

PERAC

Pension News

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John Parsons Retires

By Natacha Dunker
Communications Director

PERAC Executive Director John Parsons retired on March 1, 2024, after a decades long career spent entirely in public service.

"He has been a steadfast voice over the last several decades to ensure public retirees and employees will have a safe, secure, and sustainable retirement benefit and we are all better for it," said Sean Neilon, Assistant Executive Director at the Teachers' Retirement System (MTRS). "He brought a unique perspective to the discussions on preserving the Commonwealth's defined plan. I've always admired his ability to listen



Retired Executive Director John Parsons (L) with Executive Director Bill Keefe

to advocates on both sides of an issue and recommend a reasonable and informed path forward."

John started his career in Norton Public Schools before starting his state service as a legislative aide for then State Representative and House Chairman of the Committee on Human Services and Elderly Affairs, Joe DeNucci, beginning a 25-year professional relationship.

After Joe DeNucci became State Auditor, John was appointed Legislative Counsel in 1987, then General Counsel in 2002, and First Deputy Auditor in 2009. When Suzanne Bump was elected Auditor, he was appointed Deputy Auditor for Audit Operations in 2011. During his time at the State Auditor's office, he served as a PERAC Commissioner (continued page 2)

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New Executive Director Appointed

By Natacha Dunker
Communications Director

Bill Keefe was appointed PERAC's next Executive Director at the February 14, 2024, Commission meeting following a six month search process.

Bill started at PERAC in 2019 and most recently held the position of Assistant Deputy Director, directing legislative affairs and overseeing the Communications, Compliance & Investments, and Audit Units. Prior to joining PERAC, Keefe served in a variety of capacities over 23 years in the Office of the State Auditor, under former Auditors Joe DeNucci and Suzanne Bump, most recently as the Director of Audit Planning. PERAC Chairman Phil Brown noted that "Bill possesses the experience and qualities needed to meet the challenges ahead."

Bill's appointment has been well received by the Massachusetts public retirement community. "As a retired State employee who now represents some 52,000 retirees serving as President of the Mass Retirees Association, I am very pleased with the Commission's decision. They conducted a very open, comprehensive search process and ultimately recognized their strong senior management level and made the decision to stay in-house with Bill Keefe. I think they made an excellent choice and look forward to working with Bill on retiree issues", noted Frank Valeri.

Bill previously worked at the State Auditor's office for 23 years and was a former reporter and editor at the Metro West Daily News. He holds a degree in Journalism and Political Science from Syracuse University.

"I thank the Commissioners for placing their trust in me and am committed to upholding that trust," Bill said. "I am grateful for those who gave their support during the process and appreciate those who have offered congratulations. PERAC is a great place to work because of its staff who do good work and are even better people. I will try to support them the best that I can. I look forward to continuing to build and strengthen the relationship between PERAC and retirement board members and staff through collaboration and engagement. Working together with state and local government, stakeholder groups, practitioners and vendors, we will achieve our common goal of protecting the retirement system for its members, retirees and beneficiaries." ■

John Parsons Retires (continued from page 1)

from 2001-2010 and as a member of the Teachers' Retirement Board from 2002-2009 and 2011-2012. He also served on the Special Commission on Massachusetts Contributory Retirement Systems in 2009.

He came to PERAC in 2012 as General Counsel, becoming Deputy Director from 2013-2019 and was PERAC's fourth executive director from 2019-2024. On top of having an excellent le-

gal mind, John was known for his common-sense, collaborative approach, his decency, his consistency and his approachability.

"I had the pleasure of meeting John over 20 years ago, when he served as the State Auditor's designee on the Teachers' Retirement Board. I was always impressed by his integrity, thoughtfulness and professional yet welcoming demeanor. In his role

at PERAC, John set high standards for our retirement community and provided steady leadership, especially during the unique challenges of the pandemic. On behalf of the Board and staff of the MTRS, I wish John the best of health and happiness in his retirement," said Erika Glaster, Executive Director of the MTRS.

Belmont and Middlesex County Board Member, (continued next page)

Staffing Updates at PERAC

Executive Director Bill Keefe has made some staffing updates to reflect additional responsibilities staff have assumed. ■



Caroline Carcia, who has been with PERAC since its inception in 1996, has been promoted to First Deputy Executive Director to reflect her duties which are equivalent to those of a Chief Operating Officer and Chief Administrative Officer



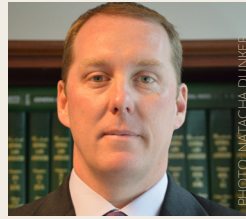
Patrick Charles was promoted to Assistant Deputy Director. He will manage the Audit and Compliance Units, direct legislative affairs, and continue contributing to the Legal Unit and serving as PERAC's appointee to the Contributory Retirement Appeal Board (CRAB).



Karen McMahon has been promoted to Deputy Communications Director. While many of you may not know her, you certainly know her work as she has designed many of PERAC's publications and presentations for the past 11 years.



Katie Bozzi was promoted to Fiscal Officer 2 last year. She has been with PERAC since 1999 and has served in several fiscal and cash management related capacities.



