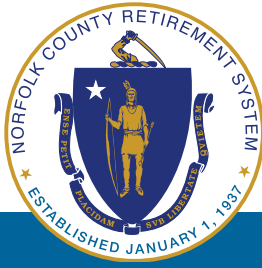


THE NORFOLK BENEFIT



THE NORFOLK COUNTY
RETIREMENT SYSTEM

ESTABLISHED IN 1911
11,000 ACTIVE
AND RETIRED MEMBERS

NEWSLETTER / WINTER 2023

WORKING TODAY FOR YOUR FUTURE RETIREMENT

Michael Bellotti, Chairman, Norfolk County Retirement Board



The Norfolk County Retirement System (NCRS) was established in 1911 and is governed under Massachusetts General Laws, Chapter 32. The statute provides for a defined benefit plan based on a pre-determined formula. Conceptually, the plan is straight forward. However, the reality is that the uniqueness of our state public pension law is complex.

NCRS is 1 of 104 reciprocal retirement systems within the Commonwealth.

The primary purpose of NCRS is to administer pension benefits to its active and retired members. NCRS serves over 13,000 active and retired members from the County, 19 towns and 23 authorities and special districts within Norfolk County.

NCRS is led by a five Member Board of Trustees comprising of the Norfolk County Treasurer, an Appointed Member by the Norfolk County Commissioners, two Elected Members and an Appointed Member by the Treasurer's Advisory Council. Board Members are fiduciaries of the investment portfolio of the NCRS. They are required to complete at least 18 hours of educational training, to file an annual statement of financial interest and to comply with the State Ethics Law.

The current make-up of the Retirement Board is as follows:

- Michael G. Bellotti, Ex-Officio and Chair
- Paul J. Connors, Appointment Member, County Commissioners
- Josephine E. Shea, Elected Member
- Edwin S. Little, Elected Member
- Lisa J. Sinkus, Appointed Member, Advisory Council

Additionally, the 104 retirement systems, including NCRS, are regulated by the Public Employee Retirement Administration Commission, better known as PERAC. The mission of PERAC is to provide regulatory oversight and guidance for the effective, equitable and ethical operation of each retirement system.

Retirement System membership is mandatory for permanent employees regularly working 20 hours or more for one of our Employer Units. NCRS's participants can become eligible for a retirement allowance according to a set statutory formula based on group classification, employee's age, creditable service, and salary average. The benefits administered by NCRS are guaranteed for the retired participant's lifetime, regardless of fluctuations in investment returns.

Under the oversight of Executive Director, Kathleen Kiely-Becchetti, Esquire, NCRS is staffed by 8 professionals. The robust office handles all aspects of membership up to and including the disbursement of benefits. While NCRS is not considered a small organization among its peer retirement systems, it does operate in many ways as a local retirement system. The staff pride themselves on getting to know as many members and retirees of NCRS as possible. They are stewards of the accounts held at NCRS and are always working towards the best interest of our active and retired members. It is my privilege to serve as the Norfolk County Treasurer and Chairman of its Retirement Board.

Norfolk County Retirement System **BOARD OF TRUSTEES**

Michael Bellotti, Chairman • Josephine E. Shea, Elected Member • Edwin S. Little, Elected Member
Paul J. Connors, Appointment Member • Lisa Sinkus, Appointment Member

www.norfolkcountyretirement.org

COLA

Edwin S. Little, Elected Member



Once a member is retired for one fiscal year, they are eligible for a cost-of-living adjustment (“COLA”) to their monthly retirement allowance should one be granted. As a long-standing Elected Member of the Norfolk County Retirement Board (NCRB), I am proud to report that throughout my term on the Board we have been able to grant our eligible retirees a

COLA each year. More importantly, this year the NCRB granted a historic one-time 5% COLA to eligible retirees.

On November 16, 2022, Governor Baker signed Chapter 269 of the Acts of 2022 into law. This act provided retirement systems with a local option to increase the COLA for eligible retirees in fiscal year 2023 from the statutorily maximum percentage of 3% to 5%, retroactive to July 1, 2022. NCRB had already granted and issued a 3% COLA on the first \$18,000 base in July of 2022, but efforts began to grant an additional 2% on the first \$18,000 retroactive to July 1, 2022 for our retirees.

