

Updates to PERAC 840 CMR Regulations



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MACRS Spring Conference | June 7, 2023



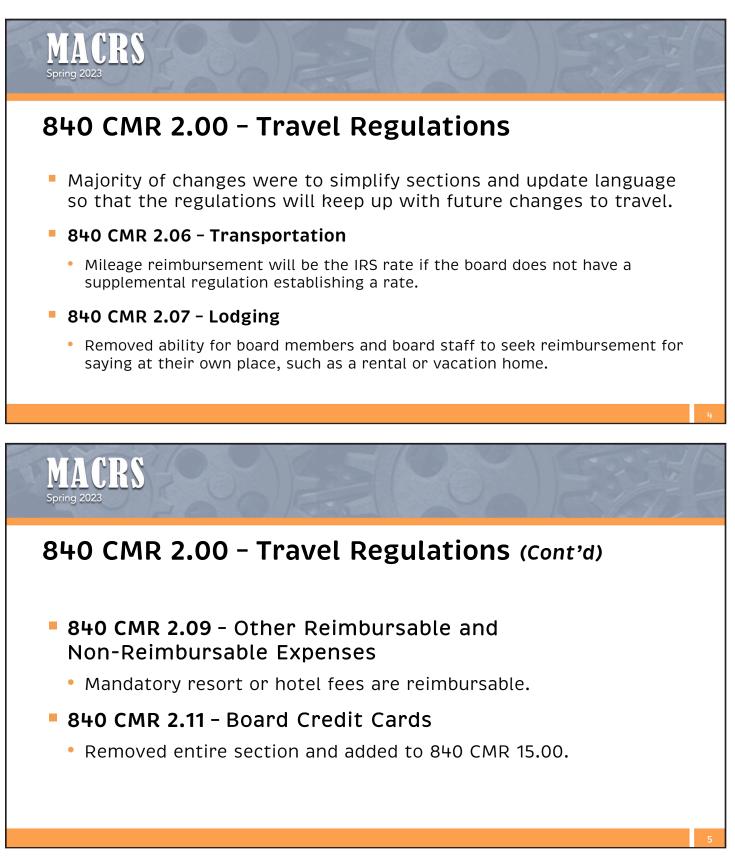
PERAC Regulation Project

- Goal: To revisit and revamp, if necessary, our regulations contained at Code of Massachusetts Regulations ("CMR") Chapter 840.
- Some sections will be deleted in whole or in part.
- Investment/Compliance Regulation review is still pending.



Topics

- Travel Regulations
- Annual Attestations
- Board Use of Credit Cards
- Non-Disability Hearings
- Repealed Sections
- Financial Operations
- Audits
- Recently Approved Regulations

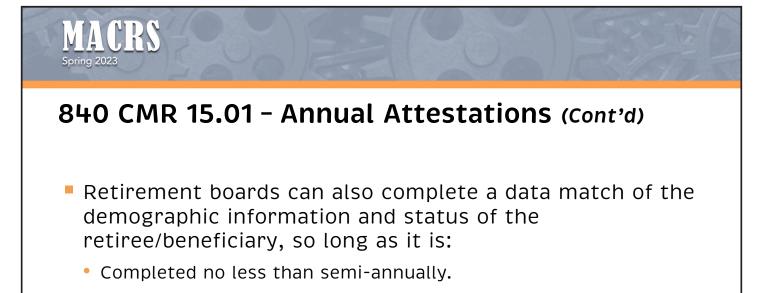




Removed requirement for an affidavit.

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- Still signed by retiree/beneficiary under "penalty of perjury."
- Must still be submitted at least once every 2 years.
- Attestation can be satisfied if the retiree comes to the retirement board's office in person without completing the Form.

