

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss

Division of Administrative Law Appeals

Debra Ruggiero,
Petitioner

v.

Docket No. CR-25-0578

Date Issued: September 25, 2026

**Massachusetts Teachers’
Retirement System,**
Respondent

Appearance for Petitioner:

Debra Ruggiero, pro se

Appearance for Respondent:

Ashley Freeman, Esq.

Administrative Magistrate:

Kenneth J. Forton

SUMMARY

Compensation that the Petitioner, who served as deputy superintendent and interim superintendent for Lynn Public Schools, received in lieu of life insurance during her last four years on the job was not regular compensation. The duties were not for additional services, as no specific additional duties were “set forth” in her contracts.

DECISION

Petitioner Debra Ruggiero timely appealed, under G.L. c. 32, § 16(4), Respondent Massachusetts Teachers’ Retirement System’s (MTRS) September 25, 2025, decision that certain compensation she received was not regular compensation. On November 18, 2025, I ordered Ms. Ruggiero to show cause why her appeal should not be dismissed

for failure to state a claim on which relief could be granted, as it appeared that the disputed payments were for insurance and travel expenses, which are not regular compensation. See G.L. c. 32, § 1. Ms. Ruggiero timely responded with sufficient evidence to warrant an evidentiary hearing. On April 21, 2026, the parties submitted a joint pre-hearing memorandum and 13 proposed exhibits. I held a hearing on September 8, 2026, by Webex video conference. I admitted 13 exhibits into evidence. (Exs. 1-13.) The Petitioner testified on her own behalf. The Respondent called no witnesses. The parties made oral closing arguments.

FINDINGS OF FACT

Based on the evidence presented by the parties, I make the following findings of fact:

1. In 1985, Debra Ruggiero began working as a teacher at Lynn Public Schools and enrolled in the MTRS. From 2007 through 2018, she was a principal in Lynn. She also briefly served as curriculum director. (Ex. 3; Testimony.)
2. From 2018 through 2022 and 2023 through 2025, Ms. Ruggiero was one of two deputy superintendents for Lynn Public Schools. For the 2022-2023 school year, she served as interim superintendent. (Exs. 3, 6-10.)
3. Ms. Ruggiero entered into a series of four contracts covering 2018 through 2025. The first contract covered October 1, 2018, through June 30, 2021. It provided a base salary of \$160,000. It reimbursed her \$3,000 annually for the use of her personal car and \$5,000 for expenses such as additional transportation, attendance at

conferences and conventions, and professional dues. Paragraph 11 of the agreement provided a \$250,000 life insurance policy for the term of the contract. (Ex. 6.)

4. The second contract covered June 17, 2021, through June 30, 2024. It provided a base salary of \$168,551. It provided the same \$3,000 and \$5,000 reimbursements for transportation, etc. as the first contract. But, paragraph 11 of this contract was different. It provided:

The [School] Committee shall no longer be responsible for providing a life insurance policy for the Deputy Superintendent.

The Deputy Superintendent shall be provided an annual Stipend of five thousand dollars (\$5,000.00) commencing the effective date of this agreement.

(Ex. 7.)

5. Ms. Ruggiero decided to forego the insurance coverage because she was covered by a policy with her husband already. In lieu of the insurance policy, Ms. Ruggiero negotiated with the school committee for the \$5,000 stipend. (Testimony.)

6. The third contract was for the year that Ms. Ruggiero served as interim superintendent, August 12, 2022, through June 30, 2023. This contract temporarily superseded the second contract as long as she served as interim superintendent. Reflecting the change in jobs, it provided a considerably higher salary of \$230,000. It provided the same \$5,000 reimbursement but increased the personal car reimbursement to \$3,600. It also provided that Ms. Ruggiero “shall be entitled to all benefits pursuant to Paragraph 11 of her contract as Deputy Superintendent of Schools dated June 17, 2021.” This meant that, in addition to the much higher salary, she continued to receive an additional \$5,000 annually. (Ex. 8; Testimony.)