The approval process for the additional 2% COLA was different than traditional COLA increases that are granted by the Treasurer’s Advisory Council and NCRB. As required to grant this special one-time COLA, NCRB voted to grant the additional 2% COLA at its November 30, 2022 meeting. Followed by the County Commissioners’ vote to grant the additional 2% COLA at its January 4, 2023 meeting. The final step was to have each town within Norfolk County Retirement System vote on whether to increase the COLA an additional 2% for fiscal year 2023. Two-thirds of the 19 towns within Norfolk County Retirement System had to grant the additional 2% COLA before NCRB could provide the benefit to its retirees.

All NCRS communities voted in favor of the increase, except one that voted no and another community that did not vote. With the appropriate approval, NCRS staff issued the retroactive additional 2% on the first \$18,000 to retirees that had retired on or before June 30, 2021. The increase was issued with the May 2023 retirement allowance.

Issuing a COLA is not as simple as a Board vote. There are numerous factors to consider and steps that the Board must take prior to voting. However, the importance of granting a COLA to our retired members and beneficiaries cannot

be understated. The Board has continually voted a COLA and has steadily increased the COLA base as shown in the following chart:

EFFECTIVE DATE	COLA BASE	% OF BASE	ANNUAL COLA
July 1, 2010	\$12,000	3%	\$360.00
July 1, 2011	\$15,000	3%	\$450.00
July 1, 2017	\$17,000	3%	\$510.00
July 1, 2018	\$18,000	3%	\$540.00
July 1, 2020	\$18,000	1.6%	\$288.00
July 1, 2021	\$18,000	3%	\$540.00
July 1, 2022	\$18,000	5%	\$900.00

The Board recognizes that neither the one-time COLA increase nor the annual COLA adequately covers the impact of inflation. Nevertheless, it is important to recognize the beneficial cumulative results of granting COLA’s.

If you retired before June 30, 2012, and received the maximum COLA, your pension has increased by the following amounts

EFFECTIVE DATE	% INCREASE	MAXIMUM BENEFIT	CUMULATIVE MAXIMUM BENEFIT
2013	3	\$450.00	\$450.00
2014	3	\$450.00	\$900.00
2015	3	\$450.00	\$1,350.00
2016	3	\$450.00	\$1,800.00
2017	3	\$510.00	\$2,310.00
2018	3	\$540.00	\$2,850.00
2019	3	\$540.00	\$3,390.00
2020	1.6	\$288.00	\$3,678.00
2021	3	\$540.00	\$4,218.00
2022	3	\$900.00	\$5,118.00

The Board recognizes that a portion of our retirees do not receive the maximum COLA because their annual retirement allowance is less than \$18,000. As such, the Board would support a tiered approach to granting COLA increases, or a fixed COLA increase rather than a percentage-based COLA. One of these alternate methods

would be more equitable and bring greater financial relief to those receiving the least amount in benefits. In the meantime, the Board will continue its efforts to steadily increase the COLA base and grant COLA's to our retirees and beneficiaries.



Working Post-Retirement

After retirement, you may decide to seek employment. If you retired under Superannuation or regular retirement and work in the private sector or outside of Massachusetts, you may do so without restrictions, with one exception. If you work as a consultant, independent contractor or business rendering service to the Commonwealth or one of its local municipalities and you retired after July 1, 2009, then the public sector post-retirement restrictions would apply.

If you work in the public sector in Massachusetts, you must abide by certain post-retirement restrictions. The limitations to working in the public sector after retirement include a restriction on the number of hours worked and compensation earned. The current restrictions for retirees that retired under Superannuation or regular retirement are as follows:

- Retirees cannot work more than 1,200 hours in a calendar year.
- Retirees cannot make more than the difference between what the position that you retired from is currently paying (your former department would have that information) minus your annual retirement allowance. After you have been retired for 12 months, you are allowed to make an additional \$15,000.00 per year.

Example: Former position = \$75,000
Annual retirement allowance = \$62,500
Difference between the two = \$12,500



In the example, the allowable earnings in the first 12 months of retirement would be \$12,500. After the first year, an additional \$15,000 can be added to the allowable earnings.

Once post-retirement restrictions for either hours or earnings are met you must stop working for that calendar year. If you exceed the hours or earnings, you will have over-earned for the year and would be subject to repayment (the hours would be computed to a dollar amount and the earnings are dollar for dollar).

The responsibility to track post-retirement restrictions belongs to the retiree and their post-retirement employer.

Disability retirees are also subject to post-retirement earnings, but the restrictions apply to any employer – public or private.

