

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2023-2024)

REPORT OF THE

**PUBLIC EMPLOYEE RETIREMENT
ADMINISTRATION COMMISSION**

**SUBMITTING AMENDMENTS TO THE RULES
AND REGULATIONS GOVERNING RETIREMENT
OF PUBLIC EMPLOYEES IN
MASSACHUSETTS**

**(840 CMR 2.00 Retirement Board Travel)
(840 CMR 4.00 Financial Operations/Standard Method of Accounting)
(840 CMR 8.00 Applicability of \$30,000 Salary Cap)
(840 CMR 11.00 Service After Age 70)
(840 CMR 12.00 Service Between Age 65 and 70)
(840 CMR 15.00 Miscellaneous) and
(840 CMR 25.00 The Conduct of Field Examinations of Contributory Retirement Systems)**

**(pursuant to Section 50 of
Chapter 7 of the General Laws)**

December 28, 2023

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION

PHILIP Y. BROWN, ESQ., *Chair*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

December 20, 2023

Michael D. Hurley, Senate Clerk
Office of the Clerk of the Senate
Senate
State House, Room 335
Boston, MA 02133

Dear Mr. Hurley:

In accordance with the provisions of Chapter 7, Section 50 of the General Laws, I am pleased on behalf of the Public Employee Retirement Administration Commission (PERAC), to file amendments to the rules and regulations governing retirement of public employees in Massachusetts. PERAC is proposing amendments to seven of our regulations, 840 CMR 2.00 Retirement Board Travel, 840 CMR 4.00 Financial Operations/Standard Method of Accounting, 840 CMR 8.00 Applicability of \$30,000 Salary Cap, 840 CMR 11.00 Service After Age 70, 840 CMR 12.00 Service Between Age 65 and 70, 840 CMR 15.00 Miscellaneous, and 840 CMR 25.00 The Conduct of Field Examinations of Contributory Retirement Systems.

These regulations are necessary to ensure that our retirement systems operate in an efficient manner and comply with the provisions of the retirement law, Chapter 32.

Pursuant to the provisions of G.L. c. 7, § 50, the clerks shall refer this matter to the appropriate standing committee of the General Court. If the General Court takes no final action relative to the regulations within forty-five days of the date said regulations are referred to the appropriate committee, the General Court not having prorogued within said forty-five days, the regulations shall be deemed to be approved. Within fifteen days of receipt of any recommendations, the committee shall transmit in writing to PERAC its suggestions, if any, for modifications in recommended regulations. Within fifteen days of receipt of the committee's suggestions, PERAC shall resubmit the regulations to the committee, together with any modifications made to them.

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

John W. Parsons, Esq.
Executive Director

Enclosure

JWP/pmc

senate transmittal 840 cmr 2, 4,8,11, 12,15,25.doc

FIVE MIDDLESEX AVENUE, SUITE 304 | SOMERVILLE, MA 02145
PH 617 666 4446 | FAX 617 628 4002 | WWW.MASS.GOV/PERAC



2.01. General Provisions

- (1) 840 CMR 2.00 is the standard rule for travel and travel related expenditures by retirement board members and retirement board staff members. PERAC recognizes that retirement board members and the retirement board staff must perform their fiduciary duties in an efficient, effective, and informed manner. All travel related expenses that are to be paid for by the board shall be related to the purpose of the authorized travel and shall be cost-effective.
- (2) PERAC recognizes the importance of continuing education; the need for informed decision making by retirement board members; and the need for a broader public pension perspective, gained through association with other retirement boards and administrators, both within the Commonwealth of Massachusetts and throughout the nation, whether virtually or in-person.
- (3) Except as otherwise provided by PERAC or by supplementary rules of a particular retirement board approved by PERAC pursuant to 840 CMR 14.02 all travel by retirement board members and board staff shall comply with 840 CMR 2.00.
- (4) Retirement boards may adopt supplementary regulations to supplement and expand upon the regulations contained in 840 CMR 2.00. Any such board regulations are to be submitted to PERAC for review and approval as required by the provisions of G.L. c. 7, § 50 and c. 32, § 21(4).

2.02. Meaning of Terms

Terms common to these regulations and G.L. c. 268A shall have the meaning ascribed to them by G.L. c. 268A and rulings issued pursuant to that law. The regulations contained in 840 CMR 2.00 are in addition to, and, in some respects, more stringent than the provisions of G.L. c. 268A. Unless otherwise defined by the provisions of G.L. c. 32 or regulations promulgated by PERAC or by G.L. c. 268A and rulings issued pursuant to that law, the usual and customary definitions for terms used in these regulations shall apply.

2.03. Board Authorization of Travel and Travel Related Expenditures

The retirement board shall pay for or make reimbursement to Board Members and the staff of the retirement board for all travel and lodging expenses except as specifically authorized pursuant to 840 CMR 2.13 for expenses related to legitimate speaking engagements.

1. Travel and related expenses are to be approved by the board in advance of the travel.
2. Requests for travel by board members and the retirement board Executive Director/Administrator shall be placed on a board meeting agenda, discussed in open session, and approved by a majority vote of the members of the board present and voting. The meeting minutes shall reflect the board's action, the extent of the authorization, and supporting information addressing the nature of the travel and its purpose.
3. A board may authorize the Executive Director/Board Administrator to approve travel for other members of the board's staff. The board should establish policies and procedures for staff travel. Such policies and procedures shall be consistent with 840 CMR 2.00.
4. A statement describing the presentation, conference, or seminar should be entered into the minutes of the meeting following the travel.
5. Boards shall obtain the most cost-effective means of travel and travel related expenses, pursuant to these regulations and the board's approved supplementary regulations.

