

THE VOICE

OF THE RETIRED PUBLIC EMPLOYEE

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OCTOBER 2025

SUBSTANTIAL GAINS FOR MASS RETIREMENT SYSTEMS

PERAC ISSUES 2024 INVESTMENT REPORT



Annually, the state's public pension oversight agency, PERAC (Public Employee Retirement Administration Commission), publishes an Investment Report that summarizes the investment returns for the preceding year and annualized past returns of all 104 retirement systems and the state's PRIT Fund (Pension Reserves Investment Trust Fund). Recently PERAC issued its 2024 Report that not only shows the individual retirement system results, but also calculates the state-wide

composite of all systems, including the gains of the PRIT Fund.

"As always, PERAC's latest report provides an excellent summary of the most recent investment returns for 2024, along with historical data showing the investment growth within all our retirement systems," notes *Mass Retirees* President Frank Valeri. "And, we're pleased to see that this year's report again contains substantial investment gains for Mass. retirement systems." **Ed Note:** Valeri also serves as an elected member of the State Retirement

Board and can be counted among the many Association officers and members who serve on retirement boards across the Commonwealth.

Details from PERAC's 2024 Report are summarized beginning on Page 10. We must point out that two categories – Assumed Rate of Return and COLA Base – were not included in the PERAC Report. We believe that these categories are of particular interest to our members and have inserted them in our summary.

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S P O T L I G H T O N

HEALTHCARE AFFORDABILITY

Our lead article in the July edition of *The Voice* was an editorial spelling out our deepening concerns regarding healthcare affordability and the impact that rising insurance costs have on public retirees.

Case in point, members have rightfully pointed out that, in many cases, the FY26 COLA that was paid in the July pension check does not cover the annual increase in health insurance premiums – let alone give retirees a fighting chance to keep pace with rising inflation.

Beyond sounding the alarm over affordability, the editorial also

As Collaboration Takes Shape

sought to serve as a call to action for stakeholder groups to come together in search of solutions to this growing crisis. Whether it be organizations such as *Mass Retirees* and public sector unions representing healthcare consumers, insurance companies, state agencies like the Group Insurance Commission, or the medical providers themselves – everyone has a stake in working together to improve our healthcare system.

The good news is that we are

not alone in our belief that healthcare affordability has reached a crisis point, or on the need for close collaboration in search of solutions.

Since the July *Voice* was published in early June, several meetings have taken place on the general topic, with our Association playing a key role in leading those discussions.

INSURANCE PROVIDERS TAKE LEAD ROLE

As we mentioned in our July editorial, several of the state's insurance providers have taken a leading role on the issue of healthcare

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ASSOCIATION'S NEW
EXEC. VP SEAN NEILON

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OFFICERS ATTEND
MACRS CONFERENCE

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Healthcare

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affordability, as well as steps that can be taken to gain control over or limit the growth of healthcare costs.

For instance, in early 2024 BCBS of MA commissioned and released a comprehensive survey on healthcare affordability in Massachusetts. The finding that some 40% of MA residents report having forgone a healthcare procedure, test or medication due to cost should serve as an immediate wakeup call that a crisis is underway.

Members know that *Mass Retirees* has a very close and long-standing relationship with BCBS that dates back more than 50 years. Frank Valeri, Shawn Duhamel, and Nancy McGovern each serve on the BCBS MA Labor Advisory Committee.

In June, five senior BCBS officials travelled to our Beacon Hill office for a comprehensive and lengthy discussion regarding our concerns, as well as what initial steps can be taken to assist our members. While conversations are ongoing, *Mass Retirees* members can expect to receive more frequent and detailed communications aimed at helping retirees access and better navigate your benefits.

This same approach also applies to Wellpoint and the GIC. For example, members who have participated in recent Tele-Town Hall meetings featuring Wellpoint General Manager David Morales have heard about the insurance provider's focus on "whole person, whole health." In addition, Wellpoint's ongoing collaboration with Senscio Systems in providing access to the Ibis Telehealth platform is a real-time example of innovative steps being taken to improve outcomes, prevent hospital stays, and naturally lower costs over time.

The GIC and the state's Health Policy Commission (HPC) have each publicly placed a spotlight on the

fact that cost shifting does not save healthcare dollars in the long-term. Study after study have proven that the opposite is true: The higher the

members and creating a direct line of communication to retirees, the health plans and the government agencies responsible for providing

MASS RETIREES MEETING WITH BLUE CROSS OFFICIALS ON MUNICIPAL HEALTHCARE & MEMBER CONCERNS



(L-R) From *Mass Retirees*: Dir. Healthcare & Retirement Advocacy Nancy McGovern & CEO Shawn Duhamel; From *Blue Cross*: Municipal Sales Dir. Steve Fay, Labor Engagement Manager Steve Dion, Labor Affairs Dir. Chris May, Senior VP Municipal, Labor & Diversified Sales Paul Sweeney & Associate Dir. Group Medicare Sales Mark Thomas

healthcare cost placed on the individual, the more people will choose to forgo needed care due to cost, which in turn only leads to higher overall costs in the long run.

In addition to being unfair, this is a primary reason why the GIC, under the leadership of Executive Director Matt Veno, has publicly resisted calls to increase copayments and deductibles.

Mass Retirees is also a member and active participant in the Public Sector Healthcare Roundtable. Based in Washington, DC, the Roundtable is an association serving nearly 35 public sector health plans across the country. Participating plans range from the massive California public sector plan to the New Hampshire Healthcare Trust. The GIC is also a member.

"Not only do we learn a lot by working directly with our insurance plans here in MA, as well as with the plans operating in other states, but I believe that the plans are well served by hearing our perspective. After all, these plans exist to benefit public retirees and employees," said *Mass Retirees* CEO Shawn Duhamel. "By providing the perspective of our

benefits are more successful in their approach."

One example of the value of such collaboration amongst entities is the growing issue of GLP-1 medications. Originally brought to market as a treatment for Type 2 diabetes, GLP-1s were discovered to be a highly effective treatment for obesity. However, the cost of the monthly injectable is very high and partially attributable to the recent sharp rise in health insurance costs.

