



MACRS

RETIREMENT BOARD COMPOSITION



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MACRS 2016 SPRING CONFERENCE

Why This Important?

- Vital to Retirement Board Oversight
- Fiduciary duty to members to have interests represented by a competent retirement board comprised of the best representatives



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How Are Retirement Boards Set Up?

- Generally all retirement boards are set up in the same manner and have 5 members, albeit, Massachusetts Teachers' Retirement Board has 7 members.
- G.L. c. 32, § 20 sets forth retirement board composition.

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NOTES:

Retirement Board Members

1. Ex officio member
2. Appointed Member
3. Elected Member
4. Elected Member
5. Board Appointed Member



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Massachusetts Teachers' Retirement Board

1. Ex Officio
2. State Treasurer
3. State Auditor
4. Appointed Member
5. Elected Member
6. Elected Member
7. Board Appointee



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NOTES:

Ex Officio

- Auditor or accountant or other officer having similar powers and duties for a town or city. In a county, it is the county treasurer and serves as chairman.
- Automatic appointment on the board based on employment position.
- Vacant when town/city/agency is in the process of hiring an employee to perform these duties.
- Appointment dependent on a hiring.
- No set term except for education, 3 year cycle.

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Appointed Member

- Appointed by the board of selectmen in a town, the mayor in a city, the city manager in a Plan D or Plan E form of government. In a county, appointed by county commissioners.
- No time frame on appointment.
- Position vacant until town or city fills it.
- Position can be self-appointed.
- No set term except for education, 3 year cycle.

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NOTES:

Elected Members



- Elected by the members in or retired from service of such system from among their number in such manner and for such term, not exceeding three years, as the mayor in a city or the board of selectmen in a town shall determine.
- In a county, the process is similar in nature for the elected members, but the county retirement advisory council runs the election instead of the retirement board in cities or towns.

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The Fifth Member

- In a city or town, the fifth member shall not be an employee, a retiree, or official of the governmental unit and shall be chosen by the other four retirement board members for a three year term.
- If the fifth member is not chosen by the four within 30 days after the expiration of the term of the fifth member, said member shall be appointed in a city by mayor subject to confirmation of city council or in a town by the board of selectmen.
 - Local Option: PERAC chooses the fifth member.
- In a county, the fifth member shall be elected by majority of the county retirement board advisory council at a public meeting of said council.



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NOTES:

Appointment of the Chairman

- In a city or town, the board, by a majority vote, elects one of its members to serve as chairman until the election of his successor.
- In a county, the ex officio member is the chairman.



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Unexpired Terms & Resignations

- In a city, town or county, upon the expiration of the term of any elected or appointed member, the successor shall be elected or appointed for a three year term or for the unexpired portion thereof.
- In a city or town, in no event, shall the term of the third and fourth member expire in the same year as the term of the fifth member.



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NOTES:

Scenarios



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Retirement Board's Selection of the 5th Member

- In a town, the retirement board loses the 5th member due to a resignation. The board has only 30 days to appoint. The board sets up a special meeting immediately, posts an ad to solicit potential candidates. The board receives 10 applications. The board disqualifies 4 candidates because of their association with the town and the board decides to interview 2 candidates. The board cannot agree on a selection and the 30 days passes. What happens?

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NOTES:

Retirement Board Selection of the 5th Member (Gamesmanship)

- Same facts, except upon deadlock, the board still has five days in the 30 day window to elect. The board sets up a special meeting to re-interview candidates and select a 5th member on the 30th day of the 30 day window. The first member does not attend the meeting. Can the board appoint?



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Retirement Board Member Wants a New Chairman

- In a town, the fourth member is tired of the fifth member's antics as chairman and decides he wants the third member to be chairman. The fourth member makes a motion to appoint the third member as chairman. The Chairman states that her term as chairman runs with her term as the fifth member and that motion cannot be made. Is she right? What if this happened in a county?

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NOTES:

Expired Terms & Unexpired Terms

- In a town, the third member resigns 2 years early. The retirement board quickly sets up a new election schedule that is approved by PERAC. The fifth member's seat is up for appointment at the same time and the board is already running an election. What actions should the board take?



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NOTES:

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