**840 Mass. Code Regs. 2.04 Required Documentation for
Reimbursement (Code of Massachusetts Regulations (2021
Edition))**

2.04. Required Documentation for Reimbursement

1. The board shall develop a form to be used in connection with any requests for reimbursement, requiring that the traveler certify that the expenses were incurred and were necessary and incidental to the approved travel.
2. All requests for reimbursement shall be completed and properly approved after incurring any travel, transportation or meal or other travel related expenses and before reimbursement takes place. The retirement boards shall require that requests for reimbursement be submitted within a reasonable time after the expenses are incurred, but in no event longer than 60 days after the expenses were incurred. If expenses for a single event were incurred over a number of days, requests for reimbursement shall be submitted no later than 60 days from the last day that expenses were incurred.
3. Itemized receipts must be submitted for all expenses including transportation, lodging, and other expenses incidental to travel.
4. Travel-related expenses that are under \$10 (such as gratuities) should be fully described and reimbursed based on the traveler's certification that the expenses were necessary and incidental to the approved travel.
5. The board should use due diligence in reviewing and approving reimbursement requests. Any travel related expenditures which have not been properly documented or approved or are not in conformity with 840 CMR 2.00 must be rejected or adjusted.
6. Reimbursement shall only be made to the person who actually made payment for the expense.
7. The reimbursement request form must be signed by the person seeking reimbursement and signed under the penalties of perjury.

2.05. Travel Arrangements

1. The board should designate a board staff member to be responsible for making all travel arrangements and for assisting board members and board staff in completing reimbursement forms. If a board member or board staff member elects to make his or her own travel arrangements, the provisions of 840 CMR 2.00 shall apply.

2. When making travel arrangements, government rates, business rates, or the most cost-effective rate shall be secured. The board must be satisfied that the rate is fair and reasonable before reimbursement is approved.

3. The board may authorize an extended stay if the net cost to the board will be lower. For example, if airline fare is lowered by staying an extra day and the cost of accommodations and meals for that extra day results in a net savings to the board, an extended stay can be authorized.

2.06. Transportation

1. Cost effective means of transportation shall be utilized.
2. All travel should be at the lowest fare available, generally economy/coach. The board may, by supplementary regulation, submitted and approved by PERAC, establish routing criteria, for example, requiring no more than one interim stop each way; not requiring more than one scheduled airplane transfer each way; or allowing for reasonable departure and arrival times.
3. A retirement board shall not make payment or reimbursement for airline club memberships.
4. If a retirement board authorizes the use of rental cars, the board may, by supplementary regulation, submitted to and approved by PERAC, establish that the source of such cars shall be a national rental agency, and that the rental cars shall be "standard class". It is the traveler's responsibility to verify that the rate charged is the rate negotiated.
5. The retirement board shall determine whether optional insurance coverage for travel will be required.
6. Any motor vehicle accidents, which occur while using a rental car while on board-approved travel, are to be reported as soon as practicable, in writing to the appropriate authorities, with copies of all such reports provided to the board.
7. No reimbursements shall be made for fines or other expenses incurred as a result of traffic violations while on board-approved travel. The traveler is personally responsible for such expenses.
8. The retirement board shall, by supplementary regulation, submitted and approved by PERAC, establish the allowable rate of reimbursement for use of personal motor vehicle. The per mile rate of reimbursement shall not exceed the amount allowed by the Internal Revenue Service. If the board does not submit a supplementary regulation, then the Internal Revenue Service rate shall be used. Parking fees and toll charges may be reimbursed, subject to proper documentation.

2.07. Lodging

1. All reservations for accommodations should be made in advance. It is the traveler's responsibility to verify that the rate charged is the rate negotiated. Reimbursement for accommodations shall not exceed the amount charged for "standard" accommodations. If accommodations are included as a part of a registration fee, the board must be satisfied that the rate for such accommodations is fair and reasonable before reimbursement or payment is approved.

2. Reimbursement is prohibited if lodging is included in the cost of registration for a conference or seminar.

2.08. Meals

1. retirement boards must, by supplementary regulation, submitted and approved by PERAC, establish and identify the maximum daily reimbursable amount for the cost of meals while on board authorized travel. The board may, by supplementary regulation, submitted and approved by PERAC, allow for reimbursement in excess of the allowable amount for travel to high-cost locations.

2. Reimbursement is prohibited if meals are included in the cost of registration for a conference or seminar. If the board determines that special circumstances require a board member or board staff member to take meals other than those included in the cost of registration, reimbursement may be made provided that all provisions of 840 CMR 2.00 are met. The special circumstances must be discussed in a board meeting and the board's determination must be reflected in the minutes of the board.

3. If reimbursement is sought for meal expenses for others, those individuals are to be identified along with their affiliation and a description of the purpose of the meeting. Reimbursement shall be made only for meetings that are for business purposes.

4. Retirement boards shall never reimburse for the cost of alcoholic beverages.

840 Mass. Code Regs. 2.09 Other Reimbursable and Non-Reimbursable Expenses (Code of Massachusetts Regulations (2021 Edition))

2.09. Other Reimbursable and Non-Reimbursable Expenses

1. Retirement boards may reimburse board members or board staff members for the following items:
 - a) gratuities paid in accordance with local custom;
 - b) telephone expenses limited to board or business related calls;
 - c) internet connection charges;
 - d) costs for faxing related to Board business;
 - e) costs for necessary copying related to board business; or
 - f) mandatory resort or hotel fees.

2. Retirement boards shall not reimburse board members or board staff members for the following items:
 - a) personal expenses, for example, in-room movies, mini-bar charges, gym fees, entertainment or recreational expenses, laundry and dry cleaning, spa visits, or payments for alcoholic beverages.

 - b) This list of prohibited reimbursements is not exhaustive.

2.10. Cash Advances

Retirement boards shall not make cash advances to board members or Board staff members.

2.11. Reserved

**840 Mass. Code Regs. 2.12 Personal Travel Combined with Board
Related Travel (Code of Massachusetts Regulations (2021
Edition))**

2.12. Personal Travel Combined with Board Related Travel

If personal travel is combined with board related travel, the personal portion of the travel and related expenses will be clearly identified and paid for by the traveler. Travel expenses or any other expenses incurred by a spouse, relative, friend, or other individual accompanying a board member or board staff member will be considered to be personal travel and will, in no event, be a proper expense of the retirement board.

2.13. Payments or Reimbursements for Expenses by Third Parties

1. Providing to or receipt by a board member or staff member of anything of substantial value from any person, firm, partnership, or other entity, either directly or indirectly, as outlined and discussed in G.L. c. 268A, is strictly prohibited.