As these medications have grown in popularity, so have the costs associated with providing the benefit. Despite strong evidence of both the effectiveness of the medication and the long-term benefits to the enrollee and the health plan, to stem rising costs, there is a growing trend by plans to either limit or no longer cover GLP-1s for weight loss.

Governor Healey recently proposed that the GIC limit coverage starting in January, but current state law prohibits the GIC from making mid-year plan design changes. The governor has proposed suspending that law for FY26, which is something *Mass Retirees* adamantly

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MASS RETIREES MEETINGS

SEPTEMBER-DECEMBER 2025



9.12.25
Westport, MA
11:00 AM

10.3.25
Plymouth, MA
11:00 AM

10.9.25
Pittsfield, MA
1:00 PM

10.10.25
West Springfield, MA
11:00 AM

11.21.25
Auburn, MA
11:00 AM



11.14.25
1:00 PM

R E M I N D E R

2025 ANNUAL MEETING

DON'T FORGET: NEW LOCATION IN WESTPORT

WHEN: FRIDAY, SEPTEMBER 12, 2025, 11:00AM
WHERE: WHITE'S OF WESTPORT
66 STATE ROAD, WESTPORT, MA 02790

**PLEASE
JOIN US!**

I N - P E R S O N

UPCOMING AREA MEETINGS

F R O M E A S T T O W E S T

AS YOU SEE BELOW, AREA MEETINGS WILL BE CONDUCTED ACROSS THE COMMONWEALTH – FROM THE EAST TO THE WEST OF THE STATE UNTIL YEAR'S END. FUTURE MEETINGS WILL BE POSTED ON PAGE 3 OF THE VOICE. SO PLEASE STAY TUNED FOR ONE IN YOUR AREA.

WHEN: FRIDAY, OCTOBER 3, 2025, 11:00AM
WHERE: HOTEL 1620
180 WATER STREET, PLYMOUTH, MA 02360

WHEN: THURSDAY, OCTOBER 9, 2025, 1:00PM
WHERE: HOLIDAY INN & SUITES BERKSHIRE
ONE WEST STREET, PITTSFIELD, MA 01201

WHEN: FRIDAY, OCTOBER 10, 2025, 11:00AM
WHERE: STORROWTON TAVERN & CARRIAGE HOUSE
1305 MEMORIAL DRIVE, W SPRINGFIELD, MA 01089

WHEN: FRIDAY, NOVEMBER 21, 2025, 11:00AM
WHERE: AUBURN ELKS LODGE 2118
(PLEASE USE HANDICAPPED ENTRANCE)
754 SOUTHBRIDGE STREET, AUBURN, MA 01501

**STRIVING
TO KEEP
MEMBERS
INFORMED
& ENGAGED**

TELE-TOWN HALL

FRIDAY, NOVEMBER 14, 2025, 1:00PM

AUTO-CONNECT: At the time of the event *Mass Retirees* members will receive a call from us. Simply answer the call and remain on the line to join the meeting. Members can find the toll-free number for all Town Hall Meetings on your membership card.

**SPOTLIGHT ON
COLA COMMISSION
REPORT**

MASS RETIREES ENDORSES BOSTON MAYOR MICHELLE WU FOR REELECTION



*Shawn Duhamel & Frank Valeri
with Mayor WU*

Dating back to our Association's founding in 1968, we have maintained a close working relationship with the mayor of Boston. As the Commonwealth's capitol city and

the 3rd largest public pension fund, Boston often sets the tone when it comes to the retirement policies of our municipal governments.

Each mayor from Kevin White, through Ray Flynn, Tom Menino, and Marty Walsh have been supporters of public retirees and helped set a positive tone on public retirement policies that has been heard across Massachusetts. Current Boston Mayor Michelle Wu has followed in the footsteps of her four predecessors, both in terms of her support for public retirees and in forming a working relationship with our Association.

From Ray Flynn through to Michelle Wu, the City of Boston has aggressively funded its retirement

system to pay off the accumulated unfunded liability well ahead of the legal deadline of 2040. With a pension fund now nearly 90% funded, Boston is well on track to reach fully funded status by 2028.

Pension costs for Boston Teachers, who are members of the Boston Retirement System, are paid for by the Commonwealth. The unfunded liability associated with Boston Teachers will be fully funded in 2036, the same year as the State and Teachers' Retirement Systems.

While approaching fully funded status, Boston will be able to improve COLA benefits, both in terms of increasing the traditional COLA base and adopting the new

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SOCIAL SECURITY FAIRNESS ACT 3.1 MILLION RETIREES RECEIVED \$14 BILLION IN PAYMENTS

Less than seven months after being signed into law by President Joe Biden, the Social Security Administration (SSA) has announced that it has completed implementation of the Social Security Fairness Act.

According to the SSA, some 3.1 million retirees who were previously impacted by the WEP/GPO laws have received more than \$14 billion in retroactive payments – most dating back to January 1, 2024. These same retirees will now receive a monthly Social Security payment that reflects the benefit they earned now that WEP/GPO have been fully repealed.

As of June 10 (last state-by-state data available), more than 117,000 MA residents had received more than \$939 million in retroactive

lumpsum payments.

"We continue to hear from members who have not only received large lumpsum payments but are now receiving a monthly benefit that had previously been significantly reduced or eliminated by WEP/GPO. This has truly been a 'lifechanging' event for the 3.1 million retirees who had been harmed by WEP/GPO," said *Mass Retirees* CEO Shawn Duhamel, who has long been our Association's point person on federal policy issues. "We have also heard from many members who did not realize that they are now eligible for Social Security benefits. If you think you might be eligible, then it is a good idea to apply."

Social Security eligibility comes either through your own work

history (a minimum of 40-quarters) or through that of a spouse. And while eligibility for Social Security retirement benefits begins at age 62, if you begin collecting earlier than your full retirement age the benefit is reduced due to early enrollment. That reduction is permanent and applies to spousal/survivor benefits, as well as a retiree's own Social Security benefit.

"Even if you qualify for your own small Social Security benefit, you may also qualify for a larger spousal benefit. Assuming that you are at full retirement age, spousal benefits are equal to 50% of your spouse's Social Security benefit. Survivor benefits are equal to 100% of the deceased spouse's Social Security," explains

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MASS RETIREES LEGISLATIVE UPDATE

ASSOCIATION BILLS RECEIVING PUBLIC HEARINGS

Since the July edition of *The Voice*, the public hearing process has picked up pace.