Ken Hill has been promoted to Deputy Executive Director. He will continue to provide management to the Disability and Fraud Prevention Units, continue to serve in the Legal Unit, and will now add the Communications Unit to his plate.



Elaine Pursley has been officially promoted to Audit Manager to reflect her expanded role and outstanding contributions to the Audit Unit. She has been the de facto audit manager for quite some time and this is now reflected in her title.



Felicia McGinniss has been promoted to Senior Associate General Counsel to reflect her expanding role within the Legal Unit. She will continue to present on legal topics for PERAC's board member education series.

Congrats to all!

John Parsons Retires (continued from previous page)

Tom Gibson noted that "like his predecessor, Joe Connarton, John is a professional public servant whose dedication to the well-being of the Massachusetts public employee retirement system was the hallmark of his PERAC tenure. A retirement board could always count on John and PERAC's staff to render effective assistance and guidance whenever needed. We have every confidence that Bill Keefe will continue the tradition of PERAC's exemplary service to the public workers of Massachusetts."

With such a long and distinguished career, John has left an indelible mark in the protection of retirement benefits for Massachusetts' public employees for years to come. We wish him a long and enjoyable retirement! ■

Legislative Update

Regulations Update | PERAC Bills Released Favorably

By Patrick Charles
Assistant Deputy Director

U*pdates to seven of PERAC's regulations were finalized and published by the Secretary of State on March 29, 2024.*

This is part of our ongoing effort to modernize and update all PERAC regulations, a process which began in 2022, and has resulted in a number of regulations being updated in prior months.

As of March 29, 2024, two regulations have been fully repealed. These are 840 CMR 8.00 Applicability of \$30,000 Salary Cap and 840 CMR 11.00 Service after Age 70. These were outdated regulations that no longer had applicability.

We have updated 840 CMR 2.00 Retirement Board Travel, 840 CMR 4.00 Financial Operations/Standard Method of Accounting, 840 CMR 12.00 Service Between Age 65 and 70, 840 CMR 15.00 Miscellaneous and 840 CMR 25.00 The Conduct of Field Examinations of Contributory Retirement Systems. PERAC Memos 12 and 13, issued on April 17, 2024, provide detailed information regarding each of these changes.



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PERAC Bills

All seven PERAC filed bills have been heard and released favorably from the Joint Committee on Public Service and are moving their way through the legislative process. We are also actively engaged in advocating for two bills filed at our request regarding gender pay equity and veteran's buyback. As we noted in our last issue, the Governor filed the Hero Act (H 4172) addressing numerous veterans related initiatives, including PERAC sponsored language from H2627 and S1750 in November, 2023. This aspect of the legislation is relative to the ability of retirement system members to purchase military service as creditable service pursuant to G.L. c. 32, § 4(1)(h). It would allow members more time to make the purchase,

as it provides a one year grace period for anyone who has been precluded for failure to make the purchase within the 180 day period currently specified. The HERO Act is presently before the Joint Committee on Veterans and Federal Affairs and we are hopeful that the language relative to veteran's buyback will be included in the final version of the legislation. ■

Compliance Reminders for Board Members:

Annual Filings and Member Education

By John Galvin
Compliance Officer

Statements of Financial Interests (SFIs) were made available in PROSPER in January and are due on May 1, 2024. The Annual Eligibility Certification for board members who began service on or after April 2, 2012, was also made available in PROSPER.

The Commission would like to thank members who have already filed their annual forms and remind those who have not done so to please file at their earliest convenience. Board members who are leaving their position should file before losing access to PROSPER.

Additionally, we want to remind you of the statutory requirements for the State Ethics Commission training. This course is to be completed within 30 days of joining a board and every two years thereafter. You will receive three credits for completing this training when you submit the Certificate of Completion through PROSPER.

There are several great upcoming opportunities available to receive credits this spring to help you meet your educational requirements. On May 16, PERAC is hosting a webinar on Disability Basics, and the MACRS TEDS and Spring Conference takes place June 1-5 in Hyannis. Also, there are several informative webinars available

for credit that you can access from our website.

Board members are required to complete a minimum of 18 credits per term to be eligible to continue serving on a board. Board members must earn at least 3 credits per term year. While the most that can be earned per year is 9 credits, board members are welcome to attend as many educational events as they would like. For more information on educational requirements for board members and available training, please see our website: www.mass.gov/perac-education and refer to PERAC Memo #38/2011. Thank you for your service and your continued diligence in these matters. ■

Remembering Ralph White

Ralph White, a well known figure in the Massachusetts public pension community, passed away in January.

Ralph founded Mass. Retirees in 1968, serving as its president until 2013, and remained active thereafter. He was a founding board member of the Pension Reserves Investment Management Board, serving for 20 years. He also served as an elected member of the State Retirement Board and on the Pension Commission formed by Governor Deval Patrick which helped bring about the Pension Reform Act of 2012.