7. Ms. Ruggiero's final contract covered June 29, 2023, through June 30, 2026.¹ It provided a considerably higher salary than she had been receiving as Deputy Superintendent before she served as Interim Superintendent: \$192,149. However, it provided the exact same reimbursement benefits as the second contract and contained the same language regarding life insurance and the \$5,000 payment in paragraph 11. (Ex. 9.)

8. Each of the three deputy superintendent contracts listed her duties. The last duty was "[a]ny and all responsibilities as directed by the Superintendent." (Exs. 6, 7, 9.)

9. On March 3, 2025, Ms. Ruggiero notified the school system that she intended to retire. (Ex. 4.)

10. On April 18, 2025, Ms. Ruggiero filed her retirement application. Her effective date of retirement was September 5, 2025. (Exs. 3, 5, 12.)

11. On September 25, 2025, MTRS notified Ms. Ruggiero that all three of the additional payments provided in her contracts did not qualify as regular compensation because they were made for insurance and/or travel expenses and would therefore be excluded from the calculation of her retirement allowance. Ms. Ruggiero timely appealed MTRS's decision. (Exs. 1, 2, 12.)

12. On September 30, 2025, the superintendent and the Lynn Mayor submitted a letter in support of Ms. Ruggiero. They explained that the

¹ The parties did not explain the two-day overlap in the effective dates of the third and final contracts.

stipend was compensation in support of additional duties and responsibilities Ms. Ruggiero had as Deputy Superintendent. These extra duties included but were not limited to her role as Superintendent Designee, Facilities liaison, MSBA school building project board member, and other special projects and duties that required more than the expected time beyond the workday.

(Ex. 13.)

CONCLUSION AND ORDER

The parties agree that the \$5,000 payments for expense reimbursement and the \$3,000 and \$3,600 payments for the use of her personal car are not regular compensation and they are therefore not the subject of this appeal. The only remaining issue is whether the \$5,000 payment in lieu of insurance that Ms. Ruggiero received from 2021 until she retired in 2025 was regular compensation.

When a member retires from public service, she may be entitled to a superannuation retirement allowance that is based in part on regular compensation. G.L. c. 32, § 5(2)(a). Regular compensation is defined as “compensation received exclusively as wages.” G.L. c. 32, § 1. Wages are the “base salary or other base compensation of an employee paid to that employee for employment by an employer,” G.L. c. 32, § 1, including “pre-determined, non-discretionary, guaranteed payments paid by the employer to similarly situated employees.” 840 CMR 15.03(3)(b). “‘Regular,’ as it modifies ‘compensation,’ imports the idea of ordinariness or normality as well as the idea of recurrence,” and “regular compensation” is “recurrent or repeated amounts of compensation not inflated by extraordinary ad hoc payments.” *Hallett v. Contributory Ret. App. Bd.*, 431 Mass. 66, 70 (2000) (quoting *Boston Ass’n of Sch. Adm’rs & Supervisors v. Boston Ret. Bd.*, 383 Mass. 336, 341 (1981)). The Court later reiterated

that regular compensation is “‘recurrent,’ ‘regular,’ and ‘ordinary’ remuneration.”

Bulger v. Contributory Ret. App. Bd., 856 N.E.2d 799, 805 (Mass. 2006).

MTRS now concedes that the remaining \$5,000 payments at issue were not paid for travel expenses, as it initially decided. MTRS continues to maintain, however, that the payments were made in lieu of insurance premiums. Since “wages” specifically exclude “indirect . . . payments for . . . insurance premiums,” MTRS concludes that the payments are not regular compensation. G.L. c. 32, § 1; 840 CMR 15.03(3)(f). Ms. Ruggiero has admitted that the payments were made in lieu of the \$250,000 insurance policy from which she benefited in her first contract. She explained that she was already covered by a life insurance policy and took the opportunity to attempt to convert her insurance benefit into a cash payment.