According to Nancy McGovern, Director of Healthcare & Retirement Advocacy, "To date, 12 of the bills filed by the Association for the 2025–2026 legislative session has been scheduled for public hearings before their assigned committees, predominately Public Service. And, the Association has submitted testimony in support of each bill heard to date."

BILLS HEARD:

Below is a breakdown of each bill, including the date of the hearing and bill sponsor.

H1150 LOCAL WITHDRAWAL FROM GIC (5/13/2025)

-Rep. Rodney Elliott

S1810 ORDINARY DISABILITY MINIMUM (6/2/2025)

-Sen. Brendan Crighton

H2874 GIC MEDICARE BUY-IN PROGRAM (6/4/2025)

-Rep. Brad Jones

H2907 GIC OUT-OF-POCKET MAXIMUM (6/4/2025)

-Rep. John Mahoney

H2801 SURVIVOR INSURANCE (6/4/2025)

-Rep. Marjorie Decker

H2787 RELIEF FOR PRE-JULY 2004 OPTIONS (b) & (c) RELIEF (6/25/2025)

-Rep. Tackey Chan

S1867 INCREASE IN OPTION (D) MINIMUM PENSION (6/25/2025)

-Sen. Cindy Friedman

S1918/H2834 VETERANS' BONUS (6/25/2025)

-Sen. John Velis/Rep. Dennis Gallagher



Mass Retirees CEO Shawn Duhamel & Dir. of Healthcare & Retirement Advocacy Nancy McGovern Testifying Before the Public Service Committee

H2854 EXTEND VOTE TO SURVIVORS IN BOARD ELECTIONS (7/9/2025)

-Rep. Danielle Gregoire

H2890 TRANSPARENCY IN MUNICIPAL HEALTH INSURANCE (7/9/2025)

-Rep. John Lawn

S1848/H2799 LOCAL RETIREE INSURANCE PROTECTION (7/9/2025)

-Sen. Paul Feeney/Rep. Mike Day

S1917 EXTEND DEFINITION OF VETERAN FOR VETS BONUS (7/9/2025)

-Sen. John Velis

BILLS REMAINING TO BE HEARD:

The remaining three bills filed by the Association for the 2025–2026 session had not yet received a public hearing at the time of printing. We anticipate that the House and Senate bills related to the COLA will not be scheduled for a hearing until the Special COLA Commission (see page 7) concludes its work this fall.

H2888 INSURANCE ADVISORY COMMITTEE COMPOSITION

-Rep. Kathleen LaNatra

H2835 MINIMUM EMPLOYER PENSION SYSTEM APPROPRIATION

-Rep. Dennis Gallagher

S1808/H2794 STATE & TEACHERS' COLA BASE & COLA ENHANCEMENT FOR LONG-TERM "CAREER" RETIREES

-Sen. Brendan Crighton/Rep. Mark Cusack

STATE BUDGET UPDATE

FISCAL YEAR 2026 BUDGET SIGNED

With Key Provisions for Public Retirees

Governor Maura Healey signed the FY2026 Massachusetts state budget on July 4, delivering several important provisions for public retirees:

- **3% COLA Approved:** Retirees in the State and Teachers' Retirement Systems saw a 3% cost-of-living increase in their July pension checks.

- **Pension & GIC Funding:** The budget includes a full \$4.9B pension contribution and \$2.2B for the Group Insurance Commission (GIC), with retiree premium rates unchanged from FY2025.

- **GLP-1 Coverage Change:** The Governor reduced the GIC line item by \$27.5M which is tied to a directive by the Governor for the GIC to no longer cover GLP-1 medications prescribed solely for weight loss.

- **Request for Expanded 9C Powers:** The Governor asked for broader authority to make mid-year cuts.



NEILON APPOINTED EXECUTIVE VICE PRESIDENT

Retired As MTRS Asst. Exec. Director & CFO



SEAN NEILON
EXECUTIVE VICE PRESIDENT

With the passing of Executive VP Paul Shanley, Association President Frank Valeri fully recognized the importance of filling his position now before the September 2026 elections, as the by-laws empower him to do. As Valeri sees it, "This is too important a position within our organization to be left vacant for more than a year.

"Having worked with him on public retirement issues over decades, I knew that Sean had the experience and knowledge to step right into the job and be an outstanding Association officer. Here's a brief summary of his illustrious career in

public service."

Sean has over 37 years of experience in the public retirement field. He retired from the Massachusetts Teachers' Retirement System (MTRS) in December 2024, as the Assistant Executive Director and Chief Financial Officer, having first been employed by the MTRS in 1997 as the Director of Intergovernmental Services. And, prior to his employment with the MTRS he served as Director of Research for the Joint Committee on Public Service at the Massachusetts Legislature. Prior to his retirement, Sean also served as a board member of the Coalition

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PERAC

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POSITIVE NEWS

Valeri continues, "Most importantly, PERAC's report contains positive news, showing that the long-term (40-Year) investment return of each retirement system exceeds their individually assumed rate of investment return. Moreover, the composite for all systems over the past 40 years, is just over 9%."

For the 104 retirement systems, their 2024 investment gains have exceeded their assumed rate of return, except for one. Norwood, whose system is well-funded at over 75%, fell just 0.14% short of its assumed return but its 40-Year Return is almost 2% higher.

This positive news helps to drive the Association's ongoing calls that state and local governments share

the system's "excess" gains with retirees and survivors. As we're reporting on page 8, most local and regional governments have been answering our call and improving their COLA benefits with a higher base.

"But much more needs to be done," cautions Valeri. "I'm hopeful that the Special COLA Commission, on which I am currently serving (see related article on page 7 will provide some new approaches toward achieving improved COLA bases and developing a new benefit for long-term retirees."

FORTY-ONE SYSTEMS OVER 80% FUNDED

Focusing on the Funded Ratio for the retirement systems, there is also positive news. Forty-one systems – nearly 40% - have a funded ratio higher than 80%. It's noteworthy that the funded ratios for these

systems do not include 2024 gains and in some cases, 2023 investment returns.

