**.

W-Z

Waiver of Filing Annual Statement of Earned Income

PERAC may waive a disability retiree's obligation to file an Annual Statement of Earned Income if the retiree has been retired for more than 20 years, has not reported any earnings for the prior 10 years, and signs an affidavit indicating that they will alert PERAC if they realize future earnings. **See G.L. c. 32, § 91A**.

Waiver of Retirement Allowance

Retirees are permitted to waive all or a portion of their retirement allowance for a specified time period or until further notice. During this waiver period, the retiree may not be subject to the earnings or hours limitations of Sections 91 and 91A. This waiver is **not** the same as a "modification." **See G.L. c. 32, § 90B**.

Workers Compensation (Total)

Payment to an employee because of a totally incapacitating injury suffered during employment. **See G.L. c. 152, § 34**.

Workers Compensation (Partial)

Payment to an employee because of a partially incapacitating injury suffered during employment. **See G.L. c. 152, § 35**.

Miscellaneous

5(1)(e)

This revoked statute retains limited applicability when:

(i) there are two spouses married to each other who are both members of the same or different retirement systems;

(ii) each spouse was a member in service prior to November 1, 2003; and

(iii) one of the two spouses retires. In such a situation, the other spouse may retire for superannuation, regardless of that spouse's age.

111F

G.L. c. 41, § 111F provides full paid leave for police officers and firefighters who are injured and incapacitated while in the performance of their duties. Such incapacity need not be permanent, but the receipt of such a benefit often precedes retirement. **See G.L. c. 41, § 111F**.

1099-R

An IRS form that retirement boards must issue to retirees and survivors who receive a pension benefit. Recipients of this form must report these figures on their federal tax returns.