

## Minutes of the Meeting of September 30, 2022

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, Michael Leung-Tat, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, Associate General Counsel Lori Krusell, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:03 a.m. Chairman Rodriguez stated that in accordance with Section 4 of Chapter 107 of the Acts of 2022, all Board members and Board staff were participating remotely via videoconferencing. The MTRS Executive Director and the 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. Any individual with a matter before the Board who chose to participate was participating remotely in the same manner as the Board and staff. 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.

Chairman Rodriguez announced that he would need to leave at 12:30 p.m. at which point Vice Chair Favorito would preside over the remainder of the meeting.

The minutes of the previous Board meeting, held on August 26, 2022, were reviewed and approved as submitted. Ms. Wass made a motion, which was seconded by Ms. Gorrie to approve the minutes. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes

Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive Session minutes of the Board meeting held on August 26, 2022, 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 Mr. Naughton to enter Executive Session to consider applications for disability retirement benefits, a Section 15 Possible Forfeiture, and a Survivor Benefit. On roll call, the vote was as follows:

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

At 9:06 a.m. the Board went into Executive Session. The public teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 11:23 a.m. the Board reconvened in Open Session and the door to the Board room was again opened to the public and the public teleconference line resumed.

## **III. Open Session**

### **A. TERMINATION RETIREMENT**

Mr. Osimo presented the Termination Retirement Application of David Magee, a 54-year-old Triton Regional Schools Director of Special Education with approximately 23.9 years of creditable service. Mr. Magee received a non-renewal

notice on December 7, 2020, that stated his contract would not be renewed beyond June 30, 2021. Mr. Magee was unsuccessful in securing subsequent employment with another school district and filed his application on March 28, 2022. Pursuant to c. 32 § 10(3), Mr. Magee's retirement date became April 12, 2022.

Mr. Osimo stated, after review, he believed that there was no moral turpitude or collusion surrounding Mr. Magee's termination, which was completely involuntary. Mr. Osimo confirmed that Mr. Magee meets all the eligibility criteria for a termination retirement benefit.

On a motion made by Mr. Naughton and seconded by Ms. Gorrie, the Board voted to approve the termination retirement. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

## **B. EMPLOYER DEDUCTION REPORTS STATUS**

Mr. Neilon provided the Board with an update on the status of the employer deduction reports. He described the agency's disappointment that performance improvements that were expected in July did not come to fruition, thus exacerbating the delays in releasing deduction reports. The team is "cautiously optimistic" that a new solution to improve the application's performance will be available by the end of October. Testing is scheduled to be done by MTRS through October 14<sup>th</sup>, and if approved, the solution will be included in the next digital self-service (DSS) release expected on October 28<sup>th</sup>. Mr. Neilon stated that the ongoing defects and performance issues have been "disappointing and frustrating" for MTRS staff and employers. At this time, he still cannot predict when reports will be completed. Ms. Glaster stated she and other executive staff members met with the new Vitech leadership team who indicated that they are aware of and are working to remedy the issues. Ms. Glaster reported that negotiations for the next contract with Vitech are expected to commence next month, and she anticipates having Vitech representatives attend a Board meeting in either December or January.

### C. PROPOSED MTRS-SPONSORED LEGISLATION

Ms. Glaster and Board staff, noting the impending filing deadline for agencies, asked for the Board's direction on their preferred action for the upcoming legislation session. The Board first discussed whether to re-file the five bills that the Board filed in the last legislative session. Ms. Glaster noted that the effective date would need to be updated on the proposed creditable service commission bill. Following Board discussion, on a motion made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted to approve the refiling of the bills on pension forfeiture, establishing a special commission on creditable service, interest charges on refund buybacks, clarifying and normalizing non-public school service purchases, and standardizing domestic relations orders. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

Ms. Glaster introduced three new proposed bills addressing issues raised by the Board over the course of the past year.

The first proposed bill would amend M.G.L. c. 32, §3(4), which presently allows the purchase of up to five years of public school teaching service in Puerto Rico, to include public school teaching service in *all* Territories of the United States. On a motion made by Mr. Naughton, and seconded by Ms. Gorrie, the Board voted to approve the proposed amendment to M.G.L. c. 32, §3(4). On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The second proposed bill amends the current definition of member-in-service in M.G.L. c. 32, § 3(1)(i) to avoid an adverse, and potentially discriminatory, impact on members who take family leave. On a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted to approve the proposed amendment to M.G.L. c. 32, § 3(1)(i). On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The final proposed bill would amend the definition of “wages” in M.G.L. c. 32, § 1 to address the Board’s concerns regarding the impact of the Vernava decision on current and future active members who receive supplemental sick or vacation pay while receiving workers’ compensation benefits. Board staff reviewed the impact of Vernava, and after consultation with PERAC, found that some MTRS members are likely to benefit from adherence to Vernava and some are not. Mr. Osimo shared his screen and presented a graphic to help illustrate the different scenarios and their impact on members.