"With PERAC's Annual Report, we're able to better gauge the overall stability and health of our 104 retirement systems and PRIT," according to Association CEO Shawn Duhamel. "While the data offers signs that most systems are trending in a positive direction, we remain concerned that with full funding state and local governments will not maintain their commitment to continue funding their retirement system.

"Once full funding is achieved, state and local governments can't be allowed to discontinue their obligation to the pension fund, potentially undermining any future efforts to better pensions including COLAs. For these reasons we introduced **H2835** that mandates a minimum appropriation by state and local governments for their respective pension system upon reaching full funding."

VALERI ANNOUNCES REELECTION

★★★★ *FOR THE STATE RETIREMENT BOARD* ★★★★★



FRANK VALERI
MASS RETIREES PRESIDENT

Mass Retirees President Frank Valeri has announced he will be a candidate for reelection to the State Retirement Board. Since 2013 Valeri has served as Association president, replacing its long time and founding father Ralph White. During his tenure as a State Board elected member, he has fought to shorten the wait for first pension payments, strengthen veterans service buyback rights and increase COLA benefits,

as well as other membership service improvements.

As Association President, Valeri continued the efforts to repeal the unfair Social Security WEP and GPO laws, that recently took place this past January. He retired from State government after 38 years of service, retiring from the Public Employee Retirement Administration Commission (PERAC), the state pension oversight agency, as well as many years with the state legislature.

★★★★

COLA COMMISSION WORK CONTINUES

Focus on Creating Enhanced Benefit

While local retirement systems continue to focus on incrementally increasing their respective COLA base, the work of the state's Special COLA Commission continues.

As we reported in the July edition of *The Voice*, the 9-member Commission is heavily focused on the creation of a new enhanced or "senior" COLA benefit that would be paid to long-term retirees in addition to the traditional COLA. In addition, the Commission is mandated to explore the means of increasing the COLA base for members of State and Teachers' Retirement Systems.

In the July *Voice*, we spelled out our Association's vision for the new enhanced COLA benefit. While the details of what the Commission may recommend remain a work in progress, the general premise is the

creation of an additional COLA benefit that would be applied to career public employees who have been retired for 10 or more years.

"At this point, much of the work of the Commission is centered on modelling out the various approaches for an enhanced COLA benefit. It goes without saying that our hope is to create a new benefit that will help the greatest number of retirees. The longer someone has been retired, the harder they have likely been hit by inflation," explains *Mass Retirees* President Frank Valeri, who was appointed to the Commission by Governor Maura Healey. "In developing the Commission's policy recommendation, it is important to remember that whatever is proposed must then be approved by the legislature and then approved locally before taking

effect. This means that, like all other aspects of retirement benefits, cost is a major factor."

In addition to formulating the new enhanced benefit, the Commission is also working on recommendations to improve the State/Teacher COLA base which has been set at \$13,000 since 2012.

"Members know that *Mass Retirees* has long argued that the success of our public pension investments must be shared with the beneficiaries. My hope is that we can establish a process by which a portion of excess investment gains can be dedicated toward incrementally improving the State and Teachers' COLA base over time," continued Valeri. "There is no getting around the fact that these benefits are expensive. However, those costs must be

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LOCALS CONTINUING TO INCREASE THEIR COLA BASE

NINETEEN SYSTEMS INCREASE FY26 BASE

Over the past 5 fiscal years (FY22- FY26) *Mass Retirees* is pleased to report that local retirement systems have continued to increase their COLA Base. This is very welcome news.

For FY26 that began this past July 1, all 102 local retirement boards have approved a COLA, effective July 1, while the FY26 State Budget authorized a 3% COLA for retired state employees and teachers. Except for Peabody adopting a 2.5% COLA, a 3% will be applied to the Base amount that as the chart below shows, ranges from \$30,000 to \$12,000.

According to President Frank Valeri who serves on the Special COLA Commission (see p.7), "We're also pleased to report that 19 local systems (with 5 asterisks) increased their FY26 COLA Base. For most of these systems, this was not their first Base increase."

That's true for the Bristol County Retirement System, whose two elected members, retired Somerset Fire Chief Steve Rivard and retired Easton Fire Captain Bill Downey, belong to *Mass Retirees*. "We have the distinction of being the first to implement a \$20,000 COLA Base back in 2023," according to Rivard, who also serves as the Association's Southern District VP. "And with the combined help of all the members – its chairman, County Treasurer Chris Saunders, County Commissioner John Saunders and Seekonk

Treasurer Christine DeFontes, as well as Bill and myself, we were able to up the Base again two years later.

"This July retirees and survivors saw their COLA paid on the first \$22,000 of their pensions. While sustaining the system's integrity, we'll continue to do all we can to improve the COLA."

Valeri continues, "But for one it was their first. I'm referring to Fall River that increased their Base from \$12,000 to \$14,000. This most welcome increase for the city's retirees can, in large part, be credited to the work of the Retirement Board's two elected members, retired Police Officer Jim Machado and retired Fire District Chief Bob Camara, who are both *Mass Retirees* members.

"And, thanks to all the boards and local officials who made the Base increases possible this year. As of now, there remains just one local system, Amesbury, with the ignominious distinction of still paying a COLA on \$12,000."

Finally, it's noteworthy that over the past 4 years (July 1, 2021 to July 1, 2025), 77 local retirement systems (highlighted in red) have increased their COLA Base – 75% of the Commonwealth's local retirement systems. The effective date for a system's increase is indicated by the number of asterisks affixed to the system.

\$30,000 Base Montague****

\$22,000 Base Bristol County*****

\$21,000 Base Wellesley*****

\$20,000 Base Hull***** MHFA***** Methuen***** Norfolk Cty*****

\$18,000 Base Barnstable Cty

Blue Hills RSD* Cambridge*** Clinton** Dedham***** Easthampton***** GLSD**** Hampden Cty Lowell***** Malden** Maynard***** Medford** Milton** Needham***** Plymouth Cty*** Saugus** Southbridge***** Webster***

Woburn****

\$17,000 Base Fairhaven**** Franklin Cty MWRA**

\$16,000 Base Berkshire Cty**** Chicopee** Essex Cty** Falmouth*** Framingham** Greenfield**** Lynn***** Melrose**

Middlesex Cty N. Attleboro*** Norwood**** Pittsfield** Plymouth*** Quincy**** Somerville*** Swampscott***** Taunton*** Wakefield** Worcester*** Worcester Cty \$15,000 Base Arlington Boston*

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DID WEP/GPO REPEAL HELP YOU?



