

*Spring
2023*

ESSEX REGIONAL RETIREMENT SYSTEM

Newsletter for Retirees and Members

BOARD APPROVES 3% COLA FOR FY2024

At their meeting on April 24, 2023, the Essex Regional Retirement Board approved a 3% Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the retirement system for Fiscal Year (FY) 2024. This 3% increase will be effective with the July benefit payment and is applied to the first \$16,000 of the base retirement benefit.

In December of 2022, the Board also approved an additional 2% COLA to be added to the 3% already applied to the COLA base of \$16,000 for FY2023. This additional 2% COLA will only be effective if approved by the select boards of 2/3rds of the municipal units of ERRS. This additional 2% COLA must be approved by 2/3rds of the select boards during FY2023, which ends on June 30, 2023. As of the writing of this newsletter, 2/3rds of the select boards of the municipal units of ERRS have not approved the additional 2% COLA.

TWO NEW MEMBERS ELECTED TO BOARD



***KATHY
CARLETON***

Kathy Carleton became one of the two elected members of the retirement board in November of 2022. Each elected member must be a retiree of ERRS. Many of you

may know Kathy as she spent the last five years of her public sector career as a Retirement Counselor at ERRS, before retiring in June of 2021. Kathy also worked for the Town of Boxford and in the Ipswich and Pentucket schools. Kathy takes the seat of H. Joseph Maney, who served on the Board from 2010 to 2022. Also re-elected with Kathy was Susan Yaskell, who was also originally elected in 2010.

***TRACY
BLAIS***

In March of 2023, Tracy Blais was elected as the First Member of the Essex Regional Retirement Board. The First Member is chosen from among the Chief Executives of the units of ERRS. Tracy was unopposed in a

special election held as a result of the resignation of Andrew Sheehan, the former Town Administrator from Middleton. Andrew resigned from the Board in February, when he became the new Town Administrator in Sudbury. Tracy is the Town Administrator in Newbury, where she has served for the past twelve years. Prior to Newbury, Tracy served as the Finance Director in West Newbury for nineteen years. The term of the First Member is up in the fall of 2023, when a regular election for this position will be held.



POST-RETIREMENT HOURS AND EARNINGS LIMITATIONS REINSTATED

During the pandemic, the Legislature waived the limitations on post-retirement earnings for superannuation retirees in the public sector. This waiver expired on December 31, 2022. Effective as of January 1, 2023, the hours and earnings limitations described in MGL, Chapter 32, Sections 91 (b) and (c) will again be in effect. (The waiver on post-retirement earnings was never extended to retirees receiving a disability benefit.)

As a reminder, post-retirement employment cannot exceed service in excess of 1,200 hours in a calendar year, nor can any compensation from a city, town, the Commonwealth, or any of its subdivisions, when added to a retiree's allowance, exceed the salary currently paid for the position from which they retired, plus \$15,000. For new superannuation retirees, they must be retired for a full calendar year prior to the additional \$15,000 being added to the formula. (For retirees receiving a disability benefit, the \$15,000 is added to the formula immediately upon retirement.)

Adherence to the post-retirement restrictions is the statutory responsibility of the employee and the employer. Retirees who earn in excess of the post-retirement earnings limitations must repay the excess earnings to the retirement board, or the retirement board will be obligated to withhold from a member's retirement benefit the amount necessary to repay the over-earnings in full.

Please do not hesitate to contact the retirement system office if you have any questions on the post-retirement earnings limitations.

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ANNUAL MEMBER STATEMENTS COMING SOON

With the retirement system now fully staffed, annual statements will be mailed to you shortly. These statements are sent each year to all active members and to inactive members who still have funds on deposit with the retirement system. The annual member statements will show your demographic and account information as of December 31, 2022.

The information included in the annual member statement includes your contact information, date of membership and the amount of creditable service you have earned. In addition, your beneficiary information will be included in the member statement. Finally, the member statement will include all of your contributions to the retirement system, as well as interest you have earned and the amount of any monies transferred to your account if you had service with another retirement system.

After receiving your member statement, if you have questions about your account, please contact our office. If you wish to update your contact information, please contact Lori O'Donnell, at (978) 739-9151, x101. If you have questions about your contributions, please contact Stephanie Croston, at (978) 739-9151, x121. If you are an inactive member and wish to rollover or receive a direct refund of your account, please contact Michael Dougherty, at (978) 739-9151, x103.

BOARD ADOPTS NEW REGULATION ON THE AWARD OF CALL FIREFIGHTER AND RESERVE POLICE SERVICE

At their meeting on May 22, 2023, 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 its understanding of the statute governing this service and with recent court decisions. The new regulation will be submitted to the Public Employee Retirement Administration Commission (PERAC) for approval, and it is modeled on similar regulations adopted by other retirement boards.

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. The local option provision permits service credit for one day of full-time service each day in any year which is subsequent to the fifth year and on which a call firefighter was assigned to and actually performed duty as a call firefighter, and for a reserve police officer to receive credit for service subsequent to the fifth year based on the current creditable service regulation. It requires a town meeting vote to adopt this local option.