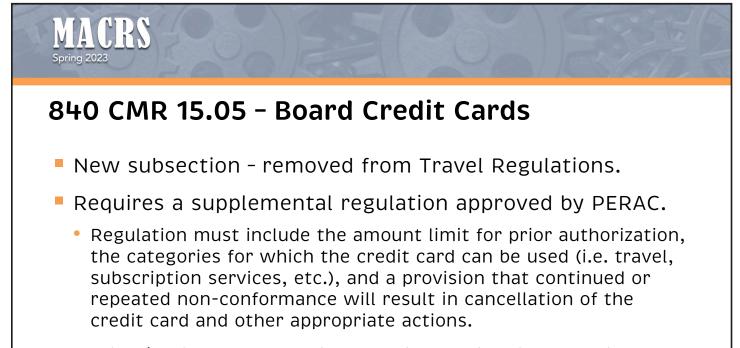


 Competed by a 3rd party contracted through approved selection or procurement process.



- Retirement boards must still complete a random audit of at least 5% of the attestations received.
- The random audit should include retirees/beneficiaries who:
 - Came in person.

- Completed the attestation form.
- Were verified by the data match.

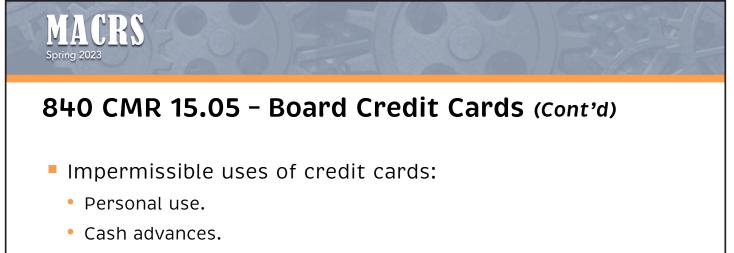


Authorized users must be voted upon by the Board.

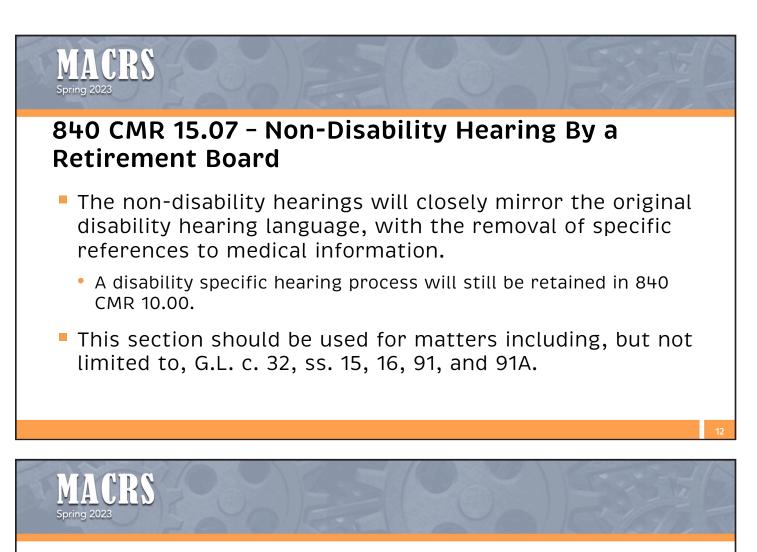


840 CMR 15.05 - Board Credit Cards (Cont'd)

- Permissible uses of credit cards:
 - Board related travel expenses.
 - Purchasing of supplies and other items used on a regular basis.
 - E.g., printing paper, ink, stamps, subscription services, etc.
 - HOWEVER, still need to follow the procurement process whenever possible.
- Credit card statements must be paid in full every month so as not to accrue interest.



- Electronic cash transfers.
- Use of debit cards will now be prohibited.



Repealed 840 CMR Sections

- 840 CMR 8.00 Applicability of \$30,000 Salary Cap
 - Concerns the lifting of the pension cap and additional 2% contribution on salaries over \$30,000.
 - There are currently no capped systems, so this section is no longer relevant.

840 CMR 11.00 - Service After Age 70

- Previously, anyone over age 70 who wished to continue to accrue creditable service and make contributions had to elect the option under G.L. c. 32, s. 90G ³/₄.



- 840 CMR 12.00 Service Between Age 65 and 70
 - Repealing subsections 12.02, 12.03, and 12.04.
 - Retaining subsection 12.01.
 - This concerns the mandatory retirement age for certain public safety employees.

