



WORCESTER RETIREMENT NEWS

Newsletter for Active and Retired Members

Volume I, Issue II

Spring 2017

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Office Hours

Monday to Friday

8:00 AM –4:00 PM

Windfall Elimination Provision Update

In our last issue we informed readers of the efforts by bipartisan team — Congressman Kevin Brady (TX) and Richard Neal (MA) working together to make federal changes to the WEP law. In December 2016 the reform was being held up by disagreements, then the Presidential election and unfortunately, the bill expired at the end of 2016. Meetings were held in late February 2017 to figure out a way to move the reform forward. Many are still hopeful for reform, last year was the most successful yet in pushing a WEP reform. While the future of this reform is still in the works, it would be best and quickest for the WEP reform to be added on to another bill trying to be passed this year.

We will keep you updated with any further information on the WEP.

Basic Life Insurance Inquires

Recently, we've had some inquiries about raising the Basic Life Insurance policy from \$5,000 to a larger sum. The Basic Life Insurance policy of \$5,000 was set in 1986 and it has been more than 30 years since it has been addressed. An increase is warranted to reflect the rising costs of funeral and burial arrangements. As far back as 2001, legislature has been brought forward each year in the hopes to raise Basic Life Insurance to \$10,000 for State employees and each year unfortunately does not get passed. Again, this year legislature is trying to raise Basic Life Insurance for State Employees.

How to Prepare for Retirement

Retirement is a first for everyone so here are some tips and guidelines.

- If you are planning on retiring you should request an estimate calculation from our office which will estimate your monthly retirement benefit under all three payment options. You can call our office at 508-799-1062 to request an estimate or email the office at retirement@worcesterma.gov
- Once you receive your estimate contact our office to schedule an appointment. You will fill out the required retirement paperwork and have the opportunity to ask any questions you may have. Applications cannot be taken more than 120 days prior to your retirement date. Appointments are scheduled on Tuesdays and Thursdays.
- You need to carefully consider which retirement option is best for your financial situation. Option A is the max retirement benefit you can receive with no beneficiaries. Option B is 1-3% less than A and there is lump sum beneficiary. Option C provides for a continuing monthly survivor benefit (parent, spouse, child) upon your death equal to 2/3 of the Option C benefit. When making your decision you should take into account your financial situation, health and age. Once retired you **CANNOT** change your option!
- Prior to retirement you should contact the Social Security Office (1-866-964-1948) regarding your eligibility for Social Security benefits. You will need to inform Social Security that you will be receiving a City pension. If you receive Social Security remember it may be offset when you start receiving a City Pension.
- Retirement checks go out the last business day of each month. Your first retirement check will not be paid until the last business day of the following month. We strongly encourage direct deposit.
- We do not handle sick, or vacation time buybacks that you may be eligible to receive. These benefits are processed through your department.
- Contact the Human Resources Department (508-799-1030) to handle health and life insurance. You should sign up for Medicare three months prior to turning 65.
- Your pension is not subject to MA state tax. It is however, subject to federal taxes. If you plan to relocate after retirement we can provide a listing of the taxability of your pension by other states in the U.S.A.
- Every year you are required to complete and return a Benefit Verification Card. The card must be notarized every other year. A notary is available in our office. If you do not return your Benefit Verification card your pension will be suspended until received.
- The Retirement Board votes on a Cost of Living Adjustment each year, effective July 1. You must be retired one whole calendar year before you are eligible for COLA Increases.

Remember that the decisions you make with retirement will effect the rest of your life.

2017-2018 Massachusetts Legislative Agenda

Every year bills are brought before Massachusetts Legislature in the hope of becoming a law that will better the Commonwealth. Here are some bills that have been brought before the Massachusetts House of Representatives (H) and Senate (S) by *Mass Retires* (Retired State, County And Municipal Employees Association of MA) and *PERAC* (The MA Public Employee Retirement Administration Commission) with the goal of improving retirement laws for MA Public Employees.

Pensions

Post Retirement Earning ~ S1478

Retirees can go back to work in the public sector after retirement but under two restrictions. They can only work 960 hours per year and have a limit on how much they can earn per year (see January 2017 newsletter for more information on post retirement earnings.) This bill would eliminate the 960 hour limit and keep the earning limit. Often retirees would reach the 960 hour limit way before reaching their earning limit for the year because they went back to work in a lower salaried position.

Act repealing Chapter 32, Section 90G3/4,

Proposed by PERAC. Chapter 32, Section 92G3/4 requires an employee who has reached the age of 70, choose if they still want to accrue creditable service and receive regular compensation with payroll deductions going to their annuity, must elect to do so. PERAC is seeking to repeal Section 90 G3/4 because it is discriminatory. If you are over 70, and elect to still contribute to your retirement it is on a post-tax basis unlike the pre-tax basis for people under 70. With this repeal, if you are 70 and over and choose to accrue creditable service and contribute to your retirement it will be on a pre-tax basis just like everyone else.

Disability Pensions

Disability Evaluations ~H1356

Disability retirees are required by M.G.L. Chapter 32, Section 8 to undergo medical evaluations once per year during the first two years of retirement and once every three years after regardless of age or the length of time they have been retired. H1356 will end medical evaluations for disability retirees who have been evaluated at least four times.

