

# Minutes of the Franklin Regional Retirement Advisory Council Meeting

Thursday, September 13, 2011  
at the Retirement Office, Suite 311  
278 Main Street, Greenfield, Massachusetts

Chairman Herbert Sanderson called the meeting to order at 4:08 pm.

Members present were:

Sunderland Treasurer – Herbert Sanderson, Chair, Advisory Council  
Deerfield Treasurer – Mary Stokarski, Vice Chair, Advisory Council  
Bernardston Treasurer – Chris Roberts  
Colrain Treasurer – Leah Coburn  
Erving Treasurer – Margaret Sullivan  
Franklin County Housing Treasurer – Denise LeDuc  
Franklin County Council of Governments Director of Finance – Pat Auchard  
Gill Treasurer – Veronica LaChance  
Leverett Treasurer – DeeAnn Civello  
Leyden, and Shelburne Treasurer – Robert Taylor  
Mahar, New Salem, and Shutesbury Treasurer – Gabrielle Voelker  
New Salem/Wendell Union School District Assistant Treasurer – Kate Woodward  
South Deerfield Fire District Treasurer – Mary Scoville

Also present were:

FRCOG Fiscal Manager – Linda Gross  
Pioneer School District Payroll Administrator – Sues'anne Jason

Retirement Board present:

Herbert Sanderson Second Member Appointed by Advisory Council  
Mary Stokarski Third Member Elected by membership

Retirement staff present:

Dale Kowacki Executive Director; Secretary, Advisory Council  
Susan Bobe Assistant Director  
Deborah Frentzos Member Services Accountant

## **Minutes Accepted**

*On a motion by Veronica LaChance and second by Denise LeDuc, the Council voted to accept the minutes of the November 4, 2010 meeting.*

## **Supplemental Pension Allowance to Surviving Spouses of Disabled Employees**

*On a motion by Veronica LaChance and second by Denise LeDuc, the Council voted to approve the Retirement Board's January 26, 2011 acceptance of the provisions of Sections 27 and 28 of Chapter 131 of the Acts of 2010 providing for an*

*increase in allowance, from \$6,000 annually, to \$9,000 annually to the surviving spouse of an accidental or ordinary disability retiree, if the retirement date was prior to November 7, 1996.*

**Review of election procedures for the “Third Member” of the Retirement Board**

The upcoming election procedures and schedule were discussed for the upcoming election of a “Third Member”. Mary Stokarski, the incumbent intends to return nomination papers. If there is only one candidate, they will be declared “elected”, and there will be no need to continue the election process. If there were more than one candidate, the Advisory Council would need to review and approve the nominations, and then six weeks later, reconvene to count ballots. Herbert Sanderson, Veronica LaChance, Linda Gross, Denise LeDuc, Patricia Auchard, and Robert Taylor volunteered to serve in both instances. Below is the Election Timeline that was presented:

**Franklin Regional Retirement System  
Election - Third Member  
January 1, 2012 to December 31, 2014**

**Election Timeline**

<u>Items to do</u>	<u>Days prior</u>	<u>Date</u>
Board selects Election Officer	90+	07/27/2011
Notice of Elections - Retirees by mail, members by posting, also by newspaper ad	90	08/31/2011
Nomination forms available	90	08/31/2011
Nomination papers due	60	09/30/2011
Advisory Council reviews nominations and determines candidates	40	10/20/2011
Mail ballots	20	11/09/2011
<b>Date of the Election/Due date for ballots</b>	<b>0</b>	<b>11/29/2011</b>
Advisory Council counts ballots by this date	-7	12/06/2011

**Guidelines on Regular Compensation**

Staff of the retirement office presented an updated set of guidelines for determining regular compensation, from which the council discussed various scenarios and added one item, Summer School Pay, to the guidelines. See the guidelines below.

## REGULAR COMPENSATION

### Criteria for determining regular compensation

840 CMR 15.03: Regular Compensation - Public Employee Retirement Administration

Deductions should only be withheld from regular compensation.

To be considered regular compensation, any compensation to an employee must be compensation received exclusively as wages by an employee for services performed in the course of employment for his employer.

"wages" shall mean the base salary or other base compensation of an employee paid to that employee for employment by an employer including pre-determined, non-discretionary, guaranteed payments paid by the employer to similarly situated employees, provided, that "wages" shall include payments made by the employer to the employee because of the character of the work, because of the employee's length of service, because of the time at which the work takes place as a condition of employment in a particular position, because of educational incentives, and payments for holding the training, certification, licensing or other educational incentives approved by the employer for the performance of services related to the position the employee holds and payments made by the employer to the employee calculated as a percentage of base pay;

Regular compensation shall include any part of the wages derived from federal grants except as provided in M.G.L. c. 32 § 3(2)(a)(xi);

Lump-sum retroactive payments which would have been wages if paid in the periods in which the services remunerated thereby were actually rendered will be allocated to said periods rather than being entirely attributed to the time of receipt for the purpose of determining a member's regular compensation;

"wages" shall not include, without limitation, overtime, commissions, bonuses other than cost-of-living bonuses, amounts derived from salary enhancements or salary augmentation plans which will recur for a limited or definite term, indirect, in-kind or other payments for such items as housing, lodging, travel, clothing allowances, annuities, welfare benefits, lump sum buyouts for workers' compensation, job-related expense payments, automobile usage, insurance premiums, dependent care assistance, one-time lump-sum payments in lieu of or for unused vacation or sick leave or the payment for termination, severance, dismissal or any amounts paid as premiums for working holidays, except in the case of police officers, firefighters and employees of a municipal department who are employed as fire alarm signal operators or signal maintenance repairmen money paid for holidays shall be regarded as regular compensation, amounts paid as early retirement incentives or any other payment made as a result of the employer having knowledge of the member's retirement, tuition, payments in kind and all payments other than payment received by an individual from his employing unit for services rendered to such employing unit, regardless of federal taxability.