Current Mass. Retirees president, Frank Valeri, knows first-hand the impact Ralph had. "I had the pleasure of working with Ralph for many of my 38 years in public service, especially while interacting with him and his retiree advocacy work in the legislature. After succeeding him at Mass Retirees, I relied on his advice and wisdom to help me with our membership. Ralph spent a lifetime dedicated to helping people. I have always believed I could never fill his shoes but will forever be grateful to Ralph for the opportunity to walk in his footsteps and try to carry on his legacy."



We would like to thank Ralph for his dedication to the public retirees of Massachusetts.

2024 Investment Return Assumption

By John Boorack
Actuary

At the beginning of each year, we review the investment return assumption to determine our recommendations for each retirement system that uses PERAC to perform an actuarial valuation.

Based on our analysis this year, we recommended a 7.0% investment return assumption for use in the actuarial valuations for the State Retirement System, the Massachusetts Teachers' Retirement System and for the Commonwealth's total pension obligation. The Public Employee Retirement Administration Commission (PERAC) adopted the recommended 7.0% investment return assumption at its meeting on April 10, 2024. This is the same investment return assumption that has been used since the January 1, 2021, actuarial valuation.

The plan's actuary uses several different assumptions when performing an actuarial valuation of a pension plan. The investment return assumption is one of the principal assumptions. For most public pension plans, the investment return assumption serves two purposes. First, it is used to project the growth of a plan's assets. Second, it is used as the discount rate for the plan's actuarial liabilities. The discount rate is the rate used to value the current cost of future pension

obligations. There is an inverse relationship between the discount rate and the value of the plan's actuarial liabilities – when the investment return assumption decreases, the associated actuarial liabilities increase, and vice versa.

Since most of the Chapter 32 retirement systems are invested in the Pension Reserves Investment Trust (PRIT), we use NEPC, the Pension Reserves Investment Management's (PRIM's) investment consultant, as our primary source in determining the recommended investment return assumption. We use information from secondary sources to help corroborate our recommendation. For example, we compare NEPC's Capital Market Assumptions (CMAs) to publicly available CMAs from other investment consultants to determine whether the NEPC CMAs are outliers in any given year. We use information from the National Association of State Retirement Administrators (NASRA) to compare our investment return assumption to the assumption used by other State, Teachers' and large city plans from across the



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country. To a lesser extent, we compare our recommended assumption to PRIT's historical investment performance over a couple of time periods (5 years, 10 years, and 20 years). We analyze all this data to establish our recommended investment return assumption. For the handful of systems who are not invested with PRIM, we also review their investment policies, in addition to all the other information, to establish their recommended investment return assumptions. ■

Did you know?



The 2023 Annual Statement of Earned Income forms were due on April 15th. Members who have not filed must do so immediately to avoid benefit termination.

New this year, some members have the option of submitting their form online through PROSPER making compliance with this requirement even easier! **Over 99% of 2022 forms** were returned last year.

Memos released last quarter:

- #01: 840 CMR 10:10(3) & 10:15(1)(c)**
Annual Review of Medical Testing Fee
- #02: 2024 Interest Rate Set at 0.1%**
- #03: Required Minimum Distribution**
Now Age 73 for This Year's Notifications
- #04: 2024 Limits under Chapter 46 of the Acts of 2002**
Federal Compensation and Benefit limits for 2024
- #05: 2024 Limits Under Section 23 of Chapter 131 of the Acts of 2010**
2024 Regular Compensation Limit Under Ch. 32
- #06: COLA Notice**
- #07: Buyback and Make-Up Repayment Worksheets**
- #08: PROSPER COLA Submission**
Information on the latest feature added
- #09: Actuarial Data**
Request for Member Data
- #10: Tobacco Company List**
- #11: Mandatory Retirement Board Member Training**
- #12: Regulations 840 CMR 4.00 and 25.00**
- #13: Regulations 840 CMR 2.00, 8.00, 11.00, 12.00, & 15.00**

**Remember,
YOU hold
the key to
cybersecurity!**

Maintain good cybersecurity practices, including continued training on suspicious emails & strong password management. See our website for on demand training videos.

Upcoming Meetings

May 8, 11:00 a.m.
Commission Meeting

June 12, 11:00 a.m.
Commission Meeting

July 10, 11:00 a.m.
Commission Meeting

Meetings are open to the public. See our website for details on how to attend in person or remotely.

PERAC

2024 Education Schedule upcoming course highlights

Credits
board members
must earn

18
per term

3
Minimum
per term year

9
Maximum
per term year

May 6	Webinar (AGO)	Open Meeting Law
May 16	Webinar (PERAC)	Disability Basics
May 18-22	Conference (NCPERS)	Seattle, WA
May 23	Webinar (OIG)	Contract Administration
June 1-5	Conference (MACRS)	Hyannis, MA
June 4	Webinar (OIG)	Chief Procurement Officer
June 12-14	Conference (NCTR)	New York, NY
August 3-7	Conference (NASRA)	Pittsburgh, PA
Save the date:	Emerging Issues Forum, Wednesday, September 18th	

See our website for additional educational resources and registration information, including:

- [Templates for the 2023 Annual Statement](#)
- [On demand webinars for credit](#)

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