The post-retirement restrictions are the same for Disability retirees as stated above except that the Disabled retiree does not have to wait 12 months to earn the additional \$15,000, they can do so immediately.

In addition to post-retirement restrictions, Disabled retirees must submit their annual tax documentation and file an Annual Statement of Earnings with PERAC, our regulatory agency, each year regardless of their employment status.

Retired & Senior Volunteer Program

Norfolk County Retired & Senior Volunteer Program (RSVP) is a program comprised of volunteers who are 55+ years of age who build stronger communities together through service. Norfolk County residents are invited to volunteer their personal time and utilize their knowledge and life's experiences to help meet community needs.

Currently, RSVP volunteers assist within elementary school districts, making and delivering meals and providing rides to veterans. However, RSVP is continually developing new volunteer opportunities. If you have an area of interest, you can contact RSVP at (781) 329-5728 or email at rsvp@norfolkcounty.org.

RSVP within Elementary Schools

RSVP partners with school districts across Norfolk County to place volunteers in elementary school classrooms to support children's academic engagement. If you have an hour or more each week to give, you can make a difference in the life of a child. This is a full school-year volunteer commitment (allowing for your vacations). Depending on your availability and local requests, you may provide one-on-one reading, small group sessions, or other activities during "literacy block" or assist with math or in the school library under the direction of teachers and reading specialists. RSVP School Volunteers meet twice a year to discuss their assignments and hear from presenters.

Making and Delivering Meals

Meals on Wheels kitchen volunteers are needed in some communities to prepare nutritious meals for homebound elders, weekday mornings for 1-3 hours. Meals are individually packaged and delivered by volunteer drivers. Some sites also offer a congregate meal, where volunteers serve freshly cooked meals to visiting seniors.

Meals on Wheels Drivers deliver meals to homebound elders Monday-Friday. Volunteers are needed in most communities for 1 to 5 days a week, midmornings, 1-2 hours a day. A valid MA driver's license and reliable vehicle are required.

Volunteer positions are also available to organize, sort and stock donated food in certain locations.

Rides for Veterans

Volunteers drive local Veterans to and from medical appointments and other necessary trips, using their own vehicle with supplemental liability insurance from RSVP, and mile reimbursement for up to 300 miles driven per month. Riders must be ambulatory or bring a caregiver to assist them. Trips may be local or to a VA Hospital including Jamaica Plain, West Roxbury, or Brockton. Drivers are called as needed, usually one to two times per month and can opt in or out for any given trip request.

VA Hospital Ambassadors

Be an Ambassador at West Roxbury VA Hospital greeting and assisting visitors or volunteer at the Brockton VA Hospital providing coffee to veterans. Typically, once a week for 3-4 hour shift. Please note that this activity requires a lot of walking.

VA Website Assistance

Assist veteran patients with online medical records portal to access their health and appointment information. Volunteers sign up for one 4-hour shift per week at Brockton VA Hospital, Jamaica Plain, or West Roxbury.

Lap Robes for Veterans

RSVP volunteers knit lap robes for veterans to be delivered to ill and disabled veterans in healthcare facilities or home.

To volunteer for any position, call or email RSVP and arrange a meeting at their office or at your local senior center.

RSVP

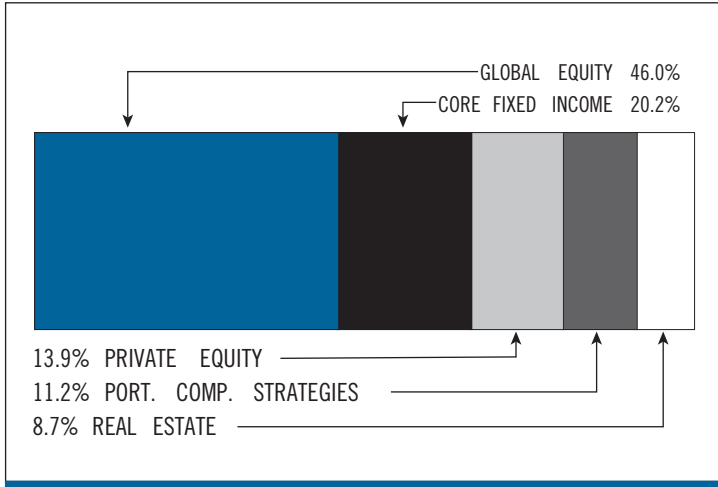
614 High St, P.O. Box 310, Dedham MA 02027
(781) 329-5728, rsvp@norfolkcounty.org



