

**Massachusetts Teachers' Retirement Board
Meeting of January 25, 2019
9:00 a.m. to 12:00 p.m.
being held at:**

Massachusetts Teachers' Retirement System
500 Rutherford Avenue, Suite 210, Charlestown, MA

Agenda for January Board meeting

Regular Matters of Business Tab 1
 Open and Executive Minutes of the Regular Meeting held on December 14, 2018

Application for Accidental Disability Retirement* *Disability Folder*

Proposed amendments to Board Governance Policy: Education Tab 2

Proposed amendments to Board Governance Policy: Travel..... Tab 3

MTRS Eligibility for Summer School Service..... Tab 4

MTRS video initiatives
 Will Culbert, Senior Communications Specialist

Executive Director's Report..... Tab 5

**To be considered in Executive Session*

Next meeting scheduled for
February 22, 2019
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of January 25, 2019

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Michael Ruane, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James O'Leary, Associate General Counsel/Disability Case Manager Salvatore Coco, and Executive Assistant Helen Petruzziello.

The meeting was called to order at 9:00 a.m.

The minutes of the previous Board meeting, held on December 14, 2018 were reviewed and approved as submitted on a motion made by Ms. Wass and seconded by Ms. Gorrie. The motion carried 7-0.

VOTED: The Open and Executive minutes of the Board meeting held on December 14, 2018 are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Liston, and seconded by Ms. Wass, to enter executive session to consider an application for disability retirement. The Chairman stated the Board will then return to Open Session. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At approximately 9:01 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 10:00 a.m. the Board reconvened into Open Session.

III. Open Session

A. PROPOSED AMENDMENTS TO BOARD GOVERNANCE POLICY: EDUCATION

Mr. O'Leary presented proposed changes to the *MTRS Board Governance Policy: Education*. The amendments update the policy and better align it with the statutory requirements for Board member training that were adopted as part of Chapter 176 of the Action of 2011. On a motion made by Mr. Liston and seconded by Ms. Gorrie, the Board voted unanimously to approve the amendments.

B. PROPOSED AMENDMENTS TO BOARD GOVERNANCE POLICY: TRAVEL

Ms. Glaster offered proposed changes to the *MTRS Board Governance Policy: Travel* for the board members' review and feedback. Ms. Glaster reviewed various options concerning the subject of meal reimbursements, providing a summary of the rules of other retirement boards and state agencies for reference. The Board held a discussion and made recommendations. The Board asked staff to incorporate their recommendations into an updated draft policy to be reviewed at the March Board meeting.

C. MTRS ELIGIBILITY FOR SUMMER SCHOOL SERVICE

To further address the Board's concerns raised at its December meeting, Mr. O'Leary provided a more complete explanation regarding the eligibility of summer school teachers for accidental disability retirement. Referencing the legal framework of General Laws c. 32, §7 and the definitions of "teacher" and "employment," Mr. O'Leary cited case law to reinforce the reasoning. He further explained that a legislative change would be required in order to

include summer school service for eligibility. Mr. O'Leary answered the Board members' questions.

D. MTRS VIDEO INITIATIVES

Ms. Glaster introduced Sue Theil, Director of Communications, and Will Culbert, Senior Communications Specialist, to the Board to present the agency's ongoing initiative to produce and publish member and employer educational videos. Additionally, the staff members who are featured in the videos were present and briefly greeted the Board. Attending the meeting were: Scott Cauley, Director of Contact Center Services, Shannon Murphy, Assistant Director of Employer Services, Kristen Doherty, Assistant Director of Member Services/South, Christopher Delisi, Assistant Director of Contact Center Services, and Michael Tyman, Coordinator for Member Services/North. Mr. Culbert reviewed the steps of the production process, including the final step of imbedding the video links to YouTube on the MTRS website. The Board viewed two of the videos and enthusiastically agreed this method is an effective tool in conveying information. Board members suggested that a video geared toward educating new members would be valuable, and could be viewed as part of district professional development days. Additionally, Mr. Culbert stated that live-streaming an educational seminar is under consideration for the future.

