



# MIDDLESEX COUNTY RETIREMENT SYSTEM NEWS

*Celebrating Over 100 Years of Public Service*

Fall 2024

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## Middlesex County Retirement System

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## Office Hours

Monday to Friday  
9:00AM – 5:00PM

## Important New Laws Impacting Retirement Benefits



*By Tom Gibson*

In the Spring 2024 edition we reported on several legislative initiatives that were awaiting further action on Beacon Hill. In addition to the HERO Act, discussed in a separate article, several other important bills affecting active and retired members of MCRS were enacted into law by the Legislature and Governor Healey.

### Chapter 141 of the Acts of 2024

Sections 3 and 12 of Chapter 141, An Act Relative to Salary Range Transparency, adds two additional exceptions to the anti-spiking law excluding certain pay increases granted in the last years of service which artificially inflate retirement allowances (commonly known as “spiking”). The first new exception is for salary increases paid under the Massachusetts Equal Pay Act, G.L. c. 149, § 105A (“MEPA”). MEPA requires that increases in salary be made so that workers of all genders performing comparable work are paid equally.

The second new exception is for salary increases provided through an “employer’s systemic wage adjustments.” This exception would apply, for example, when after a comparative salary review, an employer raises salaries across the board to a group of employees. Salary increases granted under both MEPA and systemic wage adjustments will now be included in retirement calculations.

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## Social Security Recipients To Receive Cost-Of-Living Increase

The Social Security Administration has announced a 2.5% increase in Social Security and Supplemental Security Income (SSI) benefits for 2025. On average, Social Security benefits will increase approximately \$50 per month beginning in January.

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[www.middlesexretirement.org](http://www.middlesexretirement.org)



## Important Notice to All Active Members Who Are Veterans

*In September, all active members of MCRS were sent the following letter advising of significant legislative changes to the retirement law that improved the rights of veterans to purchase retirement credit for their military service. As this matter is of vital importance to our veterans and is time sensitive for current MCRS active members, we are reproducing the letter in our newsletter.*

**September 2024**

**TO: All Active Members**

**RE: Important Information on Veterans' Buybacks**

This notice is for all active members of the Middlesex County Retirement System ("MCRS") who qualify as a "Veteran" under the definition set forth in the retirement plan, M.G.L. c. 32, § 1. If you wish to purchase credit for your prior military service and have not entered into an agreement with MCRS to do so, or, if you have entered an agreement, but have not commenced payments, please read this notice carefully as there have been significant changes to the Veterans' Buybacks law.

### **The HERO Act**

On August 8, 2024, Chapter 178 of the Acts of 2024, commonly referred to as "The HERO Act," was enacted into law by the Legislature and Governor Healey. The law removes the prior 180-day statutory deadline for purchasing military service and replaces it with a deadline of within one year of vesting in the retirement system, which is effectively 11 years of creditable service. The new law also provides a one-time, one-year grace period for active member Veterans who missed the opportunity to purchase their military service prior to the enactment of the HERO Act.

It is important to note that the purchase requirements have not changed:

- You may purchase up to four years of your qualifying military service.
- The cost is 10% of your salary when you first established membership in a retirement system for each year of military service you wish to purchase. If you took a refund of your contributions and later returned to public service, the cost is 10% of your salary when you last reestablished membership.

- MCRS allows payment for the military service purchase to be made with a one-time payment or by an installment plan not exceeding 4 years.

### Next Steps

I. If you are a Veteran who has completed your military service purchase, or you are a Veteran currently making payments under an existing installment plan with MCRS, no action is necessary.

II. If you are a Veteran who HAS NOT entered into an agreement with MCRS, and you have completed MORE than 11 years of creditable service, you have until August 8, 2025 to do so.

**Contact MCRS to take action.**

III. If you are a Veteran who HAS NOT entered into an agreement with MCRS, and you have completed LESS than 11 years of creditable service, you have until the LATER of the two following dates to do so: prior to completion of your 11th year of creditable service, OR, August 8, 2025. The application is available on our website at [www.middlesexretirement.org/resources](http://www.middlesexretirement.org/resources).