Mr. Naughton made a motion, which was seconded by Ms. Gorrie to support the proposed legislation. After a lengthy discussion, including the Board’s fiduciary duty to the plan as well as the mixed and complicated impacts on individual members, Ms. Glaster suggested that the staff could try to clarify the issues and bring this item back to the Board for consideration at their October meeting. Mr. Naughton withdrew his motion.

At 12:32 p.m. Chairman Rodriguez left the meeting. Vice Chair Favorito presided over the remainder of the meeting.

#### **D. EXECUTIVE DIRECTOR’S REPORT**

1. As an amendment to the original agenda, Ms. Glaster asked for the Board’s approval of the Benefit Verification Form/1099R printing and processing

vendor expenditures. She noted she had planned to include this on the October agenda, however, due to ongoing supply chain issues, the new vendor recommended ordering the envelopes well in advance. Therefore, the contracts would need to be signed before the October Board meeting. The funds for this project were included in the FY23 budget, but this additional approval was required because the cost exceeds \$50,000. On a motion made by Ms. Gorrie, and seconded by Mr. Naughton, the Board voted to approve the procurements for the 1099-R/BVF printing and mailing and BVF processing services, for an estimated total of \$192,570. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes

- 2. Ms. Glaster included the final MTRS FY22 spending summary and noted that the unspent balance of \$2.7 million stays in the pension fund. She pointed out the largest areas of savings were in staff salaries due to unfilled vacancies, IT due to unused funds for MyTRS enhancements, and insurance retentions.
- 3. Also in the Board materials, Ms. Glaster included the latest version of the PERAC newsletter.
- 4. In legislation news, Ms. Glaster reported the agency continues to work on the implementation of Chapter 134 of the Acts of 2022, the RetirementPlus Transfer-In legislation. She noted an announcement has been posted on the website and queries are being updated to find all members who transferred in and did not respond to their first election opportunity. In addition, all new retirement applications are being reviewed to find any members who are eligible for the second election and could benefit from it. If so, those members will be contacted to provide estimates of the cost and benefit. The agency is in the final stages of drafting new materials for the group of members who will default into R+ unless they opt out. In addition, staff have been working with Vitech on the changes that need to be made in MyTRS. The Communications unit has drafted printed materials that will be included with the election forms and story boards for videos to assist members. Mr.

O'Leary continues to communicate with the MTA regarding the outstanding DALA appeals and will share materials when ready.

5. In operational news, Ms. Glaster congratulated Mr. Osimo and his team for the processing of another 340 new retirement applications, bringing the total to over 1,800 retirees receiving their first pays in the summer months.
6. Ms. Glaster reported that Mr. Osimo and his team held another *Your MTRS Benefits* webinar the previous afternoon. While 1,800 members had registered for the program, only approximately 360 participants logged in. Based on the previous webinar's robust attendance, the agency had a "bullpen" fully staffed and ready but only received 93 chat questions. The agency considered the late afternoon timing and the beginning of the school year as contributing factors to the low attendance and will take that into consideration when scheduling the next webinar.
7. Ms. Glaster announced that a network vulnerability assessment of the *MyTRS V3*locity infrastructure at AWS will be conducted by an independent third-party vendor chosen via an MTRS procurement process. This is the second test since the go live date at the end of November 2021.
8. Ms. Glaster stated that Michael Trotsky of PRIM and John Boorack and John Parsons of PERAC have confirmed to present the PRIT update, and PERAC update and January 2022 MTRS Actuarial Valuation, respectively, at the November 18, 2022 Board meeting/Annual Review and Constituent Forum.
9. Along with Ms. Gorrie, Ms. Wass, Mr. Liston and Mr. Naughton, Ms. Glaster confirmed that she will be attending the NCTR Conference from Saturday, October 8 to Wednesday, October 12. After which, Ms. Glaster added that she will be taking some vacation time through October 18.

On a motion made by Mr. Naughton 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
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes

The meeting was adjourned at 12:47 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 September 30, 2022**

- Amended Agenda for September 30, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS August 26, 2022 Board meeting
- Memorandum and supporting documents pertaining to Section 15 Possible Forfeiture
- Memorandum and supporting documents pertaining to Survivor Benefits
- Memorandum and supporting documents pertaining to Proposed MTRS-sponsored legislation
- Memorandum pertaining to Request and Approval of Two Procurements Over \$50,000; 1099-R/BVF printing and mailing and BVF processing services
- Memorandum and supporting document pertaining to FY 2022 Spending Summary