

Sandra A. Hanks
Board Chair

Angelina J. Bragdon
Council Member

Gabriele H. Voelker
Elected Member

FRANKLIN REGIONAL RETIREMENT SYSTEM
278 MAIN STREET, SUITE 311
GREENFIELD, MASSACHUSETTS 01301-3230

Paul J. Mokrzecki
Vice Chair

Mary A. Stokarski
Elected Member

Dale C. Kowacki
Executive Director

Fifth Member Position on the Franklin Regional Retirement Board

Prohibitions:

As per Massachusetts General Laws, Chapter 34b, §19(b)(4) A fifth member, who shall not, except as provided in this subparagraph, be an employee, retiree or official of the retirement system, or of any of its constituent governmental units, shall be chosen by the other four members and serve for a term of five years; provided, however, that in the first instance, the fifth member shall be the currently serving second member, whose term of office as second member shall expire on the date of transfer. Thereafter, the fifth member shall be chosen as provided in this subparagraph. If the fifth member is not chosen provided in this subparagraph within 30 days of the expiration of his term, or of any earlier vacancy in his office, the public employee retirement administration commission shall appoint the fifth member. Any person serving as the second member of a county retirement board shall on the effective date of this chapter become the fifth member upon the expiration of his term notwithstanding that said member is an employee, retiree or official of a constituent governmental unit within the system.

Massachusetts General Laws, Chapter 32, § 20(4 7/8E), No employee, contractor, vendor or person receiving remuneration, financial benefit or consideration of any kind, other than a retirement benefit or the statutory stipend for serving on the retirement board, from a retirement board or from a person doing business with a retirement board shall be eligible to serve on a retirement board; provided, however, that an employee of a retirement board may serve on a retirement board other than the retirement board by which the person is employed; and provided further, this subdivision shall apply only to individuals who first became members of a retirement board on or after April 2, 2012.

840 Code of Massachusetts Regulations
Section 1.01: Board Member's Duty

A board member shall discharge all his/her duties solely in the interest of members and their beneficiaries, and

(1) For the exclusive purpose of:

- (a) providing benefits to members and their beneficiaries; and
- (b) defraying reasonable expenses of administering the system.

(2) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

(3) By diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

4) In accordance with the Massachusetts General Laws, the rules and regulations promulgated by the Commission, and rules and regulations adopted by the Board and approved by the Commission.

1.02: Liability for Breach of Fiduciary Duty

(1) Failure to comply with the fiduciary standard set forth in M.G.L. Chapter 32, s23 and in 840 CMR 1.01 may subject the fiduciary to personal liability for any losses to the system resulting from such failure.

(2) If a fiduciary knowingly participates in or knowingly conceals an act or omission of a co-fiduciary which is a breach of fiduciary duty the fiduciary may be subject to personal liability for any losses to the system resulting from such breach.

(3) If, by failing to comply with his/her fiduciary duty, a fiduciary enables a co-fiduciary to breach his/her fiduciary duty, the fiduciary may be subject to personal liability for any losses to the system resulting from such breach.

(4) If a fiduciary has knowledge of a breach of fiduciary duty by a co-fiduciary and the fiduciary fails to make reasonable efforts under the circumstances to remedy the breach of fiduciary duty, the fiduciary may be subject to personal liability for any losses to the system resulting from such breach.

1.03 Prohibition Against Certain Persons Holding Certain Positions

(1) Failure to comply with the fiduciary standard set forth in M.G.L. c. 32, § 23 and in 840 CMR 1.01 may subject the fiduciary to personal liability for any losses to the system resulting from such failure.

(2) If a fiduciary knowingly participates in or knowingly conceals an act or omission of a co-fiduciary which is a breach of fiduciary duty the fiduciary may be subject to personal liability for any losses to the system resulting from such breach.

(3) If, by failing to comply with his/her fiduciary duty, a fiduciary enables a co-fiduciary to breach his/her fiduciary duty, the fiduciary may be subject to personal liability for any losses to the system resulting from such breach.

(4) If a fiduciary has knowledge of a breach of fiduciary duty by a co-fiduciary and the fiduciary fails to make reasonable efforts under the circumstances to remedy the breach of fiduciary duty, the fiduciary may be subject to personal liability for any losses to the system resulting from such breach.