

Spring
2021

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We're Moving!

Over the next few months, the Revere Retirement Board will be moving its offices out of City Hall. The Retirement Office will be relocating to new office space on Yeamans Street, across Broadway from City Hall and across from the Post Office. More information will follow.

Annual Benefit Verification

Due to the pandemic, the Revere Retirement Board voted to not collect the Annual Verification Forms in 2020. The form will be sent according to the regular schedule in September 2021, as long as conditions allow.



this issue

What is Chapter 32? **P.2**

What are Retirement Options? **P.3**

Working after Retirement? **P.4**

Election Results

Deputy Fire Chiefs Sean Manion and James Cullen were the only individuals who submitted nomination papers for the two elected positions on the Revere Retirement Board. As a result, the Retirement Board declared Manion and Cullen elected for three-year terms. Members and retirees will not be receiving an election ballot this year.

Employee Self Service Portal

The Revere Retirement Board offers an Employee Self Service Portal that allows active members and retirees to monitor their retirement accounts.

Members & Retirees will have access to view their:

- Demographic & Contact Information
- Beneficiary Information
- Salary and Service History

- Annuity Savings Balance History & YTD Balance

- 1099R Information (retirees only)

Allows Retirees to print out:

- Income Verification Form
- Social Security Verification Form
- Direct Deposit and other important forms
- Payment History

Members can also run **retirement estimates** for a specific date or for three dates and the portal provides a comparison graph. You only need to enter your potential retirement date; the portal knows all of your relevant information. Access the Employee Self Service portal through the Revere Retirement Board Website at www.revere.org/departments/retirement.

2021 Direct Deposit Dates

March 31, 2021

April 30, 2021

May 28, 2021

June 30, 2021

July 30, 2021

August 31, 2021

September 30, 2021

October 29, 2021

November 24, 2021

December 24, 2021

2021 Retirement Board Meetings

Retirement Board meetings are generally held at 9am in Council Chambers or online. Contact the Board for online access.

March 24, 2021

April 14, 2021

May 26, 2021

June 23, 2021

July 28, 2021

August 25, 2021

September 22, 2021

October 27, 2021

November 17, 2021

December 15, 2021



What is Mass. General Law Chapter 32?

Few employers still offer defined benefit pension plans. Such plans are of tremendous value to employees.

Chapter 32 of the Massachusetts General Laws provides a defined benefit pension plan to public (state and municipal) employees in the state.

A Brief History of the Plan

» Chapter 658 of the Acts of 1945 created Chapter 32 as we know it.

» Effective date: January 1, 1946.

» Much has changed since 1946, in the world and in the plan.

» Amendments to the plan began with Chapter 660 of the Acts of 1947 and have not stopped.

Why Have a Plan?

Federal law requires that individuals contribute to a “qualified plan.” Mass. is one of only six states in which public employees do not participate in Social Security.

A Defined Benefit Plan

Chapter 32 is a defined benefit pension plan. The characteristics of such a plan are:

- » The benefit are provided by plan/law (formula).
- » The employer has the risk.
- » The employee and employer share cost.
- » All future liability is on employer.
- » Once started, difficult to end.
- » Benefits long-term employees.
- » Portability is very limited.

A defined benefit plan is very different from a defined contribution plan. A defined contribution plan, such as a 401(k) or IRA, places the entire risk on the employee.

The final account balance of a defined contribution plan is the benefit. If the investments in a defined contribution plan do not increase sufficiently, the retiree simply must live on less. The Revere Retirement Pension plan protects retirees from investment risk – retirees are paid based on the benefit formula provided by law, regardless of the investment return of the plan.

What is a Qualified Plan?

» Each of the 104 retirement systems in Mass. is a qualified defined benefit plan. All are bound together under one law — Chapter 32 of the Massachusetts General Laws, our “plan document.”

» Each is also a “qualified plan” operating under Section 401(a) of the Internal Revenue Code.



What are Retirement Options?

For Chapter 32 purposes, an option is the way a public employee chooses to take his or her retirement allowance. A members' years of service, age, beneficiary's age, and selected option will determine how the retirement allowance will be paid out each month.

Options Are Actuarially Equivalent - At the time of the member's retirement, the benefits under all 3 options are determined to be actuarially equivalent. This

means the benefits paid under each option have the same actuarial present value on the member's date of retirement. The member can be indifferent as to the option selected at the time of retirement. Of course, this equivalence is based on actuarial charts of the entire relevant population - not your particular situation.

Other Facts About Option Selection

An option, once selected, may not be changed following

the date the retirement allowance becomes effective. A married member's spouse must acknowledge the selection of option, but has no power to disapprove it. Although the option may not be changed postretirement, Option B retirees can change their beneficiaries if they so desire. If a retiree selects either Option A or Option C, the remaining amounts, if any, in the annuity account are not distributed upon the death of the retiree.