Veterans

Veterans Bonus Increase ~ S1393

Currently a superannuation or disability retiree who is a veteran receives an additional allowance of \$15 for each year of creditable service, up to 20 years with the maximum additional allowance of \$300 annually. The Veterans Bonus passed into law 57 years ago and has not been updated since then. This bill would update the bonus from \$15 to \$45 for each year of creditable service with the maximum Veteran Bonus of \$900 annually.

We will keep you updated throughout the year if any of these bills have been signed into law.

Older American Month

Did you know that May is Older Americans Month — originally proclaimed in 1963 by President Kennedy. In 1965 President Johnson signed the Older American Act into law creating funding for services that keep older adults healthy, happy and independent. This law was reauthorized in 2016 till 2019 by President Obama. The Older Americans Act provides services like meals on wheels, transportation to senior centers and more. In Worcester we have the Worcester Senior Center located on 128 Providence Street which offers great programs and events for seniors and their families. They offer services on health and wellness, support groups like the Memory Café to help individuals, their families or care givers deal with memory loss, arts and crafts classes, other educational classes and movies on Fridays.

As of 2016 there are 46 million Americans aged 65 and older, making up 14.5% of the American population. By 2030 that number is projected to be 72.1 million, making up 20% of the American population.

The goal of Older American Month is to acknowledge the contributions of older Americans. Every President since Kennedy has issued a formal proclamation in May asking that the nation pay tribute in some way to older people in their communities. Older Americans Month is celebrated across the country through ceremonies, events, celebrations, and other activities.

From all of us here at the Worcester Retirement Office we thank you for your service to our community and the contributions you have made that allow us to live today.

Worcester Senior Center

128 Providence Street, Worcester, MA 01604

Phone: (508) 799-1232 Email: elderaffairs@worcesterma.gov

Open to Public Hours: Monday - Friday 9:00 AM - 4:30 PM

What is Medicare?

- Medicare is the federal health insurance program for people ages 65 and older or for people younger who have a disability.
- Medicare Part A: is hospital insurance. This traditional Medicare benefit is provided by the Federal Government. There is no annual limit on what you have to pay out of pocket.
- Medicare Part B: is medical insurance provided by the Federal Government which will typically pay 80% of covered expenses, and you pay the other 20% after you meet your annual deductible. There is no annual limit on what you pay out of pocket.
- Part A and B make up the Original Medicare plan.
- **You need to sign up for Medicare Part B three months prior to your 65th birthday. If you do not sign up prior you might have a late fee penalty.**
- Medicare Part D: is a stand alone prescription drug plan approved by Medicare and administered by private insurance companies. This plan adds prescription drug coverage to the Original Medicare Plan and Medicare Supplement Insurance.

Reminders

- **Retirees**—At the end of March we mailed out the **Benefit Verification Cards**. They are due **June 1, 2017** and **need to be notarized**. If you come down to our office with a picture ID we notarize it. If you have not received a benefit verification card in the mail or need another give us a call and will mail you a new one.
- **Active Members**— If you have a **QDRO** (Domestic Relations Order) your beneficiary selection form needs to be compliant to your QDRO. We sent out final notices to those of you who still need to comply in April.
- **Visit Our Webpage**—The Worcester Retirement Board has made all documents available on Retirement Board webpage. Change of address, estimate request or beneficiary selection forms are available on our webpage.

Check it out at:

<http://www.worcesterma.gov/e-services/document-center/retirement/>

WORCESTER RETIREMENT BOARD

ELIZABETH EARLY, ELECTED MEMBER
JOHN MAHAN, ELECTED MEMBER
ROBERT STEARNS, EX-OFFICIO MEMBER
THOMAS WADE, MEMBER
STEPHEN WENTZELL, APPOINTED MEMBER

WORCESTER RETIREMENT STAFF

ELIZABETH EARLY, EXECUTIVE SECRETARY
EILEEN POWERS
LISA POSKE
BREANNA BARNEY
DESIREE SUTTON



CONGRATULATIONS TO OUR RECENT RETIREES!

Adua, Lynn—WPS	Langhill, Kevin—Police
Bechard, Michael—WHA	Lessard, Suzanne—WPS
Black, Raymond—WPS	Monserate, Carmen—WPS
Bohdiewicz, MaryEllen—WPS	Moreau, Madeline—WPS
Bombard, Dennis - DPW&P	Morris, Thomas—DPW&P
Burch, Kenneth—DPW&P	Nordberg, John F.—Insp Services
Calo, Robert- WHA	Paika, Michael—Belmont Home
Carmody, James—Police	Parella, Theresa— WPS
Dennett, Patricia—Assessors	Pavolis, Russell—WPS
Ferraro, James—WPD	Santiago, Sonia—WPS
Gardell, Geoffrey—Fire	Santos-Lopez Roberto—Police
Germain, Thomas—WPS	Sensenig, Nancy—WPS
Grady, David P—Police	Tamalavitch, Richard—WPS
Johnson, Ann—WPL	Vallejos, Maria—WPS