

Sandra A. Hanks
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Gabriele H. Voelker
Elected Member

FRANKLIN REGIONAL RETIREMENT SYSTEM
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Paul J. Mokrzecki
Vice Chair

Mary A. Stokarski
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Dale C. Kowacki
Executive Director

March 31, 2021

Senator Adam G. Hinds

Adam.Hinds@masenate.gov

Senator Joanne M. Comerford

Jo.Comerford@masenate.gov

Representative Susannah M. Whipps

Susannah.Whipps@mahouse.gov

Representative Paul W. Mark

Paul.Mark@mahouse.gov

Representative Natalie M. Blais

Natalie.Blais@mahouse.gov

RE: Bills HD.1794 and SD.1696 (192nd General Court – Massachusetts Legislature)
“... Act(s) relative to providing a COVID-19 retirement credit to essential public-sector workers.”

Dear Senator Hinds,
Dear Senator Comerford,
Dear Representative Whipps,
Dear Representative Mark,
Dear Representative Blais;

I write to you to express the concerns of this retirement board with the wording of the above noted legislation as proposed. As written, it appears to imply that the expense will be borne by the retirement systems. It also is not clear as to the definition of “essential worker”, and as a result our local towns and employees are guessing that Governor Baker’s March 23, 2020 list of “Essential Services” will be the reference tool. If that is so, then half of our membership would be in the “essential worker” category. Adding 3 years credit to half our membership would add tens of millions of dollars to this system’s unfunded liability, and by extension dramatically increase the annual amounts assessed to our member towns.

While we are in the top quartile of funded systems in the state, we are still only at 74%. Our current unfunded portion is \$52 million. To add 20 or 30 million more would set us back years from our goal of being fully funded by 2034. Our towns currently pay 23% of salaries as their annual retirement appropriation. The added expense will increase that more than just a few percentage points.

A good way to address these concerns would be to add language to the legislation that gives the choice to each employer to opt-in and to determine which workers in their workforce were essential workers. Along with making the choice, each employer would have the expense of the added benefits added to its annual assessment.

We are grateful to everyone that keeps our people safe, keeps our systems running, and keeps our offices functioning. We appreciate the sentiment of the legislation. However, we believe our communities would like to determine for themselves if they can afford the expense.

Thank you for your kind consideration of our concerns and suggestions.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Sandra A. Hanks". The signature is written in black ink and is positioned above the printed name.

Sandra A. Hanks
Chair and Treasurer