Options in A Nutshell: While the Member Is Still Living:

Option A: Member gets the maximum retirement allowance provided for by the law. There is no beneficiary.

Option B: Member gets a slightly reduced (approximately 1% to 5%) retirement allowance. Amounts, if any, remaining in annuity account on the death of retiree, will be disbursed to beneficiary or beneficiaries of record.

Option C: Member's allowance is reduced (approximately 7% to 15%) and the amount of reduction depends upon the difference in the ages of the member and the beneficiary. Provides for an allowance for the lifetime of one certain, statutorily acceptable, beneficiary following the death of a member.

Some news content courtesy of PERAC.

What about Option D? Member Survivor Allowance

Option D is the "Member Survivor Allowance."

This benefit is paid to a survivor of a member who dies prior to retirement. The Option D allowance will be what the deceased member would have received if he or she had retired on the date of death, or, if younger, at age 55 (or 60) and had elected Option C. Option D benefits are paid to a guardian on behalf of minor children if surviving spouse recipient dies. If the beneficiary pre-deceases the member, the

member can pick a new beneficiary.

Option D Beneficiaries: Selected or Elected

A member designates an Option D beneficiary on a prescribed form. Only one beneficiary may be named, and may only be a spouse, child, former spouse who has not remarried, mother, father, brother or sister. A non-nominated eligible spouse makes the election after the member's death regardless of whether he or she was named as the Option D beneficiary.



IMPORTANT!

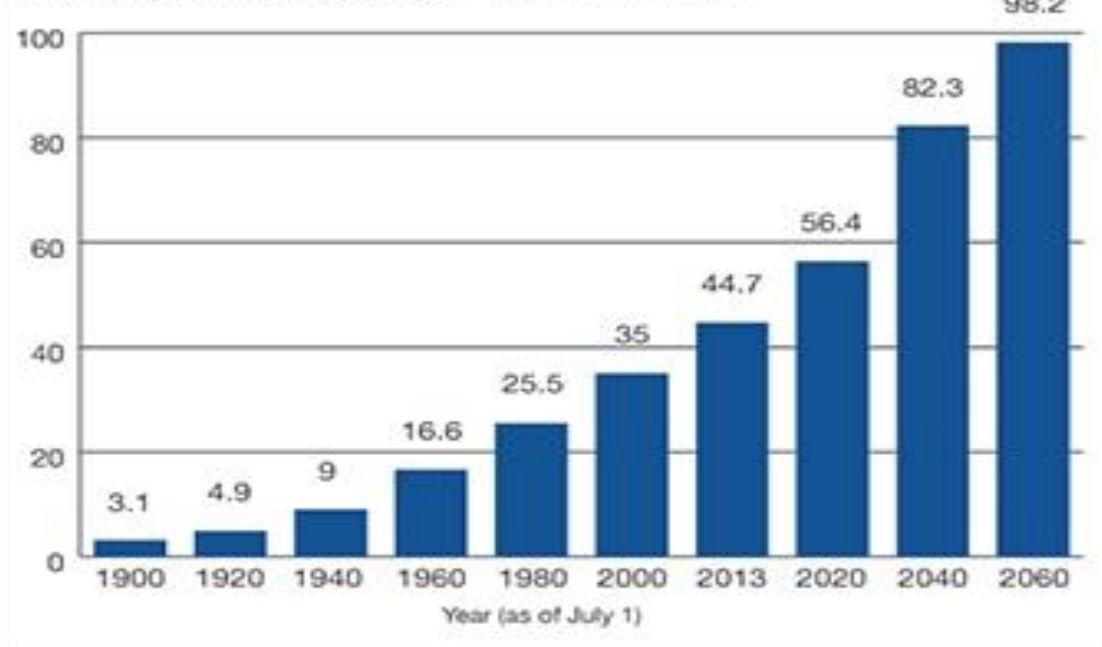
Post Retirement Work Limits Waived in 2021

Due to the pandemic, the Legislature has waived the earnings and hour limitations for superannuation public retirees working in the public sector.

The waiver will expire at the end of calendar year 2021 or when the Governors' State of Emergency ends, whichever occurs first.

This waiver does not apply to disability retirees.

Number of people age 65+ (numbers in millions)



Working After Superannuation Retirement – The Limits

Employment of any public sector retiree for a governmental unit is limited.

Such employment is limited by hours and compensation.

No public retiree may work more than 960 hours for a governmental unit in a calendar year.

Compensation when added to the retirement benefit cannot exceed the salary being paid for the position from which he/she retired (plus \$15,000 after a certain amount of time has passed).

Includes working as a consultant or independent contractor or any person whose regular duties require that his/her time be devoted “to the service” of a Massachusetts governmental unit.

There are no limits for working in the public sector.

Limits for disability retirees are different.