

FALL/WINTER
2023

ESSEX REGIONAL RETIREMENT SYSTEM

Newsletter for Retirees and Members

ERRS 2022 FINANCIAL AUDIT UPDATE

At the regular monthly meeting of the Essex Regional Retirement Board held on August 28, 2023, Powers & Sullivan, an independent CPA firm, presented the audit of the financial records of the retirement system. The 2022 audit had no management findings and the retirement system finances were found to be in order. In fact, Powers & Sullivan noted, ERRS is now one of the retirement boards which takes in more in contributions and annual income than it paid out in benefits and expenses. The auditors indicated that this is a significant accomplishment for a retirement system. Since 2019, the retirement system has been audited five times, four by Powers & Sullivan and once by PERAC. There has not been a single audit finding in any of these five audits. The 2022 audit by Powers & Sullivan noted that the retirement system's assets exceeded its liabilities by \$629.6 million. The audit also found that in 2022, total contributions were \$67.0 million, including \$44.5 million received from employers, \$16.4 million from members, and \$6.1 million from other contributions. The total of retirement benefits, refunds and transfers amounted to \$62.8 million, and administrative expenses remained at \$1.1 million. The total pension liability was \$1.1 billion as of December 31, 2022, while the net pension liability was \$464.0 million. The funded ratio at the end of 2022 was 57.57%.

TRACY BLAIS ELECTED TO FULL-TERM AS FIRST MEMBER OF THE BOARD

The Essex Regional Retirement Board is pleased to announce that Tracy Blais has been elected to a full term as the First Member of the Board. Ms. Blais was the only candidate nominated and she received 100% of the votes cast. This was a weighted election based on the active membership of each ERRS unit and Ms. Blais received all the votes of the fifteen units who cast ballots, representing 48.15% of the total membership of the retirement system. Ms. Blais was first elected in March of 2023, to fill the vacancy created by the resignation of Andrew Sheehan, who left the Board when he was named the new Town Administrator in Sudbury. Ms. Blais served the remainder of Mr. Sheehan's term and has now been elected to a full term of her own. The First Member's term of office began on December 2, 2023, and is for three years. Ms. Blais is the Town Administrator in Newbury, where she has served for the past twelve years. Prior to Newbury, she served as the Finance Director in West Newbury for nineteen years. The First Member is elected by a vote of the Chief Executives of the forty-seven units of the retirement system.



Tracy Blais, Town Administrator of Newbury and the First Member of the Essex Regional Retirement Board.

ANNUAL AFFIDAVITS TO BE SENT IN JANUARY

The Public Employee Retirement Administration Commission (PERAC) requires that at least every two years, each retirement board in the Commonwealth of Massachusetts shall require each member or beneficiary who receives a pension, retirement allowance, or survivor's allowance to file with their respective retirement board an affidavit, signed under the penalties of perjury, attesting to the following information:

- ⇒ The name of the member or beneficiary;
- ⇒ The current address of the member or beneficiary;
- ⇒ A statement certifying that the member or beneficiary is currently living;
- ⇒ A statement describing the beneficiary's current marital status where marital status is relevant to continued receipt of benefits;
- ⇒ A statement describing the beneficiary's current dependency status where dependency is relevant to continued receipt of benefits; and

The retirement board shall withhold the retirement benefits of any member or beneficiary who fails to file the affidavit within the time prescribed. Upon receipt of the affidavit, any benefits so withheld shall be paid to the retired member or beneficiary.

ERRS conducts this process every two years. The last year this was done was 2022. Therefore, beginning in January of 2024, annual affidavits will be mailed to all ERRS retirees and beneficiaries. These affidavits must be returned by the date indicated or your retirement benefit may be withheld. Please be on the lookout for your affidavit after January 1st. If you have not received your affidavit, please contact the retirement office at (978) 739-9151, extension 101, or via email at info@essexrrs.org.

NOTICES OF DEPOSIT TO BE PHASED OUT

The Essex Regional Retirement Board will be moving to phase out the paper notices of deposit (NODs) that are sent to retirees whenever there is a change in their benefit payment. The information on benefit payment changes, such as adjustments in insurance premium withholdings, COLAs, etc., is available via the Employee/Retiree Portal. The Employee/Retiree portal is available on the retirement system website, www.essexregional.com. Eliminating the need to send paper NODs via regular mail is an outdated, inefficient and labor intensive process. The same information is readily available to all ERRS members via the Employee/Retiree portal.