NCRS by the Numbers

\$1.3B Market Value	-10.98% 2022 Returns	7.53% 2013-2022 (Annualized)	8.36% 1985-2022 (Annualized)
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Asset Allocation (12/31/22)

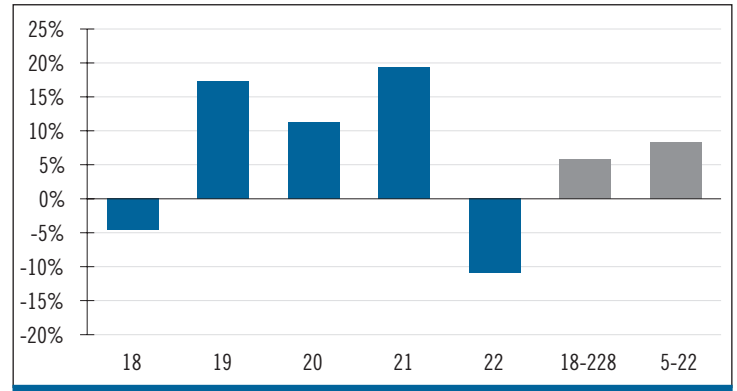


\$505.4M Unfunded Liability

\$93.5M (FY2023) Total Pension Appropriation

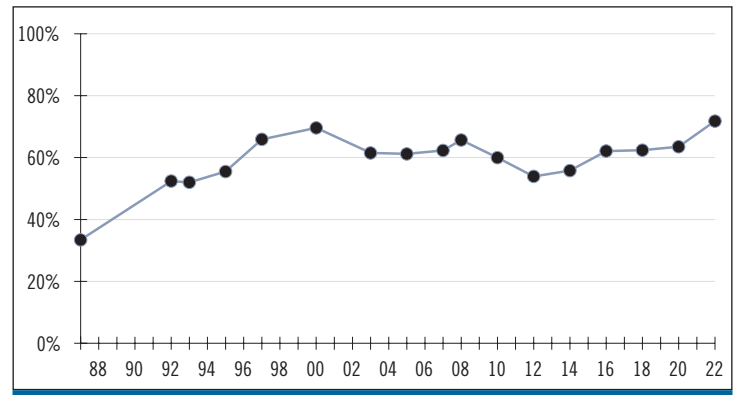
Investment Returns

(2018-2022, 5-Year & 38-Year Averages, as of 12/31/22)



775% Assumed Rate of Return

Funded Ratio History (1987-2022)



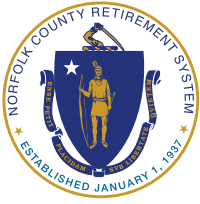
71.8% Funded Ratio / 2029 Fully Funded
4.5% Increasing Funding Schedule

Divorce & Retirement

Your current or potential retirement allowance from NCRS is a marital asset. If you have been married and divorced during your membership with NCRS, a copy of your divorce settlement is required upon your retirement. In a divorce settlement or judgment, the retirement allowance is subject to valuation and division just like your savings accounts, real estate and other marital property. If your former spouse becomes an "alternate payee" of your retirement allowance by court order, your former spouse may become entitled to receive a share of your retirement benefits pursuant to the terms of a Domestic Relations Order ("DRO"), which is part of the property division between the parties. Not all divorce settlements automatically include a DRO, and this is something that should be discussed in detail with your legal counsel to prevent future issues.

A DRO must comply with all provisions of the public employee law, M.G.L. c. 32, as such, a draft should be submitted to the NCRS for review before it is approved by the probate court. A DRO cannot create a right or establish a benefit that is inconsistent with the provisions of public employee retirement law, such as ordering the NCRS to pay out the member's accumulated total deductions prior to retirement or separation from service.

A DRO may require a member to name their former spouse as an Option C beneficiary or entitle the former spouse to a certain percentage of the member's allowance. The DRO can also outline the factors used in calculating benefits to your former spouse. It should not be assumed that those factors or the division of assets will only be based on the marital years. The language in the DRO is binding upon the parties and NCRS.



Norfolk County Retirement System

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The Norfolk Benefit is an official publication of the Norfolk County Retirement System (NCRS), a non-profit organization representing 41 member units. If you have any comments or suggestions regarding this newsletter, please contact us.

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