

**Massachusetts Teachers' Retirement Board  
Meeting of June 26, 2020  
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 June Board meeting**

**Regular Matters of Business ..... Tab 1**  
Open and Executive Minutes of the Regular Meeting held on May 29, 2020

**Application for Accidental Disability Retirement\* ..... Disability Folder**  
*Executive Session, Physical Condition or Mental Health – Purpose 1*

**Potential Termination of Disability Benefit due to Section 91A Failure to File\* ..... Tab 2**  
*Executive Session, Physical Condition or Mental Health – Purpose 1*

**Request for Waiver for Overpayment ..... Tab 3**

**MTRS Eligibility for Membership ..... Tab 4**

**Executive Director's Report ..... Tab 5**  
Retiree Death Overpayment Waiver

**Executive Director Evaluation**

*\*To be considered in Executive Session*

Next meeting scheduled for  
July 31, 2020  
9:00 a.m. – 12:00 p.m.

**Minutes of the Meeting of June 26, 2020**

**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 Ventura Rodriguez, 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, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:03 a.m. by Chairman Rodriguez who stated that in accordance with the Governor's Executive Order in response to COVID-19, all Board members were participating remotely. The MTRS Executive Director and Executive Assistant were in the Board room at the main MTRS office in Charlestown, which was open to the public. The disability applicants and their counsel, subpoenaed witnesses and their legal counsel, as well as other MTRS staff were participating remotely in the same manner as the Board. Chairman Rodriguez asked for all Board members to state their names before speaking and stated that all votes would be conducted via roll call.

The minutes of the previous Board meeting, held on May 29, 2020 were reviewed and approved as submitted. Mr. Naughton made a motion, which was seconded by Mr. Liston, to approve the minutes. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive minutes of the Board meeting held on May 29, 2020 are hereby approved as submitted.**

The Chairman announced that, due to the need for further review of eligibility issues, the MTRS Eligibility for Membership agenda item was removed and will be considered at a future board meeting.

## **II. Executive Session**

Before entering Executive Session, the Chairman asked and received oral confirmations from each participant that no other individuals were able to overhear the confidential proceedings at their various locations.

A motion was made by Ms. Wass, and seconded by Ms. Gorrie, to enter executive session to consider applications for disability benefits and potential termination of disability benefits due to Section 91A failure to file. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 9:06 a.m. the Board went into Executive Session. The door to the Board room at the MTRS main office in Charlestown was closed. The Chairman stated that the Board would return to Open Session.

At 1:20 p.m. the Board reconvened in Open Session at which point the door to the Board room was again opened to the public. Mr. Favorito left the meeting at 1:06 p.m. during Executive Session.

## **III. Open Session**

### **A. REQUEST FOR WAIVER FOR OVERPAYMENT**

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to Ann Harkin in the amount of \$14,901.90. The Board found that the error persisted for more than one year, was not the result of erroneous information provided by the member

and determined that the member did not have knowledge of the error and did not have reason to believe that the benefit amount was in error. On a motion to approve the waiver made by Ms. Wass, and seconded by Mr. Naughton, the vote was as follows:

<b>VOTED:</b> Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

## **B. EXECUTIVE DIRECTOR'S REPORT**

1. Ms. Glaster noted that included in the board materials was a memorandum from Mr. Coco summarizing the circumstances surrounding a retiree death overpayment write-off for a remaining balance on the estate of Bertha Casey in the amount of \$496.97, which she authorized as it was deemed uncollectible.
2. As Ms. Glaster referred to at the May board meeting, the Internal Revenue Service ("IRS") response to the application for a closing agreement ordered the parties to append or clarify the application in order to address the retrospective loss of assets to the Pension Reserves Investment Trust ("PRIT") fund. On June 3<sup>rd</sup> counsel for Administration and Finance ("ANF") sent a response to the IRS which stated that the liabilities associated with the prior shortfalls are part of the overall plan liabilities and cited the additional contributions the Commonwealth has been making in recent years in order to achieve full funding ahead of the statutory deadline of 2040. On June 24<sup>th</sup> the attorneys heard back from the IRS that it rejected that response and requested a specific plan as to how the Commonwealth, as the plan sponsor, will make up the shortfalls. Ms. Glaster noted the bad timing as the Commonwealth faces a fiscal crisis due to the pandemic and her overriding concern that the plan maintains its qualified status. Ms. Glaster stated that prior to receiving the June 24<sup>th</sup> response, she, Mr. O'Leary and Mr. Favorito had a conference call with ANF General Counsel John Stephan and ANF Undersecretary Catharine Hornby who were hopeful at that time that

the IRS would accept this approach, but were non-committal to what the next steps would be otherwise.