2. In instances where a retirement board member or board staff member participates in a legitimate speaking engagement, the board shall pay all costs and expenses related to such speaking engagement, provided, that the board member or board staff member complies with all of the board's travel regulations. The board may accept reimbursement for such travel related expenses of a board member or a member of the board's staff from the third party, only under the following limited circumstances:

a) A board member or a board staff member may participate in legitimate speaking engagements in connection with their positions on the retirement board or as a member of the board's staff and the board may accept reimbursements from third parties necessary to cover travel related costs for such engagements.

b) Acceptance of an honorarium or any other form of compensation is strictly prohibited.

c) To be considered a legitimate speaking engagement, the presentation must be formally scheduled on the agenda of a convention or conference.

d) The speaking engagement must be scheduled in advance of the board member's or board staff member's arrival at the event.

e) The presentation must be before an organization that would normally have outside speakers address them at such an event.

f) The presentation cannot be perfunctory, but should significantly contribute to the event, taking into account such factors as the length of the speech or presentation, the size of the audience, and the extent to which the speaker is providing substantive or unique information or viewpoints.

g) The retirement board can be reimbursed by a third party for expenses only to the extent necessary for making the speech or presentation.

**840 Mass. Code Regs. 2.13 Payments or Reimbursements for
Expenses by Third Parties (Code of Massachusetts Regulations
(2021 Edition))**

h) Under no circumstances can a board member or board staff member receive reimbursement or any other payment or compensation from a third party.

3. In instances where a retirement board member or board staff member participates in a non-profit professional organization related to public pension or public retirement, the retirement board may be reimbursed by the organization for the expenses related to such participation. The travel or participation must be approved by the board in advance of any expenditures, and the minutes of the board must note this action. No organization, association, or group of any sort that is comprised of or supported by any person, firm, partnership, or other entity, either directly or indirectly, as outlined and discussed in G.L. c. 268A, shall reimburse a retirement board for any expenses of a board member or board staff member to participate in any activities of that organization.

**Board Travel Supplementary Regulations (Code of Massachusetts
Regulations (2021 Edition))**

**2.14. Violation of These Regulations or Board Travel
Supplementary Regulations**

Any person or entity that violates 840 CMR 2.00 or any retirement board supplementary regulation approved by PERAC prior to the effective date of 840 CMR 2.00 shall be deemed to have violated the provisions of 840 CMR 17.00 and shall be subject to removal as an investment manager or consultant.

**840 CMR 4.00 Financial Operations/Standard Method of
Accounting (Code of Massachusetts Regulations (2021Edition))**

**840 CMR 4.00. Financial Operations/Standard Method of
Accounting**

840 CMR 4.00, establishing standard methods of accounting for boards, is promulgated by PERAC pursuant to M.G.L. c. 7, § 50 and M.G.L. c. 32, § 21. Except as may otherwise be provided by the PERAC, or by supplementary rules of a particular retirement board approved by the PERAC pursuant to 840 CMR 14.02, or by statute, 840 CMR 4.00 shall govern methods of accounting of all retirement boards.

REGULATORY AUTHORITY

840 CMR 4.00: M.G.L. c. 7, §50; c. 32, §§ 21.

4.01. Definitions

Accounting Period – January 1st through December 31st.

Adjusting Journal – contains all entries that do not involve cash.

Cash Books – includes the following reports: cash receipts, cash disbursements, adjusting journal entries, trial balance and general ledger.

Cash Disbursements Journal – contains entries of all cash disbursements from the system.

Cash Receipts Journal – contains entries of all cash receipts into the system.

Extension – when PERAC allows a board, upon a written request, to submit the Annual Statement by June 1 rather than May 1.

General Ledger – a means for keeping record of the system’s total financial accounts. It includes all accounts, entries and balances for: Assets, Liabilities, Funds, Receipts and Disbursements.

Pre-Close Trial Balance/General Ledger – lists all ledger accounts and balances before the closing entries are made.

Post-Close Trial Balance/General Ledger – produced after the closing entries are made to zero out the receipts and disbursements accounts.

Trial Balance – list of all ledger accounts showing a beginning balance, debits, credits, and ending balance.

**840 Mass. Code Regs. 4.02 Entries and Posting of Accounts; Trial
Balance and General Ledger (Code of Massachusetts Regulations
(2021 Edition))**

**4.02. Entries and Posting of Accounts; Trial Balance and General
Ledger**

Every board shall establish, number, and maintain ledger accounts in the form prescribed by PERAC.

- (1) Transactions shall be entered daily.

- (2) A Trial Balance shall be run monthly.

- (3) A General Ledger shall be run monthly.

4.03. Copies to be Sent to PERAC

(1) After all entries for the month have been posted , the board shall send to PERAC in the prescribed format the following for the month:

- (a) monthly cash receipts ;
- (b) monthly cash disbursements;
- (c) monthly adjusting journal entries;
- (d) monthly general ledger; and
- (e) year-to-date trial balance.

The following chart indicates the due dates for the monthly cash books:

Month of Accounting	Due Date
January	May 31 st
February	May 31 st
March	June 30 th
April	June 30 th
May	July 31 st
June	July 31 st
July	August 31 st
August	September 30 th
September	October 31 st
October	November 30 th
November	December 31 st
December*	March 31 st

*Along with the December cash books, the board should also provide a January-December post-close trial balance and general ledger.

The State and Teachers systems will not be subject to this timeline as they operate on the state fiscal year.

(2) The board shall send or have sent to PERAC a copy of all custodian statements received by the board within four weeks of the close of the month. Such statements shall be separated into the following five categories: cash, short term investments*, fixed income investments, equities, and pooled funds. Such statements shall include, but not be limited to:

- (a) monthly custodian bank statements which detail transaction activity including investment income, investments purchased, accrued interest paid, investments sold, book value of investments sold, profit/loss on investments sold, accrued interest sold, cusip numbers, name of brokers and

840 Mass. Code Regs. 4.03 Copies to be Sent to PERAC (Code of commissions paid, trade receivables and payables, trade dates, settlement dates and actual settlement dates.