If you do not already have an account via the Employee/Retiree portal, please go the retirement website mentioned above and sign in to set up your account. Step-by-step instructions are provided when you sign-up. If you have any difficulty signing in to your account, please do not hesitate to contact the retirement system office at (978) 739-9151, extension 101, or via email at info@essexrrs.org.

Please also note that the retirement system only handles the withholding insurance premium payments. For questions on the amount of the premium withheld, or on insurance eligibility, please contact your former employer.

GROUP 4 SERVICE PURCHASE INFORMATION

As described in the spring newsletter, the Essex Regional Retirement Board voted to adopt a new regulation governing how service is awarded for those members who had call firefighter or reserve police service with a municipal unit within the retirement system. The Board adopted this regulation in order to bring the retirement system's practices in-line with the Board's understanding of the statute governing this service and with recent court decisions. This new regulation has been approved by PERAC and is presently in effect.

This new regulation requires that for those members who have call firefighter or reserve police service beyond the five years Massachusetts General Law (MGL), Chapter 32, § 4(2)(b) permits, the municipality in which this service was rendered must have adopted Section 4(2)(b)'s local option provision. It requires a town meeting vote to adopt this local option.



In addition, the regulation requires that the liability for any call firefighter or reserve police service purchased in accordance with this regulation be assessed to the municipality that has adopted the local option provision that permitted the service to be purchased.

When voting to approve this new regulation in the spring, the Board indicated that prior purchases of call firefighter and reserved police service would be grandfathered. The new regulation only applies to call firefighter and reserve police service purchased in 2023 and thereafter. Therefore, no awards for this service prior to 2023 will be affected, unless a court decision or other guidance is received indicating that adjustments are required.

The retirement system is presently moving forward with pending purchase requests for call firefighter and reserve police service. For those members who have not received a cost estimate to purchase their service, or for members who previously received a cost estimate but chose not to purchase this service, any new calculation of service and cost will be subject to the provisions of the new regulation approved by the Board.

If you have any questions regarding the status of a service purchase, or regarding the new regulation, please feel free to contact Charles Kostro, the ERRS Executive Director, at (978) 739-9151, extension 105, or via email at ckostro@essexrrs.org.

The retirement system office is open Monday through Friday, from 8:30 a.m. to 4:30 p.m. The office telephone number is (978) 739-9151, and a directory of staff names and extensions will be provided to you when you call the office. If a staff person is unavailable when you call, please leave a message and calls will be returned within 24 business hours. If the office is closed, you can still send a message to the employee's direct email, or to the main email inbox, info@essexrrs.org. You may also use the Employee/Retiree portal to send a message to the retirement office.

STAFF ANNOUNCEMENTS

The Essex Regional Retirement Board recently approved the promotions of two staff members to new positions. **Britt Travinski**, who had been the Senior Retirement Counselor, has been promoted to **Deputy Executive Director**. Ms. Travinski worked for twelve years at the Massachusetts Teachers' Retirement System (MTRS), where she was the Assistant Director of Member Services, among other titles that she held during her tenure there. In addition to her service at MTRS, Ms. Travinski also worked as the Deputy Executive Director of the Somerville Retirement Board, and as the Executive Director of the Chelsea Retirement Board. As the Deputy Executive Director of ERRS, Ms. Travinski will be responsible for the oversight and management of all financial accounting responsibilities for the retirement system. Ms. Travinski joined ERRS in August of 2022 as the Senior Retirement Counselor, where she was responsible for processing superannuation and disability retirements. She brings fifteen years of Massachusetts retirement system experience to her new leadership role at ERRS.