On a related note, Ms. Glaster reported that the monthly cash flow, between the pension appropriation and the PRIT fund, necessary to pay retirement benefits in the next fiscal year was recently established. The Comptroller's Office and ANF based the cash flow figures on the new funding schedule established in January 2020, which calls for an appropriation of \$3.1 billion in FY21.

Although the Governor's proposed FY21 budget included a retiree Cost of Living Adjustment ("COLA"), the one-month (1/12th) budget for the month of July did not. Therefore, the agency will not be paying a retiree COLA in July and will not know whether there will be a COLA at all until the state budget is finalized. The appropriate notification to retirees will be sent out in the next couple of weeks.

3. Regarding the status of the PERAC audit, Ms. Glaster reported that after many months of no action, the agency recently received some follow up questions from the PERAC auditor. An exit conference has not yet been scheduled. She will keep the Board updated on any progress.
4. Ms. Glaster described the status of the state audit as progressing slowly, as the assigned auditors indicated that the audit being conducted at the state retirement system is taking longer than anticipated.
5. Citing ongoing communication and coordination difficulties with school district payroll officers due to school closures during the pandemic, Ms. Glaster announced that broadcast emails were sent out the day before notifying all active members that the annual statements will be delayed, possibly until the end of September.
6. In comparing this year's figures to last year's, Ms. Glaster noted the number of retirement applications currently received is down by 15%. She added that the processing of applications is ahead of last year's pace and she expects that all on-time filers with June retirement dates will be paid on time for the July warrant. She surmised that some teachers may be waiting for potential early retirement incentives ("ERI") or for further information concerning re-opening in their districts and schools before making decisions about their retirements.
7. Regarding early retirement incentives, Ms. Glaster reported that she has heard that some districts are offering local cash incentives and teachers have been inquiring if there are plans for a statewide incentive. Generally, statewide teacher ERI's do not produce overall cost savings.

They increase state pension liabilities and only save money at the local level if the retiring teachers are not replaced. Ms. Glaster noted that Mr. Neilon recently had a call with a State senator from western Massachusetts who was gathering information regarding a potential teacher ERI.

8. In an update on current operations since the pandemic, Ms. Glaster reported that while most staff continue to work remotely, the number of staff working on-site has increased slightly, with one staff member per day in the Springfield office and 8-10 staff per day in the Charlestown office to handle the daily mail, record imaging, and printing. All staff members on-site in both locations continue to follow the requisite handwashing, disinfecting high touch surfaces and social distancing safety policies and procedures in compliance with the latest state and CDC guidance. As the agency transitions from crisis mode to more regular operations, executive staff is preparing plans for part-time in-office schedules for all staff, identifying methods for measuring productivity for remote work, and analyzing options to normalize remote equipment. A survey sent to all staff members in order to understand staff concerns on returning to work and assess what is working well and what could be improved regarding remote work received an excellent response. The results were compiled and presented by Director of Communications Scott Olsen at a general staff meeting, held remotely using *Microsoft Teams Event*. During the meeting, Ms. Glaster reassured all that operations will remain as is until the end of August when schools and dependent care facilities are expected to reopen, which brought relief to all staff. Ms. Glaster thanked the Board for their support and encouraged them to contact her if they become aware of any issues for any MTRS members.

On a motion made by Mr. Liston and seconded by Ms. Gorrie, the Board voted to adjourn the meeting. On roll call, the vote was as follows:

<b>VOTED:</b> Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 1:42 p.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of June 26, 2020**

- Agenda for June 26, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of May 29, 2020 MTRS Board meeting
- Memorandum and supporting documents concerning Request for Waiver for Overpayment
- Memorandum concerning Retiree Death Overpayment Waiver