*Short term investments are defined as U.S. Treasury Bills, Commercial Paper, Certificates of Deposit, Repurchase Agreements, Cooperative Shares, Savings and Loan Shares, Money Market and Term Deposits.

(b) monthly account appraisal which provides an alphabetical listing of assets held for each category; information for each asset should include a complete description of the asset, cusip numbers, number of shares, book value and market value.

(3) The board shall send or have sent to PERAC a copy of all manager statements received by the board within four weeks of the close of the month. Such statements shall detail the activity of the retirement system including purchases and sales of fund shares, income, dividend re-investments, fund expenses, and ownership interest of the retirement system in any commingled funds, including, but not limited to, separate accounts, bank pooled funds, mutual funds, group trusts and limited partnerships.

(4) The board shall send or have sent to PERAC a copy of all Consultant statements received by the board within four weeks of the close of the month. Such statements shall include quarterly and year to date performance figures, listing of assets, asset allocations, and individual asset appraisal values.

4.04. Failure to File Financial Reports

Any retirement board failing to file the financial statements and reports required by M.G.L. c. 32, § 20(5)(g), or by 840 CMR 4.03 shall be subject to the penalties provided by M.G.L. c. 32, § 24(2).

4.05 Copies to be Shared with Board Members

Board staff shall share completed monthly cash books with all Board members.

Additionally, Board staff shall share cash reconciliations, as well as a quarterly comparison of budgeted amounts to actual spending with all board members.

~~840-CMR 8.00. Applicability Of \$30,000 Salary Cap [Details]~~

~~REGULATORY AUTHORITY~~

~~840-CMR 8.00: M.G.L. c. 7, § 50; c. 32, § 21.~~

8.01. Definitions

As used in 840-CMR 8.00, unless a different meaning is plainly required by the context, the following terms shall have the following meanings:

~~Capped system~~, any retirement system other than an uncapped system

~~Non-section 50 restricted service~~, any service other than St. 1978, c. 367, §50 restricted service.

~~Section 50 restricted service~~, service by an employee to whom the \$30,000 cap applies in a system that remains a capped system.

~~\$30,000 cap~~, The maximum salary upon which a retirement allowance may be based pursuant to St. 1978, c. 367, § 50.

~~Uncapped system~~, the state employees' and the state teachers' retirement systems and any other system that:

(a)

(a) accepts the provisions of M.G.L. c. 32, § 22(1)(b^{1/2}), or

(b) accepts an annual pension funding grant pursuant to M.G.L. c. 32, § 22D.

8.02. Applicability of the \$30,000 Cap

~~(1) St. 1987, c. 697, § 64 makes the \$30,000 cap inapplicable to members of the state employees' and teachers' retirement systems and members of any system that:~~

~~(a) accepts the provisions of M.G.L. c. 32, § 22(1)(b^{1/2}), or~~

~~(b) accepts an annual pension funding grant pursuant to M.G.L. c. 32, § 22D~~
The \$30,000 cap is, in effect, repealed for members of these uncapped systems.

~~(2) The state employees' and teachers' retirement systems became uncapped as of January 1, 1988. Other systems become uncapped effective upon filing with the Commission a certificate of acceptance pursuant to 840 CMR 8.02(1)(a) or upon a vote to accept a grant pursuant to 840 CMR 8.02(1)(b), whichever occurs first.~~

~~(3) The \$30,000 cap remains applicable to those members of capped systems who became members on or after January 1, 1979. This includes:~~

~~(a) Members who were employed prior to January 1, 1979 but became members on or after January 1, 1979. Persons who were employed prior to January 1, 1979 and were not permitted membership by administrative oversight, or through no fault on the part of the member, are not subject to the \$30,000 cap.~~

~~(b) Individuals who were members prior to January 1, 1979 but left employment taking a return of accumulated deductions and then returned to employment and become members after January 1, 1979, whether or not previous service was repurchased. Persons who become members prior to January 1, 1979 and thereafter maintained membership, active or inactive, are not subject to the \$30,000 cap.~~

**840 Mass. Code Regs. 8.03 Additional Two Percent Contribution
(Code of Massachusetts Regulations (2021 Edition))**

8.03. Additional Two Percent Contribution

~~Effective on the date that a system becomes uncapped, for each member of the system to whom the \$30,000 cap had applied an additional two percent of that portion of regular compensation in excess of an annualized rate of \$30,000 shall be withheld each payday. For such members paid weekly, for example, two percent shall be withheld from all regular compensation in excess of \$576.92 per week.~~

8.04. Other Contributions

(1) In the case of systems (other than the state employees' and teachers' systems) that become uncapped on or before July 1, 1988, for each member of the system to whom the \$30,000 cap had applied an amount shall be withheld from that portion of regular compensation in excess of an annualized rate of \$30,000, in such installments as the retirement board shall direct, equal to the additional amount that would have been withheld pursuant to 840 CMR 8.03 between January 1, 1988 and the date the system becomes uncapped.

(2) In the case of systems that become uncapped after July 1, 1988 contributions pursuant to 840 CMR 8.04(1) shall not be required.

8.05. Effect of Cap on Retirement Allowance

(1) If upon retirement a member to whom the \$30,000 cap applied has service in a capped system, and no service in an uncapped system, the maximum salary upon which the retirement allowance may be based is \$30,000 whether the member is retired for superannuation or for ordinary or accidental disability.

The amount of regular compensation to be used in calculating the retirement allowance of such members shall not exceed \$30,000.

(2) If upon retirement a member to whom the \$30,000 cap applied has service in both a capped system and an uncapped system, the retirement allowance shall be based upon the number of years of section 50 restricted service and the number of years of non-section 50 restricted service. For this purpose, all service of a member in a system that remains a capped system at the time of retirement shall be included in section 50 restricted service, regardless of the member's actual rate of regular compensation, if the \$30,000 cap was applicable to the member at the time of the service. All service of a member in a system that is uncapped at the time of retirement shall be included in non-section 50 restricted service. The retirement allowance of any such member shall be the sum of the allowance calculated based upon the years of section 50 restricted service and the allowance calculated based upon the years of non-section 50 restricted service.