**Contact MCRS to take action.**

IV. If you are a Veteran who HAS entered into an agreement with MCRS, but HAS NOT MADE PAYMENTS against the invoice you received, you have until the LATER of the two following dates to do so: prior to completion of your 11th year of creditable service, OR, August 8, 2025.

**Contact MCRS to take action.**

If you have any questions regarding this notice or wish to purchase your military service, please email our office at [mrs@middlesexretirement.org](mailto:mrs@middlesexretirement.org). The application is also available on our website at [www.middlesexretirement.org/resources](http://www.middlesexretirement.org/resources).

Thank you.

### ***Social Security Recipients To Receive Cost-Of-Living Increase***, *continued from Cover*

Typically, the Social Security Administration notifies benefit recipients in early December about their new benefit amount. This year, Social Security beneficiaries will receive a newly designed and improved COLA notice that makes it easier to find the information needed most. The notice is a single page, uses plain and personalized language, and provides the exact dates and dollar amounts of the recipient's new benefit amount and any deductions.

In addition, most benefit recipients will be able to view their COLA notice online through their my Social Security account. If you have not yet

established an online account with the Social Security Administration, you can do so at [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount).

Finally, it is particularly important to remember that a cost-of-living increase in your Social Security benefits does not impact your retirement allowance from Middlesex County Retirement System. You do not need to contact the retirement office. Simply enjoy the increase in Social Security benefits that you have been awarded. To read more about the Social Security COLA, please visit [www.ssa.gov/cola](http://www.ssa.gov/cola).

## **Important New Laws Impacting Retirement Benefits**, *continued from Cover*

Importantly, Sections 4 and 11 of the Act amended the law pertaining to post-retirement earnings of MCRS retirees who return to work in the public sector in Massachusetts. Prior to the change to the law, post-retirement earnings in the public sector were calculated as the difference between the retiree's salary being paid for the position from which the retiree retired, and the retiree's allowance. Under the amended law, post-retirement earnings will be calculated using the salary from the retiree's last position, OR the salary used to calculate the retiree's allowance, whichever is greater. The 1200 annual hours limitation on post-retirement public service was not changed.

The effective date of the Act is retroactive to July 1, 2018. MCRS is reviewing the retirement calculations of retirees who may be impacted by these changes to determine whether retroactive adjustments are needed.

### **Chapter 140 of the Acts of 2024**

Sections 68 and 69 of the FY 25 State Budget Act contained provisions relating to the reinstatement of disabled retirees back into public service. Retirees are now provided the option of petitioning to return to public employment in a position which is different from the position from which the member retired. Prior to these amendments, disabled retirees seeking to be reinstated could only petition to be returned to the same position with the same employer from which the member was retired. Now, for example, a police officer who was determined to be permanently disabled from performing police duties, can petition to be reinstated to a different position, such as a Veteran's Services Agent, Housing Inspector or

Town Administrator, in any municipality. The period the member received a disability retirement allowance will be credited as service for any retiree who returns to employment under these amendments to the law.

In addition, Section 198 of the State Budget Act created a task force to study post-retirement employment of public employees.

### **Chapter 149 of the Acts of 2024**

The Legislature and Governor Healey enacted a law which provides enhanced retirement benefits to first responders who are assaulted in the performance of duties and suffer significant permanently disabling injuries. Chapter 149, An Act Relative to Disability Pensions and Critical Incident Stress Management for Violent Crimes, became effective October 28, 2024.

Under the new law, police officers, firefighters, EMTs, and public and municipal licensed health care workers are eligible for a disability pension equal to 100 percent of their regular compensation, after sustaining a catastrophic, life-threatening or life-altering and permanent bodily injury due to a violent attack involving a dangerous weapon that is intended to cause serious injury or death.

The new law also provides that first responders who are involved in an incident involving exposure to actual or threatened death, serious injury or sexual violence, or any other critical incident, be provided notice of programs where they can receive stress management debriefing.

MCRS will continue to provide updates to our members of laws which impact their retirement benefits.



