



Chapter 178 of the Acts of 2024: The HERO ACT

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August 27, 2024

Veterans' Buyback

❖ What has **NOT** changed:

- Definition of Veteran in G.L. c. 4, s. 7 cl. 43rd.
- Purchase up to 4 years of prior military service.
- 10% of regular compensation when the member most recently established membership in the system.
- 5 to 1 ratio for national guard and active reserve time, **MUST** qualify as a veteran.
- Active duty for training for the National Guard and Reserves is excluded.
- Active duty leave time cannot be counted towards buyback.
- **MUST** be a member in service

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Prior Active Duty and National Guard Leave For Active Duty

- ❖ Member may have prior active duty of less than 4 years which he is eligible to purchase.
- ❖ Member may be a member of the reserves or National Guard and may be eligible to purchase additional time at the 5 to 1 ratio.
- ❖ Can do 2 buybacks.

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NOTES:

What Salary Do You Use?

- ❖ 10% of the regular annual compensation of the member when said member entered the retirement system.
- ❖ If member withdrew funds from one system and then seeks to buy vet time in your system you use salary when he started your system.
- ❖ If transfer of funds use salary at 1st system.

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Who Qualifies as a Veteran?

- ❖ (1) G.L. c. 4 s. 7 cl. 43rd 1st paragraph
 - **Wartime Service** — “Persian Gulf veteran” shall mean any person who performed such wartime service during the period commencing August 2, 1990 and ending on a date to be determined by presidential proclamation or executive order and concurrent resolution of the Congress of the United States.
 - 90 days one of which is wartime service, unless during wartime a person receives a service-connected disability, purple heart or dies.
 - 180 days active service in the Army, Navy, Marine Corps, Coast Guard or Air Force and was honorably discharged (c.116 of the Acts of 2004).

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NOTES:

Creditable Service For Military Leave

- ❖ Mandatory creditable service for military leave under G.L. c. 32, s. 4(1)(h)
- ❖ c. 708 of the Acts of 1941
- ❖ USERRA

An Act Honoring, Empowering, and Recognizing Our Service Members and Veterans (“HERO Act”)

- ❖ Rewrites G.L. c. 32, s. 4(1)(h).
- ❖ Eliminates the 180-day requirement from Chapter 71 of the Acts of 1996.
- ❖ **Requires Boards to give notice of potential benefits to all new employees.**
- ❖ Provides that the purchase must be made within 1 year of vesting, (11 years of creditable service).
- ❖ National Guard and Reserves have a different purchase window.
- ❖ New 1-year window for anyone who missed purchasing their service.

NOTES:

G.L. c. 32, s. 4(1)(h)

- ❖ Notwithstanding the provisions of this chapter or any other general or special law, rule or regulation to the contrary, a member in service of a retirement system as defined in section 1 **shall be provided written notice by the retirement board upon entry into service** that if they qualify as a veteran who served in the armed forces of the United States, they shall be entitled to credit for active service in the armed services of the United States; provided, however, that such active service shall not be credited until such member, **prior to or within 1 year of vesting pursuant to this chapter**, has paid into the annuity savings fund of such system, in 1 sum or in installments, upon such terms and conditions as the board may prescribe, makeup payments, for each year of creditable service sought, of an amount equal to 10 per cent of the regular annual compensation of the member when said member entered the retirement system; provided further, that such creditable service shall not be construed to include service for more than 4 years; and provided further, that such creditable service shall not be allowed for any period of active service for which said veteran has received credit pursuant to this paragraph. This paragraph shall apply to national guard and active reserve personnel, both former and present. Creditable service time, both enlisted and commissioned, may be applied toward retirement on a ratio of 5 years of national guard service or 5 years of active reserve service substitutable for each year of active service. **National guard and active reserve personnel shall not be precluded from making said purchase if they qualify as a veteran after vesting or if they reach the maximum of 4 years of eligible service purchase after vesting and qualifying as a veteran; provided, however, that they enter into a purchase agreement within 5 years of the last occurring event.**

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No More 180-Day Restriction

- ❖ Members no longer have to make arrangements for their military purchase within 180 days.
- ❖ Members now have until 1 year after they vest in the retirement system.
- ❖ Vesting, for Chapter 32, means a member has 10 years of creditable service. This includes service earned since joining the system and any service purchased.
- ❖ Effectively 11 years to decide to purchase military service.

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NOTES:

National Guard and Reserves

- ❖ National Guard and Reserves may purchase up to 4 years of time like all other service members.
- ❖ May have additional time to make service purchase.
- ❖ If they do not qualify as a veteran by the time they reach within 1 year of vesting or if they are not eligible for the full four-year buyback yet they are given additional time.
- ❖ Later of two dates: 5 years from when they qualify as a veteran, or 5 years from the date they qualify for the full 4 years of purchase.