(3) If the retirement allowance of a member, or eligible beneficiary of a member, is affected by service in a system that remained capped at the time of retirement and the system later becomes uncapped, the retirement allowance shall be recalculated as of the date the system becomes uncapped. Any service in a system that has become uncapped since the time of retirement shall be included in non-section 50 restricted service for purposes of this recalculation. No member or beneficiary shall be required to make any additional contributions as a condition of such recalculation.

840 Cmr 11.00 Service After Age 70 [Details] (Code of

**840 Cmr 11.00 Service After Age 70 [Details] (Code of
840-CMR-11.00. Service After Age 70 [Details])**

~~840-CMR-11.00 is the standard rule for service after age 70 promulgated by the Public Employee Retirement Administration Commission pursuant to M.G.L. c. 7, § 50. Except as otherwise provided by the Commission, by supplementary rules of a particular retirement board approved by the Commission pursuant to 840-CMR-14.02, or by statute, 840-CMR-11.00 shall govern the procedures of all retirement boards relating to service after age 70.~~

~~REGULATORY AUTHORITY~~

~~840-CMR-11.00: M.G.L. c. 7, § 50; c. 32, § 21.~~

**840 Mass. Code Regs. 11.01 Notice to Members (Code of
Massachusetts Regulations (2021 Edition))**

11.01. Notice to Members

~~Not more than 180 nor less than 120 days before the last day of the month in which a member in service attains the age of 70, the retirement board shall estimate the member's option (a), (b) and, if sufficient information is available, (c) retirement benefits as of age 70 and shall notify the member of the estimate and procedures for continuing in service after age 70. The board shall also supply the member with the appropriate form on which to choose whether to continue to have deductions made from regular compensation until the date of retirement as prescribed by 840 CMR 11.02.~~

11.02. Deductions After Age 70; Election

~~(1) Any member who chooses to continue in service after age 70 may elect to have deductions made from regular compensation until the date of retirement. The retirement board shall provide the member with the appropriate form on which the member may elect to have deductions made after age 70. This form shall be completed and filed by the member with the retirement board within 15 working days of the board's notice to the member or the member's 70th birthday, whichever is later. If this form is not timely filed, no deductions shall be made after age 70.~~

~~(2) An election to have deductions made after age 70 shall be final and deductions shall not thereafter be discontinued for any active member.~~

of Massachusetts Regulations (2021 Edition))

11.03. Effect on Retirement Benefits

(1) Except as provided by 840 CMR 11.02, no deductions shall be made from the regular compensation of a member continuing in service after age 70 and the retirement allowance shall be calculated based on average annual rate of regular compensation received prior to age 70.

(2) For members who timely so elect pursuant to 840 CMR 11.02, deductions shall be made from regular compensation until the date of retirement and the retirement allowance shall be calculated based on average annual rate of regular compensation including compensation received after age 70.

(3) No member shall be required to elect a retirement option pursuant to M.G.L. c. 32, § 12 until termination of employment.

(4) If a member dies after age 70 but before termination, the member's spouse shall be entitled, if otherwise eligible pursuant to M.G.L. c. 32, to the benefits that would have been payable if the member had retired on the date of death and elected Option C.

(5) Upon the decision of a member to terminate service, the member may file a retirement application with the retirement board and the retirement allowance shall be calculated pursuant to 840 CMR 15.04.

840 CMR 12.00. Service After Age 65

840 CMR 12.00 is the standard rule for service after age 65 promulgated by the Public Employee Retirement Administration Commission pursuant to M.G.L. c. 7, § 50 and St. 1987, c. 415.

Except as otherwise provided by the Commission, by supplementary rules of a particular retirement board approved by the Commission pursuant to 840 CMR 14.02, or by statute, 840 CMR 12.00 shall govern the procedures of all retirement boards relating to service after age 65.

REGULATORY AUTHORITY

840 CMR 12.00: M.G.L. c. 7, § 50; c. 32, § 21.

12.01. Notice to Members

(1) No member may continue in service after age 65 if the member is in an occupation or position classification for which the personnel administrator determines by regulation that age is a bona fide occupational qualification or is in one of the following occupations or position classifications unless the personnel administrator determines by regulation that age is not a reasonably necessary bona fide occupational qualification:

(a) uniformed member of a paid fire department;

(b) uniformed member of a police department;

(c) member of the department of fisheries and wildlife, as determined by the personnel administrator;

(d) correctional officer;

(e) permanent crash crewman, crash boatman, fire controlman, or assistant fire controlman employed at the General Edward Lawrence Logan International Airport.

(2) If the board determines that the member is in an occupation or position classification which requires that the member retire at age 65, the board shall notify the member 120 prior to the date the member is required to retire.

**840 Cmr 15.00 Miscellaneous (Code of Massachusetts
Regulations (2021 Edition))**

840 CMR 15.00. Miscellaneous

REGULATORY AUTHORITY

840 CMR 15.00: M.G.L. c. 7, § 50; c. 32, and 21.

15.01. Attestation of Retired Members and Beneficiaries

- (1) No less frequently than once every two years, each retirement board shall require each member or beneficiary who receives a pension, retirement allowance, or survivor's allowance to file with the retirement board an attestation under the penalties of perjury, at such time and in such form as the board shall prescribe, containing the following information:
- (a) the name of the member or beneficiary;
 - (b) the current address of the member or beneficiary;
 - (c) a statement certifying that the member or beneficiary is currently living;
 - (d) a statement describing the beneficiary's current marital status where marital status is relevant to continued receipt of benefits;
 - (e) a statement describing the beneficiary's current dependency status where dependency is relevant to continued receipt of benefits; and
 - (f) such additional information as the board may require to determine whether the member or beneficiary is entitled to continued receipt of benefits.
- (2) If a member or beneficiary comes to the retirement office in person to verify the above information, they will be considered to have satisfied the requirements of the attestation.
- (3) The retirement board shall withhold the retirement benefits of any member or beneficiary who fails to file the attestation within the time prescribed pending receipt of the attestation. Upon receipt of the attestation, any benefits so withheld shall be paid to the retired member or beneficiary.
- (4) The retirement board may review and verify the accuracy of any attestation submitted and shall audit a random sample of at least five per cent of the attestations received.