The new regulation will also change the manner in which service beyond the five full years is calculated for firefighters. Rather than following the Board's creditable service regulation which awards one month of service for every 150 hours worked, the new regulation will credit one month of service for each month in which the call firefighter serves according to this schedule: **(a)** for call firefighters who do not work a scheduled shift but are on-call to respond to actual calls, responding to calls on fifteen days will be the equivalent of one month of service; **(b)** for call firefighters who work a scheduled shift, and that shift is for a pre-determined amount of hours, working fifteen shifts will be the equivalent of one month of service; and **(c)** for call firefighters who work twenty-four hour shifts, working ten shifts will be the equivalent of one month of service. Members will be permitted to combine months during which they did not work the requisite amount of shifts to receive credit for a full month of service using the applicable formula to obtain additional credit, which will be granted in monthly increments. For example, if a call firefighter who works a twenty-four hour shift works five shifts in two separate months, the member will be able to purchase an additional month of service. All service purchases pursuant to this regulation will be calculated pursuant to MGL Chapter 32, § 4(2)(c).

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.

There is only one municipality that has adopted this local option, so any call firefighter or reserve police service previously awarded may need to be recalculated. If you have received service credit that may be affected by this new regulation, you may wish to contact the retirement system to determine if your service needs to be adjusted. If any service you previously received will be rescinded, you will receive a refund of any monies you paid to the retirement system.

To the extent practicable, ERRS staff will attempt to identify those members whose award of service credit may be affected by this regulation.

ESSEX REGIONAL RETIREMENT BOARD

The Essex Regional Retirement Board is comprised of five members. Terms of office are three years for Board members, with the exception of the Fifth Member, who is appointed for a term of five years. There have been some recent changes to the Board. Please find below updated information on the members of the Essex Regional Retirement Board and their email contact information.



Susan Yaskell— Ms. Yaskell is a retiree of ERRS and one of the members elected by all members and retirees of the retirement system. Ms. Yaskell serves as the Chair of the Board and can be contacted via email at syaskell@essexrrs.org.



Vincent Malgeri—Mr. Malgeri is the Fifth Member of the Board, The Fifth Member is appointed by the other four members or the Board. Mr. Malgeri serves as the Vice Chair of the Board can be contacted via email at vmalgeri@essexrrs.org.



Tracy Blais—Ms. Blais is the First Member of the Board and is elected by all of the Chief Executives of the member units of the retirement system. Ms. Blais is the newest member of the Board and can be contacted at tblais@essexrrs.org



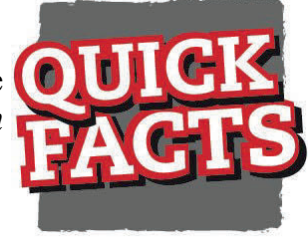
Kevin Merz—Mr. Merz is the Second Member of the Board and is elected by the members of the Advisory Council. Mr. Merz is the longest serving member of the Board and can be contacted at kmerz@essexrrs.org.



Kathy Carleton—Ms. Carleton is in her first term on the Board and is the other member who is elected by the members and retirees of the retirement system. Ms. Carleton is also a former Retirement Counselor for ERRS. Ms. Carleton can be contacted at kcarleton@essexrrs.org.

DID YOU KNOW THAT...

- ♦ As of December 31, 2022, ERRS now has 6,393 active, inactive and retired members. This *is the highest number of members in the retirement system's history*.
- ♦ The total assets of the retirement system as of the end of the last calendar year were **\$629,564,724**.
- ♦ On June 29, 2022, the retirement system's Advisory Council voted to increase the *base on which the annual COLA is applied to \$16,000*. This increase in the COLA base became effective as of July 1, 2022.
- ♦ You can access your retirement account information directly by signing up through the Employee/Retiree Portal. *The Employee/Retiree Portal is available on the retirement system website*, which is www.essexregional.com. Once you click on the tab for the Employee/Retiree Portal, simply 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.
- ♦ The Essex Regional Retirement System is audited every year by a private CPA firm and that the retirement system is also audited every three years by its state oversight agency, and that there *has not been a single audit finding* assessed against ERRS since 2018.
- ♦ The Essex Regional Retirement Board meets once per month, typically on the last Monday of each month. Meetings usually start at 8:30 a.m. and are open to the public. Also, the minutes of Board meetings are posted on the ERRS website, www.essexregional.com. *You may also receive copies of the meeting minutes directly to your email inbox* by going to the website and signing up for E-Alerts.
- ♦ In December of 2022, the newest member of the ERRS Board, *Tracy Blais, was presented with the Eugene H. Rooney, Jr. Public Service Award* by former Lieutenant Governor Karyn Polito. This award was in recognition of Tracy's 30 years of public service at the municipal level.





Essex Regional Retirement System

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Website: www.essexregional.com



Please find below a list of the ERRS staff and their contact information, as well as the areas in which each staff person may be able to assist you.

ERRS Staff Directory:

- Charles E. Kostro, Executive Director: ckostro@essexrrs.org, (978) 739-9151, x105, (contact for questions regarding the operation of the retirement system, public records requests, investment information, the annual appropriation, or general retirement questions.)
- Lori O'Donnell, Executive Assistant: lodonnell@essexrrs.org, (978) 739-9151, x101, (contact for change of addresses, income verifications, or if you need guidance with whom you should speak.)
- Scott Provensal, Deputy Executive Director: sprovensal@essexrrs.org, (978) 739-9151, x1234, (contact for retiree payroll information, insurance related questions, death notices, direct deposit changes.)
- Britt Travinski, Senior Retirement Counselor: btravinski@essexrrs.org, (978) 739-9151, x104, (contact to file a retirement application, receive a retirement estimate, or with questions about your retirement.)
- Michael Dougherty, Retirement Counselor: mdougherty@essexrrs.org, (978) 739-9151, x103, (contact for a retirement benefit estimate, to purchase prior service, to refund or rollover your account.)
- Stephanie Croston, Employer Reporting Representative: scroston@essexrrs.org, (978) 739-9151, x121, (contact regarding your retirement contributions or about your annual member statement.)