Cape Cod Meeting: Members Raising Their Hands YES!

Social Security

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Mass Retirees General Counsel Bill Rehrey. "Also, keep in mind that you may also be eligible through a divorced spouse, so long as you were married for 10 years or longer."

To apply for Social Security benefits, please visit SSA.gov or call your local SSA office.

We should also point out that not all public retirees now receiving Social Security benefits were impacted by the WEP/GPO laws. For instance, if you were either

retired prior to the WEP/GPO taking effect in the early 1980s or eligible to retire at that time, then you have likely been collecting your full Social Security benefit all along without any reduction.

The same applies to those public retirees with 30 or more years (120+ quarters) of substantial earnings under Social Security. Substantial earnings essentially means full-time employment paying into Social Security.

"Another important point is that we are aware that SSA continues to take a narrow view of retroactive benefits, when applied to those

retirees previously impacted by the GPO. Unless there is a written record of having previously applied for benefits, SSA is not making the payment retroactive to 1/1/2024 and instead making the benefit retroactive six months from the date of the new application," added Duhamel. "We disagree with this interpretation, as it is unfair to those retirees who received a verbal denial from SSA. However, absent congressional action or a successful legal appeal, the decisions of SSA are final."

At this time, further congressional action regarding the Fairness Act is unlikely.

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Brookline**
Chelsea****
Dukes Cty***
Hingham****
Holyoke****
Lexington**
Massport****
Minuteman RSD*****
Natick****
Newburyport***
Newton*****
 Peabody
Salem**
Stoneham**
Watertown*****

\$14,000 Base
 Adams
Andover**
Attleboro*****
Braintree*****
Brockton**
Concord*
 Everett
Fall River*****
Fitchburg***
Gardner***
 Gloucester
Lawrence***
Marblehead***
Marlborough****
New Bedford***

Northbridge
 Reading
Revere****
Shrewsbury**
Springfield***
 Waltham
 Winchester
Winthrop****

\$13,000 Base
 Belmont
Beverly**
 Danvers
 Hampshire County
 Haverhill
Leominster**

Milford
 North Adams
 Northampton
 State
 Teachers'
 West Springfield
 Westfield
Weymouth**

\$12,000 Base
 Amesbury

KEY:
 Fiscal Year For
 Base Increase

*FY22
 **FY23
 ***FY24
 ****FY25
 *****FY26

INVESTMENT RETURNS & FUNDED RA

KEY FACTORS IMPACTING A COLA BA

Earlier in this Voice (page 1) we reported on the 2024 Investment Report by PERAC (Public Employee Retirement Administration Commission). The Table below provides details from the Report, as well as other key factors not in the Report (for example,

Assumed Rate of Return and COLA Base) that impact a decision by retirement systems to increase their COLA Base. Please note that the column, entitled 40-Year Rate of Return, shows the rate of return for a period that refers back to the 1983 enactment of Chapter 661, the landmark

omnibus pension funding and investing reform law that included the creation of “6A Pension Reserve Funds”.

We have also updated the Funded Ratio and Date of Valuation for a system where appropriate.

RETIREMENT SYSTEM	2024 RATE OF RETURN	ASSUMED RATE OF RETURN	40-YEAR RATE OF RETURN	COLA BASE	FUNDED RATIO	DATE OF LAST VALUATION
Adams	9.67%	6.75%	7.69%	\$14,000	69.9%	1/1/24
Amesbury	9.43%	7.50%	8.11%	\$12,000	64.5%	1/1/24
Andover	9.43%	5.75%	8.45%	\$14,000	95.6%	1/1/23
Arlington	9.49%	7.00%	8.37%	\$15,000	66.8%	1/1/24
Attleboro	9.85%	7.00%	8.86%	\$13,000	69.8%	1/1/24
Barnstable County	9.35%	6.90%	7.74%	\$18,000	66.9%	1/1/24
Belmont	8.58%	7.00%	9.11%	\$13,000	76.1%	1/1/24
Berkshire County	9.63%	6.75%	8.92%	\$16,000	95.4%	1/1/23
Beverly	9.57%	7.00%	8.59%	\$13,000	75.3%	1/1/24
Blue Hills Regional	9.41%	7.00%	8.64%	\$18,000	87.1%	1/1/24
Boston (City)	8.53%	6.90%	8.56%	\$15,000	85.8%	1/1/24
Boston (Teachers)	9.56%	7.00%	N/A	\$15,000	49.1%	1/1/24
Braintree	11.25%	7.13%	8.61%	\$13,000	73.8%	1/1/24
Bristol County	8.18%	7.35%	8.67%	\$22,000	66.0%	1/1/24
Brockton	9.64%	6.75%	8.52%	\$14,000	88.2%	1/1/24
Brookline	9.50%	6.80%	8.67%	\$15,000	74.4%	1/1/24
Cambridge	9.74%	7.10%	9.06%	\$18,000	91.7%	1/1/24
Chelsea	9.69%	7.00%	8.10%	\$15,000	87.0%	1/1/23
Chicopee	11.60%	7.25%	8.62%	\$16,000	90.9%	1/1/23
Clinton	9.60%	7.00%	7.94%	\$18,000	76.3%	1/1/23
Concord	9.10%	6.50%	8.39%	\$14,000	93.1%	1/1/24
Danvers	13.17%	7.13%	8.05%	\$13,000	64.5%	1/1/24
Dedham	9.71%	7.00%	9.36%	\$18,000	93.2%	1/1/24
Dukes County	9.03%	7.00%	8.10%	\$15,000	86.3%	1/1/24
Easthampton	9.47%	6.85%	8.35%	\$18,000	77.0%	1/1/24
Essex Regional	8.95%	7.00%	8.70%	\$16,000	63.3%	1/1/24
Everett	9.71%	7.13%	8.51%	\$14,000	81.5%	1/1/24