A retirement board shall be deemed to have complied with Sections 1-4 if it performs a data match of the demographic information and status of current retirees and beneficiaries receiving benefits no less than every six months by a third-party entity contracted through an approved selection or procurement process.

A retirement board shall preserve or ensure that the results of any such data match are

accessible through the next PERAC audit.

**840 Mass. Code Regs. 15.02 Purchase of Prior Membership
Creditable Service; Purchase of Creditable Service for Non-
membership Service; Rates of Contribution Upon Return to
Active Service (Code of Massachusetts Regulations (2021
Edition))**

**15.02. Purchase of Prior Membership Creditable Service;
Purchase of Creditable Service for Non-Membership Service;
Rates of Contribution Upon Return to Active Service**

(1) Purchase of Prior Membership Creditable Service. Any member authorized by law to purchase prior creditable service may purchase such service by paying an amount equal to the accumulated regular deductions withdrawn by the member, together with the appropriate statutorily defined interest. Any member may make a lump sum payment or installment payments over a period not exceeding five years and may, with the approval of the board, make installment payments over a period exceeding five years.

(2) Purchase of Non-Membership Creditable Service. Upon submission of documentation satisfactory to the retirement board and consistent with Chapter 32, a member will be allowed to purchase creditable service for periods of non- membership employment. The amount of creditable service that may be purchased shall be determined by the retirement board in a manner consistent with the retirement board's supplementary regulations that have been approved by PERAC pursuant to 840 CMR 14.00. The member may purchase less than all non-membership service available for purchase; provided, however, that in such event the member must purchase the most recent time first.

(3) If more than one type of purchase is available, the member can choose which type of service they wish to purchase. Additionally, if the member can complete both a purchase of non-membership and membership service, the member has the option to choose which to complete first.

(4) Rates of Contribution Upon Return to Active Service. The rates of contribution for members formerly in service who have returned to the service of the same or another governmental unit shall be as follows:

- (a) for any member who contributed to a retirement system and did not receive a refund of accumulated deductions when he or she left service, the contribution rate upon the member's return to service shall be the same rate as the member was contributing at the time he or she left service;
- (b) the contribution rate for any member who contributed to a retirement system, and received a refund of accumulated deductions after termination of service, shall be the contribution rate in effect when the member re- established membership, whether or not the member purchases prior creditable service.

15.03. Regular Compensation

(1) During any period of active service prior to July 1, 2009 the term "regular compensation" as defined by M.G.L. c. 32, § 1, shall be determined subject to the following:

(a) To be considered regular compensation, any compensation to an employee must:

1. have been actually paid to or on behalf of a member:
2. be made as remuneration for services actually rendered, for recurring payments for accrued sick leave, or for payments made pursuant to M.G.L. c. 41, § 111F in the year or part of a year to which the compensation is attributed;
3. be ordinary, normal, recurrent, repeated, and of indefinite duration;
4. be made pursuant to an official written policy of the employer or to a collective bargaining agreement;
5. be made on a non-discriminatory basis and be generally available for employees who are similarly situated relative to the purpose of the payment (e.g. a longevity payment made recurrently to all employees in a bargaining unit having attained a specific length of service) provided that the ability of a payment to be denied due to merit shall not exclude it for that reason from regular compensation.

(b) Regular compensation shall include any part of such salary, wages, or other compensation derived from federal grants, except as otherwise provided in M.G.L. c. 32, § 3(2)(a)(xi);

(c) Lump-sum or retroactive payments which would have been regular compensation 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.

(d) Provided they meet the general criteria in 840 CMR 15.03(1)(a) through (c), payments to be considered regular compensation shall include:

1. a member's annual rate of compensation as provided in an approved salary schedule;
2. any non-cash maintenance allowances in the form of full or partial boarding and housing, as provided in M.G.L. c. 32, § 22(1)(c);

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3. any premiums paid by any governmental unit for the purchase of an individual or group annuity contract as authorized by M.G.L. c. 15, § 18A or by M.G.L. c. 71, § 37B;

4. any amounts paid as educational incentives;

5. any amounts paid for length of service;

6. any amounts paid as premiums for shift differentials; and

7. any amounts paid as cost-of-living bonuses or cost-of-living pay adjustments.

(2) During any period of active service prior to July 1, 2009, any extraordinary or ad hoc payment amount shall be excluded from regular compensation. Exclusions shall include, but not be limited to:

(a) any amounts paid for hours worked beyond the member's normal work schedule;

(b) any amounts paid as premiums for working holidays, except as authorized by law;

(c) any amounts paid as bonuses other than cost-of-living bonuses, provided that any payment to an employee or group of employees which will not recur or which will recur for only a limited or definite term will be considered a bonus, and further provided that any payments to an employee or group of employees as part of a salary augmentation plan or salary enhancement program which is provided for in an individual contract in effect on or before January 25, 2006 or in a collective bargaining agreement in effect on or before January 25, 2006, including payments under such a plan or program which will not recur or which will recur for only a limited or definite term, shall be treated as regular compensation; and further provided, that any employee who is covered by such an agreement or contract on January 25, 2006 and who begins, at any time during the life of a collective bargaining agreement or individual employment contract in effect on or before January 25, 2006, to receive benefits and make retirement contributions pursuant to a salary augmentation plan or salary enhancement program under such a collective bargaining agreement or individual employment contract, may complete the plan or program under that agreement or contract or under a successor collective bargaining agreement or individual employment contract, provided that the successor collective bargaining agreement or individual employment contract contains a salary augmentation plan or salary enhancement program; and further provided that the amount of the salary augmentation plan or salary

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enhancement program under a successor collective bargaining agreement or individual employment contract which shall be treated as regular compensation shall not exceed the amount of the salary augmentation plan or salary enhancement program provided under the collective bargaining agreement or individual employment contract in effect on or before January 25, 2006, and further provided that any member who has previously retired and is receiving benefits as of April 7, 2006 under the provisions of a salary augmentation plan or salary enhancement program shall have that plan deemed in compliance with the provisions of M.G.L. c. 32.

(d) any amounts paid in lieu of or for unused vacation, sick leave, or other leave;

(e) severance pay;

(f) any amounts paid as early retirement incentives; and

(g) any other payments made as a result of the member giving notice of retirement.

