

**Massachusetts Teachers' Retirement Board**

**Meeting of October 30, 2020**

**9:00 a.m. to 12:00 p.m.**

**being held at:**

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

Second Floor MTRS Board Room

And via Teleconferencing Applications

Those interested in virtually attending the meeting can do so by telephone:

Conference Call Line: 1-866-817-5686, enter passcode 2139782#

**Agenda for October Board meeting**

**Regular Matters of Business ..... Tab 1**  
Open and Executive Minutes of the Regular Meeting held on September 25, 2020

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

**Post-Retirement Excess Earnings ..... Tab 2**  
*John Guerra*  
*Mary Villano*

**Approval of Expenses for Benefit Verification Processing ..... Tab 3**

**PERAC Audit Report..... Tab 4**

**MTRS Legislative Filings ..... Tab 5**

**Executive Director's Report..... Tab 6**

*\*Heard in Executive Session*

**Next meeting scheduled for:**

**November 20, 2020**

**9:00 a.m. – 12:00 p.m.**

# Minutes of the Meeting of October 30, 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 9:01 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 via videoconferencing technology. 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. In addition, the meeting was made available to the public via a teleconference line. The disability applicant and her counsel, subpoenaed witnesses, 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 for the record before speaking and stated that all votes would be conducted via roll call.

The minutes of the previous Board meeting, held on September 25, 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  
September 25, 2020 are hereby approved as submitted.**

**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 Mr. Liston, and seconded by Ms. Wass, to enter executive session to consider an application for disability benefits. 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 9:04 a.m. the Board went into Executive Session. The door to the Board room at the MTRS main office in Charlestown was closed and the teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 10:06 a.m. the Board reconvened in Open Session and the door to the Board room was again opened to the public and the teleconference line resumed.

**III. Open Session**

**A. POST-RETIREMENT EXCESS EARNINGS**

Pursuant to the Board Governance Policy for Hearing Officer Procedures and Subpoena Authorizations, Mr. O'Leary reported to the Board on the Section 91 hearings and the Hearing Officers' recommendations on the cases for retired MTRS members John Guerra and Mary Villano. The Board had been provided with copies of the hearing officers' reports in each case. The Board did not

choose to further review the cases, and as a result under the policy the Hearing Officers' reports were deemed adopted.

**B. APPROVAL OF EXPENSES FOR BENEFIT VERIFICATION PROCESSING**

Pursuant to the Board Governance Policy, Ms. Glaster asked for the Board's approval for budgeted expenses totaling \$122,243.67 for the acknowledgement and processing services for the 2021 Benefit Verification. Ms. Glaster also included a draft copy of the Benefit Verification form which had been edited in response to the coronavirus pandemic. To make the process safer for retirees, the form eliminates the requirement of a Notary Public signature and replaces it with a witness signature. On a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted to approve the expenses. 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

**C. PERAC AUDIT REPORT**

Ms. Glaster included a copy of the cover letter and report of the Public Employee Retirement Administration Commission's ("PERAC") Examination of the Massachusetts Teachers' Retirement System for the period of July 1, 2013 to June 30, 2017 in the board materials. She noted that PERAC had withdrawn two of its draft findings following its review of the MTRS's response.

**D. MTRS LEGISLATIVE FILINGS**

Ms. Glaster, Mr. Neilon, and Mr. O'Leary asked for the Board's direction on how they would like to proceed with previously filed agency bills as well as three new proposed bills for the 2021-2022 legislative session. The bill filing deadline for agency sponsored bills for the 2021-2022 legislative session is November 4, 2020. Regarding their previously filed bills, which included amendments to Chapter 32 addressing pension forfeitures, RetirementPlus elections for members who transfer into the MTRS, and a creditable service

study that would review all service purchase provisions, the Board agreed they would like to refile all three bills. On a motion made by Mr. Naughton, and seconded by Ms. Wass, the Board voted to refile those three bills, namely *An Act relative to pension forfeiture, An Act Relative to the Massachusetts Teachers' Retirement System, and An Act establishing a special commission on retirement credit purchases*. 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

In introducing the new proposed bills, Ms. Glaster started by reviewing the proposed bill to amend G.L. c. 32, § 3(6)(c), regarding interest charges on refund buybacks for members who reinstate in less than two years, to bring it in line with all other refund buyback provisions that require interest to be paid through the date of repayment. The Board members asked whether Board staff had discussed the bill with the Massachusetts Teachers Association (“MTA”) and had questions on what effect this would have on both the system and its members. Board staff explained that this was a technical correction and would treat all members the same way, and that they had not contacted the MTA as they wanted the Board’s approval first.