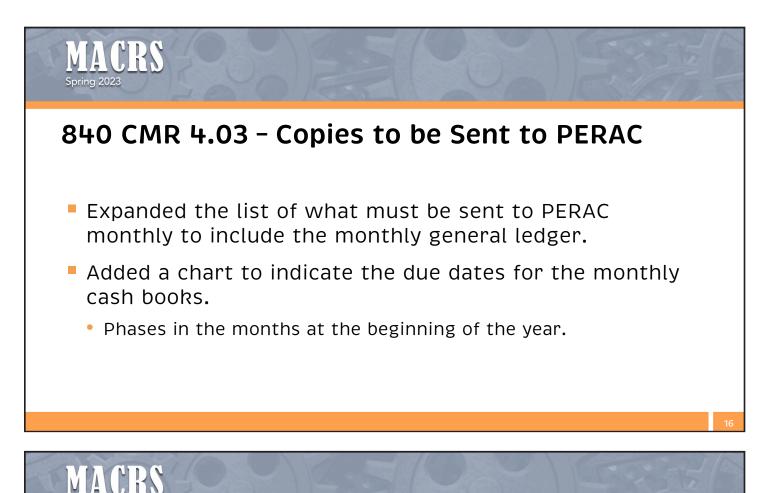


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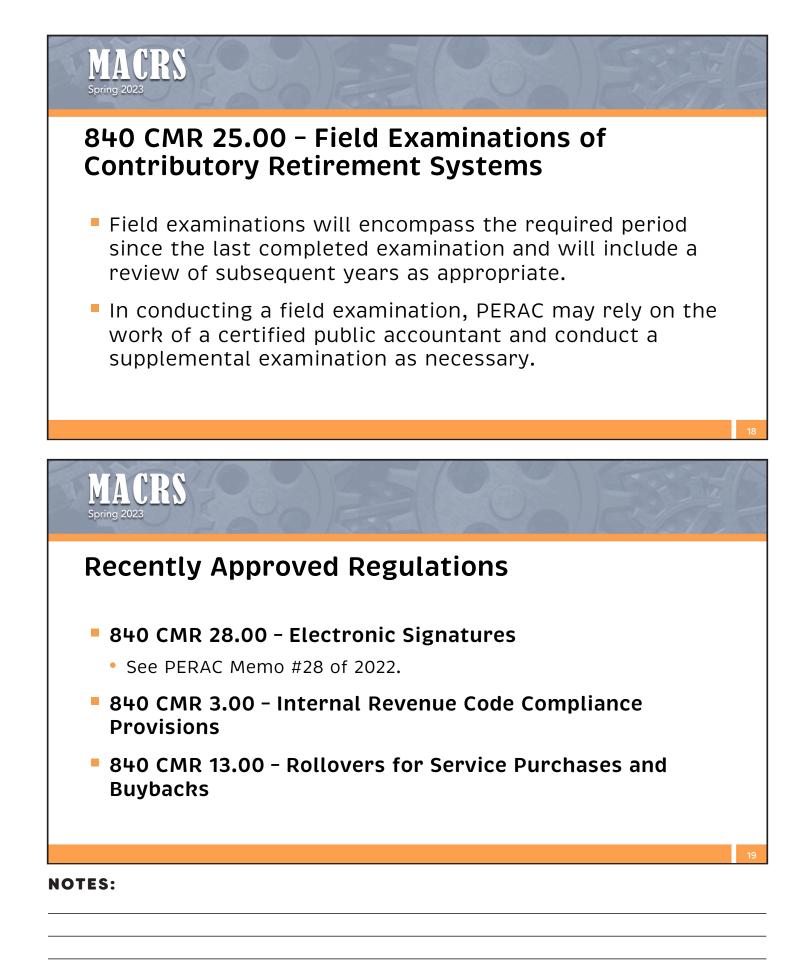
840 CMR 4.01 - Definitions