(3) During any period of active service subsequent to July 1, 2009 the term "regular compensation", as defined by M.G.L. c. 32, § 1, shall be determined subject to the following:

(a) 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;

(b) "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;

(c) Any amount, benefit or payment included in the definition of "regular compensation" by law or by regulation prior to July 1, 2009 and included in any applicable collective bargaining agreement or individual contract for

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employment in effect on May 1, 2009, shall continue to be included in the definition of "regular compensation" during the term of that collective bargaining agreement or contract; provided, however, that any such amount, benefit or payment received after the term of said collective bargaining agreement or contract ends or after June 30, 2012, as the case may be, shall continue to be considered regular compensation unless such payment does not meet the criteria set forth in 840 CMR 15.03(3)(b) or is excluded by the provision of 840 CMR 15.03(3)(f);

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

(e) 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;

(f) "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 ally 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; provided further, that notwithstanding the foregoing, in the case of a teacher employed in a public day school who is a member of the teachers' retirement system, salary payable under the terms of an annual contract for additional services in such school and compensation for services rendered by a teacher in connection with a school lunch program or for services in connection with a program of instruction of physical education and athletic contests as authorized by M.G.L. c. 71, § 47 shall be regarded as "regular compensation" rather than as bonus or overtime and shall be included in the salary on which deductions are to be paid to the annuity savings fund of the teachers' retirement system.

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15.04. Benefit Calculation Factors

PERAC, through its Actuary, is required to review the mortality table and interest rate used in the determination of the actuarial equivalence factors for Options A, B, and C on or before January 1, 2014 and every 10 years thereafter. After the review, if changes are warranted, the Actuary will select a revised mortality table and/or a revised interest rate to be used in the determination of actuarial equivalence factors and develop such revised factors.

15.05. Board Credit Cards

1. Retirement Boards may, by supplementary regulation, submitted to and approved by PERAC, authorize use of a credit card account issued to the Retirement Board. This regulation should specifically include the amount upon which prior spending authorization is required and the categories for which the credit card account can be used.
2. Authorized users should be voted upon by the board and included in the board meeting minutes. No one other than an authorized user may utilize the board credit card account.
3. Any personal use of said credit card account issued to the board is prohibited.
4. The board credit card account shall not be used to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers.
5. The credit card account billings shall be issued to the board office and any authorized user shall be required to provide receipts for all expenses included in the monthly statement within 10 business days of the statement date. If receipts are not provided, the authorized user will immediately reimburse the board for those items that appear on the credit card billing.
6. Credit card accounts issued to the board may be used to purchase supplies or other items that the Board, the board members, or the board's staff use on a regular basis in the performance of board-related duties. However, the board should follow a procurement process for the goods and services whenever possible. Credit card accounts issued to the board may also be used for board-related travel expenses, as described at 840 CMR 2.00, et seq., or the supplementary regulations of the board.
7. If the board credit card is lost or stolen, this must be immediately reported to the Board and to the financial institution issuing the card.

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8. The board must pay off the credit card account in full every month so as not to incur any interest on the account.
9. The board's supplementary regulation shall include a provision that continued or repeated non-conformance to this policy will result in cancellation of the credit card account and such other actions as appropriate.

15.06. Board Debit Cards

Retirement boards are prohibited from the use of debit cards for any purchases of goods or services.

15.07 NON-DISABILITY HEARINGS BY A RETIREMENT BOARD

- (1) Purpose. The following procedures shall be used for all Board hearings not related to disability applications including, but not limited to, matters involving G.L. c. 32, §§ 15, 16 (involuntary superannuation), 91, and 91A.
- (2) Notice. The retirement board shall give all parties at least 30 days notice of the time and place for the hearing and of the issues involved in the hearing. If the issues cannot be fully stated in advance of the hearing, they shall be fully stated as soon as practicable.
- (3) Discovery. Any party and any authorized representative shall, at any time after a hearing has been requested or ordered and after reasonable notice to the retirement board, be permitted to examine and/or copy, during normal business hours, any document in the case file pertaining to the member's file or the record of the hearing. All other discovery shall be at the discretion of the retirement board. A request for discovery may be made by any party at any time after a hearing has been requested or ordered.
- (4) Conduct of Hearing. Hearings shall be conducted in an informal manner that affords all parties an opportunity to present all information and argument relevant to the proceeding.
 - (a) Presiding Officer. The chairperson of the retirement board, any other member of the board acting as chairperson, or any individual designated by the board, shall be the presiding officer and shall assure parties the right to call and question witnesses and introduce exhibits, and to present argument relevant to the proceeding. The presiding officer shall assure an orderly presentation of the evidence and argument and that a record is made of the hearing.
 - (b) Continuances. The presiding officer may change the date, time or place of the hearing on his or her own motion or on the request of any party, upon due notice to all other parties, and may continue the hearing to a subsequent date to permit any party to present additional evidence, witnesses or other materials. At any time prior to decision, the presiding officer may reconvene the hearing for any purpose upon ten days written

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notice to all parties, stating therein the purposes for reconvening, and the date, time and place of the reconvened hearing.