E. EXECUTIVE DIRECTOR'S REPORT

1. Included in the Board meeting materials, Ms. Glaster noted were the latest educational offerings from the Public Employee Retirement Administration Commission ("PERAC") and the 3rd quarter report of the Pension Reserves Investment Trust ("PRIT") fund.
2. Additionally, Ms. Glaster had distributed at the board members' places the December 31, 2018 summary of the PRIT fund performance and a copy of page 133 from the Commonwealth of Massachusetts *Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018* ("CAFR"). Ms. Glaster noted that the exclusive benefit rule information on this page was updated this year to indicate the submittal of the application for a Closing Agreement to the Internal Revenue Service.
3. Ms. Glaster reported that the 1099-Rs have been generated and are viewable on MSS for those retirees who have created MSS accounts, and that the

print vendor had begun to mail the 1099-Rs, along with the biennial Benefit Verification Forms, in batches and expects to complete the mailing to over 70,000 recipients (which includes refund recipients receiving 1099s) by the January 31st deadline. Ms. Glaster regrettably informed the board that due to a regression error caused by our computer system vendor when implementing a fix to an unrelated defect in the MyTRS system, approximately 8,400 retirees received incorrect 1099-Rs. Ms. Glaster provided the range of retirement dates for the affected retirees and distributed redacted samples of the incorrect and corrected forms in order to illustrate the error to the Board. She reported that the corrected forms would be sent to all affected members along with a letter of explanation by February 1, 2019, and that an email notice was sent to those members for whom we have email addresses. The call center staff members are prepared to answer any questions, with support from management. Ms. Glaster also stated that the agency is tracking the expenses incurred in the correction of the error and plans to demand compensation from the vendor. Ms. Glaster will update the Board at the February board meeting on this issue.

4. Ms. Glaster informed the Board that the tax withholding tables have been updated, effective with the January benefit payments. Testing shows that of the 50,000 retirees who have their taxes withheld based on the tax tables, over 49,000 will see a small decrease in their withholding.
5. Ms. Glaster stated that notable pension-related items included in the Governor's FY 2020 budget included a 3% cost of living adjustment on the base of \$13,000 and funding of the pension appropriation pursuant to the current triennial funding schedule in the amount of \$2.842 billion.
6. In providing an update on the PERAC Audit, Ms. Glaster told the Board that the chief auditor from PERAC indicated that they expected to deliver the draft audit around the end of January. Ms. Glaster will keep the board updated on any progress.
7. In operational news, Ms. Glaster notified the Board that the Compensation Study is underway with Segal Consulting. She noted that peer groups have been identified to participate in the survey and all of the MTRS agency's job descriptions and salary information had been submitted to Segal. In an all-staff meeting earlier that week, Ms. Glaster presented an introductory overview of the study, followed by a detailed narrative of the job description questionnaire from Segal's project lead, via Skype due to weather-related travel changes. The plan is to complete the project by the end of March, and share the results with the Board in April.

8. Finally, Ms. Glaster had no update to provide from either the CPA or the police in the Direct Deposit issue but will keep the Board updated on any new developments.

Mr. Naughton questioned the reasoning behind an MTRS appeal to CRAB in a member's case from 2016 that was included in the month's case summaries. Mr. O'Leary provided an explanation behind that decision.

Mr. Naughton informed the Board that he, as the elected member of the MTRS Board serving on the PRIM Board, and Bob Brousseau, elected MTRS member on the PRIM Board, would be addressing the Massachusetts Teachers Association on February 2nd. It was also noted that Ann Clarke, MTA Executive Director-Treasurer, had announced her plans to retire.

On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at approximately 11:26 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of January 25, 2019

- Agenda for January 25, 2019 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of December 14, 2018 MTRS Board meeting
- Memorandum and supporting documents pertaining to Board Governance Policy: Education
- Memorandum and supporting documents pertaining to Board Governance Policy: Travel
- Memorandum and supporting documents pertaining to MTRS Eligibility for Summer School Service