

Minutes of the Meeting of September 27, 2024

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 Chair Iraida J. Álvarez, Vice Chair Jacqueline A. Gorrie, Sarah G. Kim, Michael Leung-Tat, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Deputy Executive Director and Chief Benefits Officer Jonathan Osimo, Assistant Executive Director and Chief Financial Officer Sean P. Neilon, General Counsel and Chief Legal Officer James O'Leary, Chief Human Resources & Legal Affairs Officer Rob Fabino, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:01 a.m.

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 Executive Director and Executive Assistant were in 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. Chair Álvarez 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 August 23, 2024, were reviewed, and approved as submitted. Mr. Liston made a motion, which was seconded by Ms. Wass, to approve the minutes. On roll call, the vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes

Dennis J. Naughton	Yes
Anne Wass	Yes
Chair Iraida J. Álvarez	Yes

The Open and Executive Session minutes of the Board meeting held on August 23, 2024, are hereby approved as submitted.

At this time, Ms. Glaster made the Board aware of an overnight security threat made to another tenant in the building of the MTRS office location. The building had added to front door security, but the Board room was still reasonably accessible to the public.

II. Executive Session

Before entering Executive Session, the Chair asked and received oral confirmation 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 retirement benefits. On roll call, the vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chair Iraida J. Álvarez	Yes

At 9:03 a.m. the Board went into Executive Session. The public teleconference call line was suspended. The Chair stated that the Board would return to Open Session.

At 10:34 a.m. the Board reconvened in Open Session at which point they recessed and reconvened at 10:40 a.m. Rob Fabino joined at this time.

III. Open Session

A. TERMINATION RETIREMENT

Mr. Osimo presented the Termination Retirement Application of Jennifer Durant, a teacher with an accrual of 25 years of creditable service that she earned working in the Nahant, Dennis-Yarmouth and Monomoy Public Schools. Ms. Durant received a notice on March 28, 2024 that stated her contract would not be renewed. Mr. Osimo stated that after review, he believed that there was no moral turpitude or collusion surrounding Ms. Durant’s termination, which was completely involuntary. Mr. Osimo confirmed that Ms. Durant meets all the eligibility criteria for a termination retirement benefit.

On a motion made by Ms. Kim, and seconded by Ms. Gorrie, the Board voted to approve the termination retirement application.

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chair Iraida J. Álvarez	Yes

B. PROPOSED LEGISLATION

With the FY25 filing deadline for agencies approaching in the first week of November, Ms. Glaster and Mr. Neilon reviewed seven of the previously filed bills sponsored by the MTRS Board and their statuses from the last legislative session. They asked if the Board would like to refile the proposed bills for the upcoming legislative session. Initially, Mr. Naughton made a motion to approve the bills, which was seconded by Mr. Leung-Tat, but requested changes to the bill on non-public school service purchase. Mr. Naughton and Mr. Leung-Tat withdrew their motions, and Mr. Naughton expressed his concern that the proposed definition of non-public school could be interpreted to include schools whose curricula include religious matter. Mr. O’Leary advised that there were potential First Amendment issues to consider. The Board held a discussion on permissible amendments to the

definition of non-public school. Additionally, Ms. Kim requested language to be “tweaked” on the pension forfeiture bill clarifying the burden of proof lies with the “innocent beneficiary” in order to collect an Option C survivor benefit.

On a motion made by Mr. Naughton, and seconded by Ms. Kim, the Board voted to adopt and refile five of the proposed MTRS-sponsored bills as written, and asked Board staff to amend the bills on non-public school service purchases and pension forfeiture for approval at the October Board meeting.

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chair Iraida J. Álvarez	Yes

Mr. Naughton left the meeting at 11:30 a.m.

At this time, noting the ongoing challenges to bring employers into compliance with statutory reporting deadlines, Ms. Glaster added that she would like to propose additional legislation establishing penalties for non-compliance. The Board agreed to review said proposed legislation at its October meeting.