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One Year Grace Period

- ❖ **Members in Service** who missed the opportunity to purchase their military service prior to the enactment of the HERO Act will have a 1-year window in which to make the purchase.
 - This applies to people who missed the 180-day deadline or didn't complete the purchase prior to reaching 11 years of creditable service.
- ❖ Members have until August 8, 2025, to make arrangements with Board for purchase.

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NOTES:

What Do Members Need To Do?

- ❖ Member who has already completed military service purchase **DOES NOT NEED TO DO ANYTHING.**
- ❖ Member has **MORE** than 11 years of creditable service and has not completed the buyback has until August 8, 2025, to enter into a purchase agreement with the Board. This could be a lump sum or installment plan agreement depending on board policy.
- ❖ Member has **LESS** than 11 years of service has until either they reach 11 years of service or August 8, 2025, whichever is later, to enter into purchase agreement.

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What Do Members Need To Do? *(Continued)*

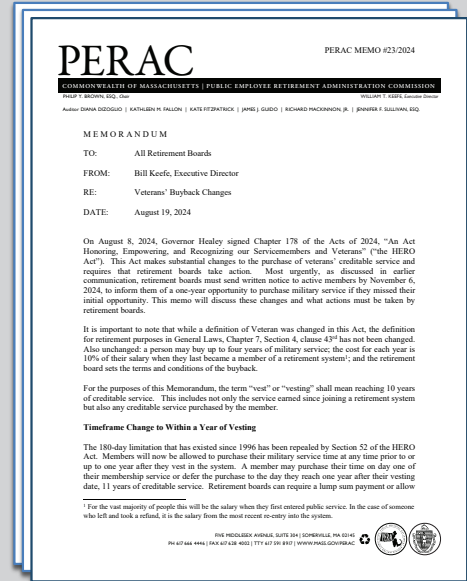
- ❖ Member has entered into an agreement but has not completed the purchase.
 - These are members who signed the form saying they wanted to buy time but the Board did not require that the purchase be completed.
- ❖ Member **MUST** complete the purchase or enter into an installment agreement before they complete their 11th year of creditable service or August 8, 2025 which date **LAST** occurs.
 - We would encourage boards to consider installment plans.

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NOTES:

What Do Boards Need To Do?

- ❖ **MUST** send notice to **ALL** active members of the retirement system that they may be eligible for military service buyback.
- ❖ Notice **MUST** be sent by November 6, 2024.
- ❖ Sample Notice provided as part of *PERAC Memo 23 of 2024*.



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What Do Boards Need To Do? (Continued)

- ❖ Notify any member who previously completed the *Veterans' Buyback Application* but who has **NOT** made arrangement for payment that they must do so by the new deadlines.
 - LATER of 11th year of creditable service or August 8, 2025.

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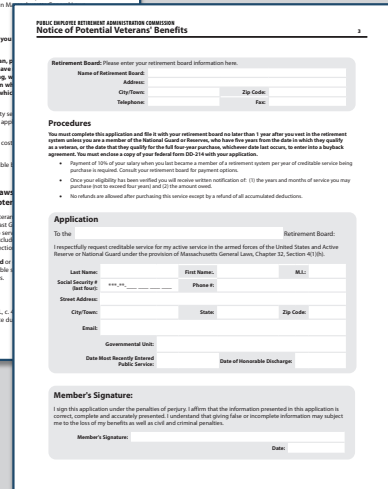
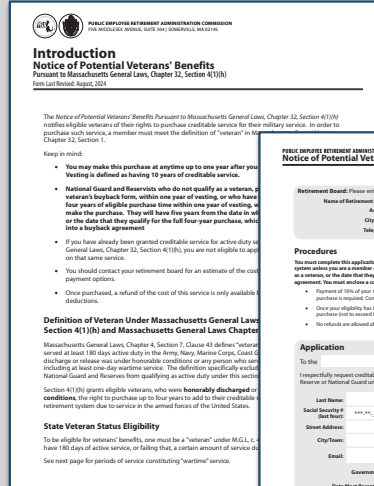
NOTES:

What Do Boards Need To Do? (Continued)

- ❖ Review any Board regulations regarding veterans' buyback and submit updated regulations or notice of repeal to PERAC for approval.
- ❖ Begin using the updated *Notice of Potential Benefits* forms on our website.

NOTICE, NOTICE, NOTICE

- ❖ Boards **MUST** begin giving notice of the military service buyback provisions to **EVERY** new member when they enroll in the system.
- ❖ Boards should provide the updated *Notice of Potential Veterans' Benefit Form* available on PERAC's website to **EVERY** member when they enroll in your system.
 - Should be part of any new member enrollment packet.



NOTES:

Contact Information

- ❖ If you have any questions, please email me at patrick.m.Charles@mass.gov.
- ❖ Phone is **617-591-8914**
- ❖ For details on HERO Act and sample notice please see *Memo 23 of 2024*.
<https://www.mass.gov/memorandum/perac-memo-23-veterans-buyback-changes>
- ❖ *Notice of Potential Veterans' Benefit Form* on our website at
<https://www.mass.gov/doc/veterans-buyback-form-0/download>



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