RATIOS FOR 104 RETIREMENT SYSTEMS

PERCENTAGE INCREASE (CONTINUED FROM PAGE 1)

RETIREMENT SYSTEM	2024 RATE OF RETURN	ASSUMED RATE OF RETURN	40-YEAR RATE OF RETURN	COLA BASE	FUNDED RATIO	DATE OF LAST VALUATION
Fairhaven	9.55%	7.00%	9.17%	\$17,000	84.6%	1/1/24
Fall River	9.48%	7.00%	8.39%	\$14,000	50.9%	1/1/23
Falmouth	6.10%	7.00%	8.74%	\$16,000	73.2%	1/1/24
Fitchburg	9.47%	7.00%	7.82%	\$14,000	56.9%	1/1/24
Framingham	9.68%	7.00%	9.14%	\$16,000	83.4%	1/1/24
Franklin Regional	9.14%	7.15%	8.39%	\$17,000	79.3%	1/1/24
Gardner	9.59%	7.00%	9.24%	\$14,000	66.2%	1/1/24
Gloucester	9.68%	7.00%	8.83%	\$14,000	60.4%	1/1/24
Greater Lawrence	19.92%	6.50%	8.42%	\$18,000	106.9%	1/1/23
Greenfield	9.58%	7.00%	8.54%	\$16,000	66.6%	1/1/23
Hampden County Regional	9.56%	7.00%	8.58%	\$18,000	57.1%	1/1/24
Hampshire County	8.60%	6.80%	8.25%	\$13,000	75.1%	1/1/24
Haverhill	9.15%	7.00%	9.71%	\$13,000	69.4%	1/1/24
Hingham	9.64%	7.25%	9.01%	\$15,000	78.8%	1/1/24
Holyoke	11.68%	7.00%	9.36%	\$15,000	81.5%	1/1/24
Hull	8.96%	7.40%	8.04%	\$20,000	82.8%	1/1/24
Lawrence	9.41%	7.00%	7.95%	\$14,000	63.6%	1/1/24
Leominster	9.63%	5.50%	8.59%	\$13,000	101.3%	1/1/24
Lexington	17.11%	7.25%	8.82%	\$15,000	82.3%	1/1/23
Lowell	9.55%	7.00%	8.95%	\$18,000	63.6%	1/1/23
Lynn	9.20%	7.00%	8.10%	\$16,000	65.5%	1/1/23
Malden	15.39%	6.75%	9.29%	\$18,000	81.3%	1/1/24
Marblehead	9.61%	7.00%	9.11%	\$14,000	71.5%	1/1/24
Marlborough	7.92%	7.25%	8.18%	\$14,000	84.1%	1/1/23
MA Housing Finance Agency (MHFA)	8.39%	7.00%	7.65%	\$13,000	93.3%	1/1/23
MA Teachers' Retirement System (MTRS)	9.64%	7.00%	9.31%	\$20,000	60.4%	1/1/24
MA Water Resources Authority (MWRA)	8.82%	6.90%	7.95%	\$17,000	88.9%	1/1/24
Massport	8.70%	6.75%	8.82%	\$15,000	96.4%	1/1/24
Maynard	13.74%	6.50%	8.05%	\$18,000	80.3%	1/1/23
Medford	8.96%	7.25%	8.52%	\$18,000	69.7%	1/1/24
Melrose	9.37%	7.00%	8.36%	\$16,000	65.2%	1/1/23
Methuen	9.67%	7.00%	8.15%	\$20,000	69.2%	1/1/24
Middlesex County	9.29%	7.15%	8.37%	\$16,000	57.5%	1/1/24
Milford	9.24%	7.25%	8.28%	\$13,000	70.3%	1/1/23
Milton	9.58%	7.00%	9.22%	\$18,000	98.4%	1/1/23

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SPRING CONFERENCE HIGHLIGHTS

MASS RETIREES OFFICIALS
PARTICIPATING IN PANELS

From June 1st to the 4th, the Association joined the Massachusetts Association of Contributory Retirement Systems (MACRS) at its 2025 Annual Kevin J. Regan Spring Conference. The event, which brought together approximately 500 participants, served as an important opportunity for retirement board members, staff, and affiliates to receive updates, engage in continuing education, and network with colleagues from across the Commonwealth.

The Association participated in two panels during the three-day event. First, Nancy McGovern presented on behalf of the Association as part of the Legislative Panel, outlining the 2025–2026 legislative proposals filed by the Association.

Association CEO Shawn Duhamel spoke on a separate panel focused on the repeal of the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). The panel also included Ed Kelly, General President of the International Association of Fire Fighters (IAFF); Tim Lee, Executive Director of the Texas Retired Teachers Association; and Tom Lussier, Administrator of the Public Sector Healthcare Roundtable & President of The Lussier Group. The group discussed the bipartisan effort that led to the repeal being passed by both chambers of Congress and signed into law by President Biden in January 2025.

A highlight of the three-day event is the recognition of an outstanding retirement board administrator by the MACRS Executive Board. The 2025 award went to Lynn Retirement Board Executive Director Gary Brenner, who has been serving at the Board for over 48 years. According to Association President, Frank Valeri, who has known him personally and professionally for many years is well aware of Gary's outstanding reputation, "I have had the pleasure of working with Gary in both settings, he was always referred to as one of the best administrators by a number of PERAC staff who interacted with Gary while I was serving at the agency. Now serving as a Trustee on the Lynn Board, I can completely understand why the oversight agency staff viewed Gary as one of the best administrators in the state." In addition to his professional reputation, he is also a respected a long-time basketball referee in the greater Lynn area, IAABO, Board 130 for over 50 years.



WEP/GPO PANEL: CEO SHAWN DUHAMEL WITH TRTA
EXEC. DIR. TIM LEE & IAFF GEN. PRES. ED KELLY



LEGISLATIVE PANEL: DIR. HEALTHCARE & RETIREMENT
ADVOCACY NANCY MCGOVERN AT PODIUM



LYNN BD. EXEC. DIR. GARY BRENNER ACCEPTING
AWARD FROM MACRS PRES. KATHLEEN BECCHETTI

STATE RETIREMENT BOARD IMPROVES OPERATIONS

Estimated Benefit Payment Plan Plays Significant Role

A recently issued follow-up Audit by the Commonwealth's pension oversight agency, Public Employees Retirement Administration Commission (PERAC), noted several areas of improvement in the State Retirement Board's (SRB) operational requirements.