C. BENEFIT VERIFICATION PROCESS

Ms. Glaster reviewed the recent PERAC regulation, 840 CMR 15.00, which no longer requires retirement systems that use a death match service to conduct the biannual benefit verification (“BV”) process. Since MTRS uses a death match service, the BV process is no longer required. However, knowing that the death match service does not have access to deaths occurring outside of the United States, Ms. Glaster stated her intent to continue the BV process for benefit recipients living abroad. Further, after comparing known recipient deaths for the past year against the death match service data and recorded deaths that occurred in Massachusetts provided by the Department of Public Health, Ms. Glaster noted that all Massachusetts deaths had been captured, but that was not the case for all

non-Massachusetts residents. Thus, Ms. Glaster recommended the continuation of the biannual BV process for the approximately 20% of MTRS benefit recipients who live out of state. On a motion made by Ms. Wass, and seconded by Ms. Gorrie, the Board authorized the agency to enter into a contract with the recommended vendor in an amount of \$126,471, plus any future postage rate increase that may occur.

VOTED:	Vice Chair Jacqueline A. Gorrie	Yes
	Sarah G. Kim	Yes
	Michael Leung-Tat	Yes
	Richard L. Liston	Yes
	Anne Wass	Yes
	Chair Iraida J. Álvarez	Yes

Mr. Osimo recused himself from the next item at 11:46 a.m.

D. SUB-COMMITTEE UPDATE ON EXECUTIVE DIRECTOR SEARCH

Mr. Fabino updated the Board on the status of the Executive Director Search process. The sub-committee selected the following two finalists:

Sandor Zapolin
Jonathan Osimo

Ms. Kim disclosed that she works with Mr. Zapolin and stated that while she is confident she can be objective when considering who is the most qualified candidate, she volunteered to recuse herself if the Board so desired. Board members were comfortable with her disclosure and agreed that she should participate in the interviews.

Mr. Fabino noted that the interviews will take place in person. He discussed a proposed interview schedule for the October board meeting. Mr. Fabino asked the board members to provide feedback to him on interview questions, individually, no later than October 10th. The Subcommittee will meet remotely on October 11th to finalize the questions. The Board discussed and agreed to an interview structure.

Mr. Osimo returned to the meeting at approximately 12:00 p.m.

E. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster stated the agency is continuing to work on reviewing all materials, including recent guidance from PERAC, on changes made to the veterans' military service credit purchase details in the recently passed "HERO Act." The agency is in the process of updating all related materials on the web site and preparing the required notice to the MTRS membership.
2. Ms. Glaster provided updates on the various audits the agency is undergoing, stating the IT audit has been delayed by Clifton Larsen Allen. The CLA state single audit is still in progress and thus far, the only item of concern has been the delay in deduction reporting. PERAC will begin their audit on November 4th for the period from 2017-2021.
3. In operational news, Ms. Glaster reported that the agency just had its most productive month in employer deduction reporting in over 7 years with the posting of over 700 deduction reports. However, Ms. Glaster warned there is still a long way to go. Emails were sent out to all superintendents and business officials in districts that have outstanding reports for 2022 and 2023 notifying them that they are in violation of the statutory reporting requirements. Ms. Glaster and other executive staff members have continued their escalation meetings with superintendents in delinquent districts, some on a recurring monthly basis.
4. Ms. Glaster announced that in-person Ready for Retirement seminars will be held this fall with six locations lined up. In addition, virtual seminars will be offered.
5. Ms. Glaster provided the latest change of plans for Vitech. Under the present contract, which includes "Upgrades as a Service" (UaaS), Vitech is expected to upgrade our core business application approximately every 18 months. The theory is more frequent upgrades keep the system current with technological changes, and compatible with modern browsers. The first UaaS was scheduled to start this month however, Vitech notified the agency earlier in the week that they are behind schedule and asked for a 1-2-month delay. Ms. Glaster stated that she was planning for Vitech leadership to make a presentation at the October Board meeting, but will

hold off until details are worked out following the Vitech user conference at the end of October.

6. Ms. Glaster reminded the Board that the October Board meeting will be held in-person at the Charlestown office location. The schedule is expected to be an extended meeting, therefore breakfast and lunch items will be offered.

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

VOTED:	Vice Chair Jacqueline A. Gorrie	Yes
	Sarah G. Kim	Yes
	Michael Leung-Tat	Yes
	Richard L. Liston	Yes
	Anne Wass	Yes
	Chair Iraidia J. Álvarez	Yes

The meeting was adjourned at 12:06 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of September 27, 2024

- Agenda for September 27, 2024 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS August 23, 2024 Board meeting
- Memorandum and supporting documents pertaining to Proposed MTRS-sponsored legislation
- Memorandums pertaining to Benefit Verification Process
- Memorandum and supporting documents pertaining to Sub-committee update on Executive Director Search