Please call our office if you have any questions on what is considered regular or non-regular compensation. Franklin Regional Retirement – 413.774.4837

The next page shows a table of regular compensation and non-regular compensation.

<u>REGULAR COMPENSATION</u>	<u>NON-REGULAR COMPENSATION</u>
<p>Compensation received exclusively as wages for services performed in the course of employment.</p> <p>Wages shall mean the base salary or other base compensation for employment including pre-determined, non-discretionary &amp; guaranteed payments such as:</p> <ul style="list-style-type: none"> <li>• educational incentives</li> <li>• training, certification &amp; licensing</li> <li>• length of service (Longevity)</li> <li>• premiums for shift differentials</li> <li>• on-call</li> </ul> <p>Quinn Bill (Police education incentive)</p> <p>111F (Police and Fire injury pay)</p> <p>Working holidays for police officers and firefighters</p> <p>Federal Grants</p> <p>Lump-sum retroactive wage increases</p> <p>Salary increases for temporary promotions</p> <p>Working "Summer School" when already receiving full-year credit for a regular school-year position</p> <p>Any amounts paid as cost-of-living bonuses or cost-of-living pay adjustments</p>	<p>Wages shall not include:</p> <ul style="list-style-type: none"> <li>• overtime</li> <li>• commissions</li> <li>• bonuses other than cost-of-living bonuses</li> </ul> <p>Any amounts paid as premiums for working holidays, except as authorized by law (police officers and firefighters)</p> <p>Road detail</p> <p>Fees received</p> <p>Any lump-sum amounts paid in lieu of or for unused vacation, sick leave or other leave</p> <p>Severance pay</p> <p>Any amounts paid as early retirement incentives</p> <p>Any other payments made as a result of the member giving notice of retirement</p> <p>Limited or definite term amounts derived from salary enhancements such as:</p> <ul style="list-style-type: none"> <li>• housing</li> <li>• lodging</li> <li>• travel</li> <li>• clothing allowances</li> <li>• annuities</li> <li>• welfare benefits</li> <li>• lump sum buyouts for workers' compensation</li> <li>• job-related expense payments</li> <li>• automobile usage</li> <li>• insurance premiums</li> <li>• dependent care assistance</li> <li>• tuition</li> </ul>

See PERAC Memo #24/2010 dated 6/17/2010

### Membership start and end dates

Dale Kowacki, Executive Director of the retirement system, explained the effect of various start and end dates on a member's creditable service record, the simplest of

examples being the lost two days for a weekend when they end one job on a Friday, and begin a new job (in a different retirement system) on the following Monday. A copy of Dale's handout is below.

## The Effect of Start and End Dates on Employees' Service Records

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Most of the retirement systems in Massachusetts are in the habit of marking your "start date" as the day you first work – and were paid for – in their system. For example, if your last day of work with us is Friday, and you start your new job in Hampshire County on Monday, you will lose the two days in between. Not a big deal if it is only that one time. However, if you leave one of our units (Orange, for example), and you take your remaining vacation pay in a lump-sum and wait a few weeks before you start your new job – you will lose those few weeks. The solution? Take your vacation pay regularly (not lump-sum) and have your official resignation date be the day before you start your new job. Also, make sure the person (treasurer/payroll person) at your old job uses the correct date when they report to us what your last day was. A good idea is to keep a copy of your resignation letter/notice - and make sure you use the best date (send us a copy?).

- One note: there has to be pay associated with the service time (maybe with the exception of the weekend scenario (change jobs mid-week?)(resign the old job as of Monday morning?)).
- Another note: when the treasurer/payroll person is issuing the checks for your "regular" vacation, don't let them date them all the same – have them date the checks every two(?) weeks and mail them on those dates. Otherwise, when we see the payroll records, we might consider them as lump-sum payouts and not grant you the service credit.)

What is important here is that you are aware of this snafu. ASK AHEAD-OF-TIME HOW YOUR SYSTEM HANDLES THE GAPS. If these gaps happen every time you switch jobs – they could add up to months of lost service credit. (You think you've worked 20 years and can retire but guess what - you need 2 or 3 more months!)

Another thing to watch out for – the retirement system that *throws away the extra days*. That's right – if you transfer out of their system after 5 years, 3 months, and 10 days of worked service – they might drop the ten days and only give you years and full months! Ask before you leave.

**Adjournment**

*On a motion by Veronica LaChance and second by Denise LeDuc, the Council voted to adjourn the meeting at 4:56 pm.*

Respectfully submitted,

Dale Kowacki  
Advisory Council Secretary

These minutes were approved at the November 3, 2011 meeting.