The payments Ms. Ruggiero received in lieu of Lynn providing her with life insurance are not regular compensation. The first reason is that the payments were not base salary or other base compensation paid to Ms. Ruggiero for service to the city. The payments were not for Ms. Ruggiero’s service. They were paid to her only because she was able to purchase insurance through her husband, which meant that the city did not have to pay directly for her insurance.

Second, the payments were in essence indirect payments for Ms. Ruggiero’s insurance premiums. If this extraordinary payment had not been negotiated by Ms. Ruggiero and the city, then the city would have paid for her insurance directly. If that were the case, it is indisputable that the city’s payment of the insurance premiums would not have been regular compensation. In the instant case, where, rather than pay

the insurance premium itself, the city paid Ms. Ruggiero so that she could pay for insurance elsewhere, the payment was still for insurance and is therefore an indirect payment of an insurance premium, which is specifically excluded from regular compensation.

Finally, the payments were not available to any other employees. They were a unique feature of Ms. Ruggiero's contract that she was able to convince her employer to pay her in lieu of insurance premiums. The payments were ad hoc and based on Ms. Ruggiero's particular circumstances. The payments' uniqueness contributes to their irregularity.

This ruling is consistent with DALA precedents. *See, e.g., Rhude v. Barnstable County Ret. Bd.*, CR-22-0244, at *7-8 (Div. Admin. L. App. January 26, 2024) (payments received by a fire chief to pay for health insurance from a source separate from his employer not regular compensation); *Terenzini v. Worcester Reg'l Ret. Bd.*, CR-16-56, at *5-6 (Div. Admin. L. App. December 7, 2018) (payments received by a town administrator in return for not purchasing health insurance from employer not regular compensation).

Ms. Ruggiero advances an additional theory: that the payments were stipends paid for "additional services." G.L. c. 32, § 1. Pay to a "teacher" (which includes administrators) under the terms of an "annual contract" for "additional services" is regular compensation. G.L. c. 32, § 1; 807 CMR 6.02(1); *Kozloski v. Contributory Ret. App. Bd.*, 61 Mass. App. Ct. 783, 789 (2004).

Payments qualify as for additional services if:

1. The additional services are set forth in the annual contract;
2. The additional services are educational in nature;
3. The remuneration for these services is provided in the annual contract; and
4. The additional services are performed during the school year.

807 CMR 6.02(1)(a).

The payments were provided for in Ms. Ruggiero's contracts, but all the contracts say is that an annual stipend of \$5,000 will be paid to Ms. Ruggiero. No educational duties are attached to the stipends. Without any specific listed duties "set forth" it is impossible to determine if the "additional services" were educational in nature or performed during the school year.

Ms. Ruggiero attempts an end run around the requirement by pointing to a list of general duties in her contracts that states she is required to perform "[a]ny and all responsibilities as directed by the Superintendent," and a letter from the Superintendent and Mayor (in his capacity as chair of the school committee) that listed "additional duties" of "Superintendent Designee, Facilities liaison, MSBA school building project board member, and other special projects and duties that required more than the expected time beyond the workday." This tactic is not convincing. If anything Ms. Ruggiero does at the direction of the Superintendent were sufficient to meet the requirement that the duties be "set forth" in the contract, then there would be no limit to the duties covered and it would obviate that requirement. Additionally, the letter submitted by the Superintendent and the Mayor after the Board had already made its decision is a classic example of a "side agreement" that the Court in *Kozloski* warns against relying on. 61 Mass. App. Ct. at 787. What's more, "[a]ny amounts paid for

special projects involving tasks which are not performed on a year-to-year basis” are not regular compensation. 807 CMR 6.02(2)(a).

For the foregoing reasons, the \$5,000 payments that Ms. Ruggiero received in lieu of insurance were not regular compensation and must be excluded from her retirement allowance calculation. MTRS’s decision is therefore affirmed.

SO ORDERED.

DIVISION OF ADMINISTRATIVE LAW APPEALS

/s/ Kenneth J. Forton

Kenneth J. Forton
First Administrative Magistrate

DATED: September 25, 2026