In its cover letter sent to Treasurer Deb Goldberg, PERAC Executive Director Bill Keefe commented that the SRB Executive Director Kathi Kougias and her staff had achieved "tremendous results" in the follow-up Audit conducted by PERAC.

First noted in the audit follow-up was the length of time required to issue the first pension payment to new retirees. The wait time for this first payment had been reduced from 134 days to 53 days, which is below the statutory requirement of 60 days. This matter has been a priority issue for SRB Elected Member Frank Valeri who also serves as *Mass Retirees* President. Valeri initiated the adoption of an Estimated Initial Benefit Payment plan just last year and has played a significant role in this time reduction – by over 60%!

The other two operational improvements noted in the report were the time periods members had to wait to receive refunds and the transfer of payments to other retirement boards. Members seeking refunds of contributions are now receiving payment in 16 days on average instead of 84 days on average. This is a 98% compliance rate that's significantly higher than the prior compliance of 52%. Also the payments to other retirement boards were reduced from 122 days to 32 days, which is a 100% compliance rate.

In response to the PERAC follow-up Audit, President Valeri commented, "I'm pleased to see that PERAC acknowledged Kathi and her team's improvements in these critical areas. This administration has made it clear the priority is membership service and has worked so hard in that area of operations to make these improvements, especially in the implementation of the Estimated Initial Payment plan that was endorsed by Treasurer Goldberg and my fellow board members Theresa McGoldrick and Archie Gormley."



TREASURER DEB GOLDBERG
CHAIRS STATE BOARD



KATHI KOUGIAS
SRB EXEC DIRECTOR

Neilon

CONTINUED FROM PAGE 6 ►

to Preserve Retirement Security (CPRS), from 2002 to 2024, and as President of the Board of Directors of CPRS from 2017 to 2022. **Ed Note:** CPRS is a non-profit organization composed of members representing state and local governments, public employee unions, retiree associations, and public pension systems

across the country, whose mission is to assure the retirement security of millions of public employees and retirees by protecting the financial integrity of their public retirement systems.

In addition, his career includes serving for several terms on the Legislative Committee of the National Council on Teacher Retirement (NCTR). In 1997, he was the recipient of the Massachusetts Association of Contributory Retirement Systems

(MACRS) William Lynch Public Service Award.

On a more personal note, Sean is the son of retired Lawrence Firefighter and former long-time Lawrence Retirement Board Member Jack Neilon and former Lawrence City Councilor Pam Neilon.

"Thanks Sean for accepting this appointment," adds Valeri. "I look forward to working with you to best serve our members. Welcome aboard."

RETIREMENT BOARDS

ELECTIONS & APPOINTMENTS

Belmont – **Ross Vona**, a firefighter, was unopposed and was reelected to the **Belmont Retirement Board**. Ross is beginning his fourth term. Declaring his reelection were Board members **Thomas Gibson, Esq.***, **Donna Tuccinardi**, **Walter Wellman** and **Brian Antonellis**. The Board's executive director is **Colleen Loughlin**.

Brockton – **Juan Gonzalez** was appointed as the Interim City Auditor by the Mayor and will serve as the **Brockton Retirement Board** ex-officio member. **Juan** joins other Board members, Mayoral appointment retired Brockton CFO **John Condon**, retired Fire Lieutenant Archie Gormley, who also serves as a trustee on the **Mass State Retirement Board**, Deputy Fire Chief **Scott Albanese** and fifth member **Bill Farmer***, who is the retired Plymouth County Retirement Board Executive Director. The Board's executive director is **Jeanne Martineau**.

Framingham – Retired Fire Lieutenant **Peter Rovinelli** stepped down after serving 30 years on the **Framingham Retirement Board**. He will be replaced by his son **Keith Rovinelli**, who was the only qualified candidate and was declared elected to the Board. **Keith** is also a Framingham firefighter. The other Board members declaring the election were, **Richard Howarth Jr.***, **Joseph Fonseca**, **Jennifer Pratt** and Walpole Police Officer **John White**. The executive director for the Framingham Retirement Board is **Frank Pettengill**.

Gardner – **Gardner Retirement Board** members appointed **Jacob Cormier** as their fifth member to replace longtime Board member **Neil Janssens**. In addition, the Mayor

appointed **David Walsh** as his representative on the Board after the passing of **John Flick, Esq.** Other Board members are **John Richard**, **Robert Newton**, and **Denise Merriam**. The administrator is **Cheryl Bosse**.

Gloucester – Gloucester Mayor **Greg Verga** appointed the City's General Counsel **Suzanne Egan, Esq.** as his representative to the **Gloucester Retirement Board**. The other members on the Board include, **Kenny Costa**, retired firefighter, **Douglas MacArthur***, retired firefighter, **James Hannon** and **Linda Boucher**, who also serves as the executive director of the Concord Retirement Board. The executive director of the Board is **Patricia Ivas**.

Lowell – Retired Fire Chief **William Desrosiers*** was reelected without opposition to the **Lowell Retirement Board**. This will be Desrosiers' eighth term on the Board. The other Board members who declared Desrosiers reelected were **Kelly Oakes**, Firefighter **David Keene**, retired Firefighter **Robert Littlefield** and retired Magistrate **Michael Brennan**. The Lowell Board administrator is **Shannon Dowd**.

Lynn – Retired Firefighter **Richard Biagiotti, CFP** was reelected for his ninth term, to the **Lynn Retirement Board** after he defeated Parking Payroll Supervisor **Maquisha Alleyne**. **Biagiotti** received an overwhelming 94% of the votes cast in the election.