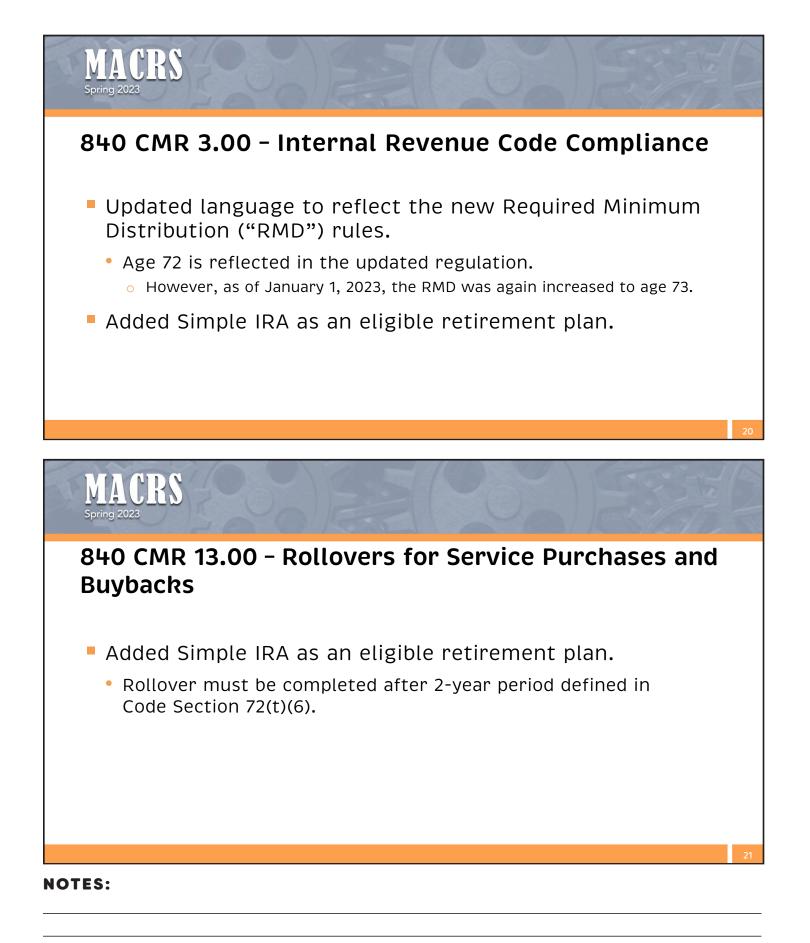
- Revised section to provide definitions for key terms that are used throughout 840 CMR 4.00, such as:
 - Accounting Period.
 - Adjusting Journal.
 - Cash Books.
 - Extension.
 - General Ledger.
 - Trial Balance.



840 CMR 4.05 - Copies to Be Shared With Board Members

- New subsection that requires board staff to share the following with all board members:
 - The completed monthly cash books.
 - Cash reconciliations.
 - Quarterly comparisons of budged amounts to actual spending.

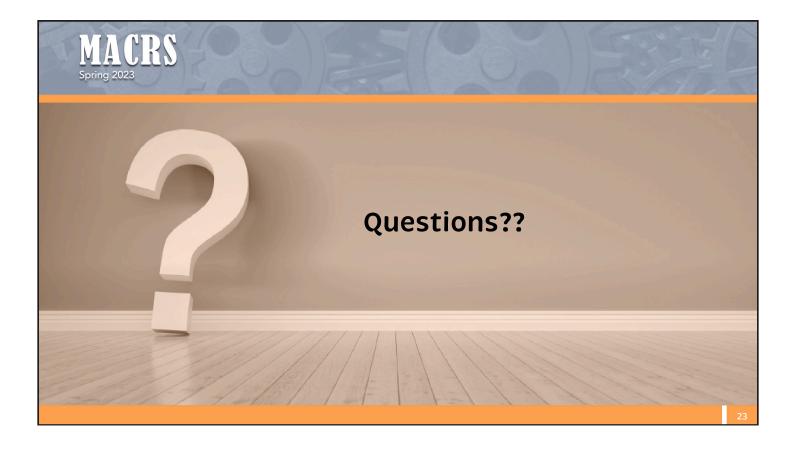






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COMMONWEALTH OF MASSACHUSETTS

Public Employee Retirement Administration Commission

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