- (c) Oaths; Rulings; Briefs. The presiding officer shall administer the oath or affirmation to witnesses, shall rule upon the admissibility of evidence and upon any requests for rulings, and may order that pre and/or post hearing written briefs be submitted by the parties .
- (d) The Record. All proceedings in connection with the hearing shall be recorded by electronic or stenographic means and such record shall be maintained as part of the hearing record. Transcripts or duplicate tapes of the proceedings shall be supplied to any party, upon request. At the discretion of the presiding officer, any party may be permitted to record the hearing (except, in the case of those hearings taking place at a meeting of the retirement board, those portions of the hearing which may be held in executive session) so long as this does not interfere with the conduct of the proceedings. All documents and other evidence received shall also become part of the record.
- (e) Executive Session. If a hearing occurs at a meeting of the retirement board, and if the subject of the hearing is such that the matter may proceed in executive session the board must first convene in open session for which notice has been given, a majority of the members of the board must vote to go into executive session and the vote of each member must be recorded on a roll call vote and entered into the minutes, the presiding officer must have stated the purpose for an executive session, and stated before the executive session if the board will reconvene after the executive session. In such executive session only the retirement board, the secretary and the retirement board's counsel, the parties and their authorized representatives and such other persons as the presiding officer shall deem necessary for the conduct of the hearing shall be permitted to be present. The records of the hearing in executive session shall not be made available to the public except in accordance with the board's regulations on privacy and confidentiality and such other laws or regulations as may be applicable to such records.
- (f) Evidence.
 - 1. General. The retirement board need not observe the rules of evidence observed by courts but shall observe the rules of privilege recognized by law. Evidence shall be admitted and given probative effect only if it is the kind of evidence on which reasonable persons are accustomed to rely upon. Unduly repetitious evidence may be excluded.
 - 2. Testimony; Stipulation. Witnesses shall testify under oath or affirmation and shall be available for questions by all parties. If a witness cannot, as a practical matter, be available in person the witness shall be available and testify remotely using adequate electronic means as ordered by the presiding officer. Stipulations by the parties as to

any fact or as to the testimony that would be given by an absent witness may be offered and received as evidence.

3. Documentary Evidence. Documentary evidence may be received in the form of copies or excerpts or by incorporation by reference at the discretion of the presiding officer.
4. Taking Notice of Facts. The retirement board may take notice of any fact which may be judicially noticed by the courts, and any fact within the retirement board's specialized knowledge. Parties shall be notified and afforded an opportunity to contest any facts so noticed.
5. Evidence to Be Part of Record. All evidence, including any records, reports and documents of the retirement board, to be considered in making a decision shall be offered and made a part of the record of the proceeding and the record shall at all times be open for inspection by any party or authorized representative during business hours. The retirement board may, with notice to all parties, require any party to submit additional evidence for the record and shall afford parties an opportunity to submit rebuttal evidence.

(g) Subpoenas.

1. Issuance. The presiding officer shall, within five days of a written request of a party, issue a subpoena requiring the attendance and testimony of a witness or the production of any evidence including books, records, correspondence or documents relating to any matter in question at the hearing.
2. Request to Vacate. Any person subpoenaed may file a written request to the presiding officer to vacate or modify the subpoena.
3. Decision on Request to Vacate or Modify Subpoena. The presiding officer shall notify all parties of the request to vacate or modify the subpoena and afford parties a reasonable time to respond. The presiding officer shall grant the request to vacate or modify the subpoena if the testimony or evidence subpoenaed does not relate with reasonable directness to any matter at issue in the proceeding or if the subpoena is otherwise unreasonable or oppressive.
4. Failure to Comply with Subpoena. If any person fails to comply with a properly issued subpoena, the retirement board or the party requesting the issuance of the subpoena may petition the Superior Court for an order requiring compliance.

(5) Written Decision. The presiding officer shall issue a written decision to the retirement board following the conclusion of the hearing. The Board shall vote and issue a decision following receipt of the Presiding Officer's decision and provide the parties with the appropriate appeal rights.

840 CMR 25.00 Field Examinations Of

840 CMR 25.00. Field Examinations of Contributory Retirement Systems

REGULATORY AUTHORITY

840 CMR 25.00: M.G.L. c. 7, § 50; c. 32, § 21.

**840 Mass. Code Regs. 25.01 Field Examinations of
Contributory Retirement Systems (Code of Massachusetts
Regulations (2021Edition))**

25.01. Field Examinations of Contributory Retirement Systems

840 CMR 25.00 is the standard rule for the field examinations of contributory retirement systems promulgated by PERAC pursuant to M.G.L. c. 7, § 50(a) and c. 32, § 21(1)(a). Except as otherwise provided by PERAC, or by statute, 840 CMR 25.00 shall govern any examination of the financial condition of a contributory retirement system.

Examinations of contributory retirement systems are conducted to determine the system's financial condition, to monitor performance under the terms of its legal, contractual and fiduciary requirements, and to examine the system's effectiveness in achieving the intended results established by M.G.L. c. 32.

An examination of each system shall be conducted at intervals not exceeding every three years to ascertain the system's financial condition, its ability to fulfill its obligations, whether all parties in interest have complied with the laws applicable thereto, and whether the transactions of the board have been in accordance with the rights and equities of those in interest.

The examination of a retirement system encompasses the period beginning on January 1 immediately following the ending date of the preceding M.G.L. c. 32, § 21(1)(a) examination. An examination of each intervening year of the audit period must be conducted as well as a review of the subsequent years as appropriate to ensure that the board is presently operating within the practices and procedures prescribed by PERAC and M.G.L. c. 32.

Prior to the start of the examination, the Board's Administrator will be provided with the Internal Control Questionnaire prescribed by PERAC. This questionnaire is designed to assist in understanding and evaluating internal controls. It consists of general questions that apply to all retirement boards, however, it does not purport to cover all aspects of internal control present at a particular system.

The board of any system may have an examination of its financial condition conducted by a certified public accountant or a public accountant selected by the board. Upon the employment of such person or firm, the board shall file said individual's or firm's name and address with PERAC.

Within ten days of making a report on the financial condition of the system to the board of such system, the individual or firm conducting the examination shall file a certified copy thereof with the PERAC.

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Contributory Retirement Systems (Code of Massachusetts
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Any such examination conducted in accordance with 840 CMR 25.00 shall be deemed upon acceptance by PERAC to be the examination required by M.G.L. c. 32, § 21(1)(a). To be so accepted by PERAC the examination(s) must cover the period beginning on January 1st of the year following the completion of the most recent examination conducted pursuant to said M.G.L. c. 32, § 21(1)(a), and ending on December 31st three years later. Acceptance is contingent upon PERAC's review of the audit workpapers.

In conducting an examination pursuant to 840 CMR 25.00, PERAC audit staff may utilize and rely on such portions of the report of an examination by a certified public accountant or public accountant selected by a retirement board as it deems appropriate. PERAC audit staff shall then examine areas supplemental to the board-selected accountant required by 840 CMR 25.00 and, together with the board-selected accountant's work, it shall be deemed acceptable as the examination required by M.G.L. c. 32, § 21(1)(a).