Ms. Glaster then explained the proposed bill that would address publicly funded non-public school service purchases. She reported this type of service purchase is among the most frequently litigated sections in the statute. This bill would clarify the ambiguities in this section and make the cost calculation consistent with the other service purchase sections in Chapter 32. The Board again questioned whether the unions were notified, and Mr. Neilon responded that he has not yet reached out to the unions, but it is his intention to do so. He also added that there will be time to change specific wording or adjust after feedback is received, if needed, during the legislative process.

Mr. O’Leary explained the proposed bill pertaining to Section 19 of Chapter 32, which would standardize Domestic Relations Orders (“DRO’s”), requiring all DROs to be submitted in a form specified by the retirement board. This would

eliminate hours of work by MTRS attorneys to review changes made by the parties' attorneys to the current model DRO form, without limiting the options currently available to members who file DRO's.

On a motion made by Mr. Favorito and seconded by Ms. Wass, the Board voted to collectively approve the filing of these three additional proposed pieces of legislation, namely, *An Act Relative to Domestic Relations Orders*, *An Act Clarifying and Normalizing Non-public School Service Purchases*, and *An Act Relative to the Interest Charged on Refund Buybacks*. The vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	No
Richard L. Liston	No
Dennis J. Naughton	No
Michael Ruane	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	No

As the motion to approve all three proposed bills in one collective vote failed, the Chairman then asked the Board to make determinations on each proposal separately.

On a motion made by Mr. Naughton, and seconded by Mr. Liston, the Board voted to approve filing of the proposed bill regarding Section 19, *An Act Relative to Domestic Relations Orders*. 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

On a motion made by Mr. Favorito, and seconded by Ms. Gorrie, the Board voted to approve the filing of the proposed bill regarding publicly funded non-public school service purchases, *An Act Clarifying and Normalizing Non-public School Service Purchases*. 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

After a brief discussion for clarification purposes, on a motion made by Mr. Favorito, and seconded by Ms. Gorrie, the Board voted to approve filing the bill regarding refund buybacks, *An Act Relative to the Interest Charged on Refund Buybacks*. 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

## E. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster updated the Board that the Governor's recently revised FY 21 state budget, which includes a Cost of Living Increase Adjustment for retirees retroactive to July 1<sup>st</sup> and the next three years' pension appropriation amounts established in the updated triennial pension funding schedule that was approved in January of this year. The Governor's budget has been forwarded to the Legislature for their review. The agency sent out another broadcast email to its retirees this week notifying them of the status of the COLA. Ms. Glaster added that she will continue to postpone any discussion about MTRS staff increases until the state budget is finalized.
2. Ms. Glaster noted that activity has picked up on the audit of the agency by the Office of the State Auditor. All requested data has been submitted and is under review. The auditors are also planning to compare a file from the MTRS death match vendor, PBI, with another tool to see if there are any discrepancies.

3. In operational news, Ms. Glaster commended Mr. Osimo's staff for their efforts in ensuring timely benefit payments during this challenging retirement season.
4. As Ms. Glaster reported at the September board meeting, all staff members started to work in the office at least one day a week starting the week of September 28th, with managers coming in two days a week. There are a few exceptions for staff who have either medical conditions or dependent care challenges related to COVID-19. This amounts to approximately 25 staff members per day in the main office and two staff members in the Springfield office. As staff returned to the office, Ms. Glaster held small, socially distanced sessions that included a video on new office procedures in response to the pandemic. She also held video sessions with the Springfield office staff and with any staff member who didn't feel comfortable in the small group settings. All the information covered in the sessions is located on a "COVID-19" page on the agency's intranet site for reference. When staff are not in the office, they are working remotely. With the increase in office attendance, the Call Center was resumed with live phone services. Initially 7 of 10 call center representatives returned, but 2 of the representatives gave notice that they won't be in for a couple of months. Therefore, on those days that the Call Center will be short-staffed, the agency will revert to the previous system of subject-specific voicemail extensions with staff returning calls. Due to the current phone system's age and limitations, the agency issued an RFI to explore options for a new system, and the responses are now under review.  
Ms. Glaster noted that the feedback from the staff on office safety measures has been positive, and she thanked the members of the executive staff for all their hard work in planning and implementing the new policies and procedures. Finally, Ms. Glaster reported that, thankfully, no one in the agency has been diagnosed with COVID, but added that there is a response plan in place in the event of that happening in the future.

Board members praised the staff for their efforts to make the office safe while maintaining essential services for the 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:

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 Ventura Rodriguez	Yes

The meeting was adjourned at 11:32 a.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of October 30, 2020**

- Agenda for October 30, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of September 25, 2020 MTRS Board meeting
- Memorandum and supporting documents pertaining to Post-Retirement Excess Earnings
- Memorandum and supporting document pertaining to Approval of Expenses for Benefit Verification Processing
- Cover letter and report of PERAC Audit Report of MTRS for Period of July 1, 2013 to June 30, 2017
- Memorandum and supporting documents pertaining to MTRS Legislative Filings