The Board also recently appointed **Stephanie Croston** to the position of **Retirement Counselor**. The Retirement Counselor is responsible for providing guidance to members on their retirement options, as well as processing superannuation retirement applications. In addition to her retirement counseling and processing duties, Ms. Croston will also be responsible for the management of all refunds and transfers of member's accounts. She worked for twelve years in administrative positions with the City of Haverhill and the Town of Reading's school department. In addition to her public sector experience, Ms. Croston also worked handling administrative and financial duties for thirteen years for two private sector companies. Ms. Croston joined ERRS in May of 2023, as the Employer Reporting Representative, handling the enrollment of new members and the posting of member's retirement contributions to their accounts. She brings over twenty years of combined public and private sector experience handling administrative and financial matters to her new position as the ERRS Retirement Counselor.

The Board also approved the hiring of **Juanita Escobar** to assist ERRS on a temporary basis processing superannuation and disability retirement applications. Ms. Escobar brings twenty years of experience in the Massachusetts public pension system to her position at ERRS, including the last several years providing temporary staff assistance to regional and local retirement boards. In addition, Ms. Escobar previously worked for ERRS providing similar retirement processing assistance.

Below please find a directory of all ERRS staff and their contact information.

ERRS Staff Directory:

- ◇ Charles E. Kostro, Executive Director, (978) 739-9151, x105; email: ckostro@essexrrs.org
 - ◇ Lori O'Donnell, Executive Assistant, (978) 739-9151, x101; email: lodonnell@essexrrs.org
 - ◇ Britt Travinski, Deputy Executive Director, (978) 739-9151, x104; email: btravinski@essexrrs.org
 - ◇ Juanita Escobar, Retirement Associate, (978) 739-9151, x123; email: jescobar@essexrrs.org
 - ◇ Stephanie Croston, Retirement Counselor, (978) 739-9151, x121; email: scroston@essexrrs.org
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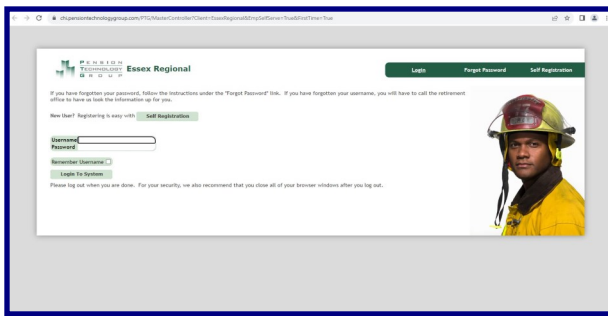
ACCESSING YOUR ACCOUNT ELECTRONICALLY

The Employee/Retiree portal provides retirement system members with electronic access to their accounts. This portal is available at the retirement system website, www.essexregional.com.

Once you are registered in the portal, you access your individual retirement account. This will permit you to see your contributions, calculate retirement benefits, and, if you are already retired, see your payments and withholdings. As more and more services are being provided electronically, and paper-based mailings are phased out, access to the portal will become more imperative for all ERRS retirees and members.



Above, the retirement system website, www.essexregional.com, showing the link to Employee/Retiree Portal in the upper left-hand corner at the top of the available links.



Above is the screen that will greet you when you click on the Employee/Retiree Portal. Follow the instructions on this screen to set up your access to your retirement account.

If you go to the retirement system website, click on the tab for the Employee/Retiree Portal, and follow the instructions to register and access your account. If you need assistance registering through the portal, contact the retirement system office during office hours and one of the staff will be able to assist you.

Using the Employee/Retiree Portal will become the best and most reliable way to access your account information in the future. You will also be able go obtain your own retirement estimates at your convenience. We strongly recommend you explore registering for your own Employee/Retire Portal account at your earliest opportunity.

RECEIVING NOTICES OF BOARD MEETINGS

The Essex Regional Retirement Board is responsible for a variety of financial and policy decisions that directly effect the 6,300 members of the retirement system. The Board meets once per month to act on retirement system matters. Approximately six days prior to the monthly Board meeting, an agenda is posted to the ERRS website. Anyone can sign up to automatically receive a copy of the Board meeting agenda.

To receive notifications of ERRS Board meetings, as well as other information regarding the retirement system, use the *Sign Up for E-Alerts* link on the retirement system website. The picture on the left shows the type of items you can sign-up to receive.

Once you have signed up for these notifications, you will receive an email each time there is new information added to these pages. This is a simple but useful tool to stay abreast of the business being conducted at the retirement system and the decisions that are made which could effect your retirement benefit.

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