**Do you have a change of address?** Please notify the Middlesex County Retirement System in writing of any change of address. Visit our website at [www.middlesexretirement.org](http://www.middlesexretirement.org) to download a Change of Address Form. Then mail or fax the form to our office. We require the original document with your signature.

## 2024 MCRS Pension Education Series a Success – With More to Come!!!

This year, our popular pension education seminars, Understanding Your Public Pension and Social Security, were presented to our members in multiple formats, including small group settings at the retirement office, larger regional programs throughout Middlesex County, and via webinar. Over 400 members and guests attended the in-person sessions held at the retirement office, Ashland, Dracut, and Hudson, and logged on to the November virtual session.

Board Chairman Tom Gibson and Chief Administrative Officer Lisa Maloney presented important information on such topics as service credit purchases, the retirement application process, retirement benefit calculations and payment options, what to expect post-retirement, and how our members' benefits interact with Social Security.

The presentation, which is free and open to all our active members, should be an important part of your financial planning whether early or mid-career, or nearing retirement.

The 2025 Pension Education Series will kick off with small group presentations at the retirement office. To register for one of the sessions listed below, email [mrs@middlesexretirement.org](mailto:mrs@middlesexretirement.org):

**Tuesday, January 21, 2025, 4-5:30 p.m.**

**Middlesex County Retirement System  
Office, 25 Linnell Circle, Billerica**

*Limited to 20 people*

**Tuesday, February 18, 2025, 4-5:30 p.m.**

**Middlesex County Retirement System  
Office, 25 Linnell Circle, Billerica**

*Limited to 20 people*

***We will be promoting the rest of the 2025 Pension Education Series as soon as the schedule is set early next year. Keep an eye on our website for further information.***



## Divorce And Your Retirement Benefits

We are reminding our members that your current or potential retirement allowance is generally considered to be marital property. In a divorce proceeding, your retirement allowance is subject to valuation and division just like your savings accounts, real estate and other marital assets.

If the division of your retirement allowance, now or in the future, becomes a part of a divorce agreement and the retirement system is expected to pay benefits directly to your former spouse, you will need to file with us a Domestic Relations Order (DRO) issued by the court. Not all divorce settlements automatically include a DRO, and you should discuss these requirements with your legal counsel. The DRO must comply with all provisions of the public employee retirement law, and should be submitted to the retirement office for review before seeking approval by the court.

Remember that a DRO will bind the parties and the retirement system, except in circumstances where an active member who is subject to a DRO remarries and then dies prior to retirement. In such cases, the active member's surviving spouse may be eligible to receive a survivor benefit notwithstanding the provisions of a DRO that grants such survivor benefits to a former spouse.

To assist our members, the Middlesex County Retirement System has produced a sample DRO which can be found on our website. The terms of the sample DRO provide but one of several options available to members.

## Option D – Monthly Survivor Allowance

### QUESTIONS + ANSWERS

You may select a beneficiary or beneficiaries to receive survivor benefits in the event you pass away before retirement. There are two different types of survivor benefits available to you, only one of which will be paid out:

- > a lump-sum payment of the accumulated total deductions in your annuity savings account to your nominated beneficiaries in the proportions you designate, OR
- > a monthly survivor benefit to a single beneficiary nominated for the Option D, or “Member Survivor Allowance.”

The retirement office routinely receives inquiries regarding the Option D benefit available to active members. Below we address the more frequently asked questions:

#### THE OPTION D BENEFIT

- Q.** What is the Option D benefit and why is it so important?
- A.** Option D is the only retirement option election which can be made while still employed. It provides your named beneficiary with the monthly retirement allowance that you would have received under Option C had you retired on the date of death.

#### BENEFICIARIES

- Q.** Who is an “eligible beneficiary”?
- A.** Your Option D beneficiary must be your spouse, your child, a former spouse who has not remarried as of your date of death, your parent, or your sibling. Only one person may be nominated to receive this monthly benefit.

#### PERMANENCY OF ELECTION

- Q.** Can I change my mind about electing Option D?

**A.** You can cancel your election of Option D by giving written notice to the retirement office. You can change your Option D beneficiary by mailing a new Beneficiary Selection Form for Active Member – Option D Monthly Benefit which is available on our website: [www.middlesexretirement.org](http://www.middlesexretirement.org)  
NOTE: We require the original document with an ink signature!

**Q.** Under what circumstances would my Option D election be superseded?

- A.** Your Option D election remains in force and effect unless or until:
- you retire;
  - you cancel it in writing;
  - your designated beneficiary predeceases you;
  - your surviving beneficiary is eligible to receive an accidental death benefit;
  - your eligible surviving spouse elects to receive the benefit, even if you did not choose your spouse as your Option D beneficiary.

#### AMOUNT OF BENEFIT

- Q.** How is the Option D benefit calculated?
- A.** Your beneficiary is entitled to receive the Option C allowance you would have received if you had retired on the date of death. The minimum Option D allowance is \$500 per month, or \$6,000 annually if you die while still in service.

The Option D selection is an important estate planning tool. Members who have children should consider designating one of the children as the Option D beneficiary so that there will be a monthly allowance paid during the beneficiary’s lifetime. If there is an eligible surviving spouse, they will take precedence over the Option D beneficiary and receive the survivor’s allowance.

## Reminder: Health Insurance Premium Exclusion for Public Safety Retirees

If you are a retired public safety officer, the Pension Protection Act of 2006 and the Healthcare Enhancement for Local Public Safety (HELPS) Retirees Act of 2022 allow you to exclude up to \$3,000 of your health, accident, or long-term care insurance premiums from your gross taxable income each year. The premiums can be for coverage for you, your spouse, or dependents.

If you are filing a federal tax return, please carefully read the IRS tax instructions to take full advantage of this benefit. Premium contributions will be reflected on your 2024 1099R.

The following tips may be helpful when you prepare your federal return:

- You must be a public safety retiree who retired for disability or after attaining “normal retirement age” (i.e., age 55 for Group 4 for those entering service prior to April 2, 2012, age 57 for Group 4 for those entering service on or after that date).
- You need to file a federal income tax return to take advantage of the exclusion. If you do not file a federal return, then the exclusion will not benefit you.
- Married couples who are both public safety retirees may take a reduction in income of up to \$6,000.
- Beneficiaries who receive survivor pensions are not eligible for the exclusion.

***Please be aware that the retirement office is not able to render tax advice. If you have your federal tax return prepared by someone, please make sure the tax preparer knows that you are entitled to the exclusion. For additional assistance, retirees should contact a tax consultant.***

## Retirement Checklist

**One year**  
before retirement

» Request a benefit estimate from our office to ensure your account is in order.

» Contact your employer to confirm the health insurance coverage for which you will qualify as a retiree.

» Apply for and purchase service credit enhancements, if applicable, for which you have not yet established credit.

» Visit the Resources tab on our website at [www.middlesexretirement.org](http://www.middlesexretirement.org) to download the appropriate forms and applications.

**3-4 months**  
before retirement

» Download an *Application for Superannuation Retirement with Option Selection Form* from our website and submit your completed application **and** option selection form to the retirement office.

**1 month**  
AFTER retirement

» Provided your application was timely filed and complete, expect your first direct deposit payment on the last business day of the month **following** your effective date of retirement.



## 2025 MCRS Pension Payment Schedule

Direct Deposit of your monthly benefit occurs on the last business day of the month.

Month	2025 Direct Deposit Dates
January	Friday, 1/31
February	Friday, 2/28
March	Monday, 3/31
April	Wednesday, 4/30
May	Friday, 5/30
June	Monday, 6/30
July	Thursday, 7/31
August	Friday, 8/29
September	Tuesday, 9/30
October	Friday, 10/31
November	Friday, 11/28
December	Wednesday, 12/31



### Are You an Option C Retiree Whose Beneficiary Has Predeceased You? Contact Us.

Please contact the retirement office if you selected payment Option C upon retirement and your named Option C beneficiary has predeceased you. You may be entitled to a recalculation of your benefits. For more information, please email [mrs@middlesexretirement.org](mailto:mrs@middlesexretirement.org).

#### MIDDLESEX COUNTY RETIREMENT BOARD

Thomas F. Gibson, Chairman  
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