Biagiotti also continues to serve on the Executive Board of MACRS. The other members making the declaration were, retired Firefighter **Moona**

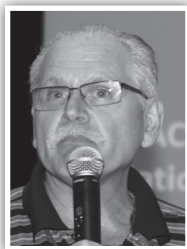
Mullins, Frank Valeri, who also serves as the Association's President, City Comptroller **Stephen Spencer**, and **Michael Marks*, Esq.** The executive director of the Lynn Board is **Gary Brenner**. (for more, see p.12).

Marblehead – The **Marblehead Retirement Board** reappointed **Robert F. Peck, Esq.*** as their fifth member and will begin his 8th term in that capacity. In addition, the Select Board reappointed retired CEO **Charles Gessner** as their representative. It will be **Gessner's** 5th term on the Board. The other members on the Board include, Fire Chief **Jason Gilliland**, **Aleesha Nunley Benjamin**, and Firefighter **Douglas Knowles**. The Board administrator is **Linda Gifford**.

Massport – **Massport Retirement Board** appointed a new 5th member, **Paul F. Hanley*, CPA**, retired from Pricewaterhouse Coopers LLP. He was also elected Chair of the Board. The Board members making the appointment were **John Prankevicius, CPA**, **Michael Grieco**, **Jon Turco** and **Betsy Taylor**. The director of retirement is **Irene Moran** and **Jan Coen** is the Retirement Board coordinator.

Milton – Firefighter **William Murphy** was declared reelected by the **Milton Retirement Board** members as he was the only candidate nominated for the 2nd elected member. It will be his fourth term on the Board. The other Board members making the election declaration were **Amy Dexter***, Firefighter **Thomas Cicerone** and retired Firefighter **Robert O'Melia**. The Milton Retirement Board's executive director is **Jeanne Darcy**.

Montague – The **Montague**



RICHARD BIAGIOTTI
LYNN

CONTINUED ON PAGE 15 ►



MEDICARE 2026 PART B PREMIUMS

Projected Double Digit Increase

Later this fall CMS (Centers for Medicare & Medicaid Services) will be announcing the Medicare Part B Premiums for next year (2026). We will be reporting on this in detail in the January 2026 *Voice* that will be out in early December.

In the meantime, reliable sources are projecting a substantial increase

in the Part B premium. It's estimated that for 2026 Medicare beneficiaries would see their monthly standard premium going up from the current \$185 to \$206.50 – a \$21.50 increase.

That would translate into a double-digit increase of 11.6%, nearly twice this year's increase of 5.9% (\$174.70 to \$185). If this increase is eventually finalized, it would

represent the largest single-year jump since 2022.

Remember we are reporting only a projection with the final 2026 Part B premiums being announced by CMS later this fall. Again, stay tuned for a complete rundown in the January 2026 *Voice*.

Elections

CONTINUED FROM PAGE 14 ►

Retirement Board has a new ex-officio member as **Carolyn Olsen** retired as town accountant and was replaced by **Angelica Desroches**. The other members on the Board include retired Firefighter **David Dion**, **Steven Ellis**, **Cheryl Clark*** and retired Greenfield Retirement Administrator **Marianne Fiske**. Montague's retirement administrator is **Deb Underhill**.

Needham – Firefighter **Jay Steeves, Jr.** is one of the elected members and Human Resources Director **Tatiana Swanson** is the new ex-officio member of the **Needham Retirement Board**. Also on the Board are **Michelle Vallancourt***, retired Firefighter **John Krawiecki** and **Robert Mearls**. The Needham retirement administrator is **Jacob Cole**.

Newburyport – **Amy Sarro** was named the new Finance Director/City Auditor and became the ex-officio member of the **Newburyport Retirement Board**. She replaced **Ethan Manning** and was a former Swampscott Retirement Board member. The other members on the Board are retired Town Administrator **John Moak**, retired Firefighter **Joe Spaulding**, **Larry Giunta** and Firefighter **Jeff Cutter*** who also serves on the Executive

Board of MACRS. The Board's director is **Elena Kothman**.

Springfield – The **Springfield Retirement Board** voted, declaring retired Police Lieutenant **Bob Moynihan*** elected to his seventh term, without opposition as one of the reelected members. **Bob Moynihan** also serves as the Treasurer for the **Mass Association of Contributory Retirement Systems, (MACRS)**. The other members of **Springfield Retirement Board** are **Stephen Lonergan**, **Haskell Kennedy**, **Thomas Scanlon** and **Karl Schmaelzle**, who also serves as the Chair of the Hampden County Retirement Board and on the **Mass Retirees Executive Board** as the **Western Mass Area Vice President**. The Retirement Board's executive director is **Susana Baltazar**.

Swampscott – Fire Chief **Kevin Breen** was reelected to his fourth term on the **Swampscott Retirement Board**. **Breen** was unopposed in his reelection bid. Remaining members on the Board are Essex Superior Clerk of Court **Thomas Driscoll, Jr. Esq.***, **Robert Powell**, retired Police Officer **John Behen, Jr.** and the ex-officio is vacant. The Retirement administrator is **Nancy Lord**.

Wakefield – The Community and Economic Development Director **Erin Kokinda** was reelected to the **Wakefield Retirement Board** for

her second term. Other members of the Board include **Kevin Gill***, **Sherri Dalton**, **Scott Morrison** and **Actuary Dan Sherman**. The Wakefield Retirement Board's executive director is **Cathy Cheek**.

Webster – Retired Police Officer **James Hoover** was reelected to the **Webster Retirement Board**. This will be James' fourth term on the Board. The other Board members are, **Timothy Bell**, **Eleanor Doros**, **Robert Craver*** and **Brian Perry**. The Webster Retirement Board administrator is **Kristin LaPlante**.

Winchester – The **Winchester Retirement Board** appointed former PERAC Executive Director **John Parsons** as their new fifth member.



JOHN PARSONS
WINCHESTER

Parsons served as General Counsel for the State Auditor's Office before serving as General Counsel and Executive Director for PERAC, the state's pension oversight agency.

Board members making the appointment were **Stacie Ward, CPA**, **Michael Lucas, CPA**, former Retirement Board administrator **Karen Manchuso** and retired Fire Lieutenant **Robert "Skip" Frary**. The Board's retirement administrator is **Alice Munafo**.

*denotes chair

Healthcare

CONTINUED FROM PAGE 2 ►

opposes.

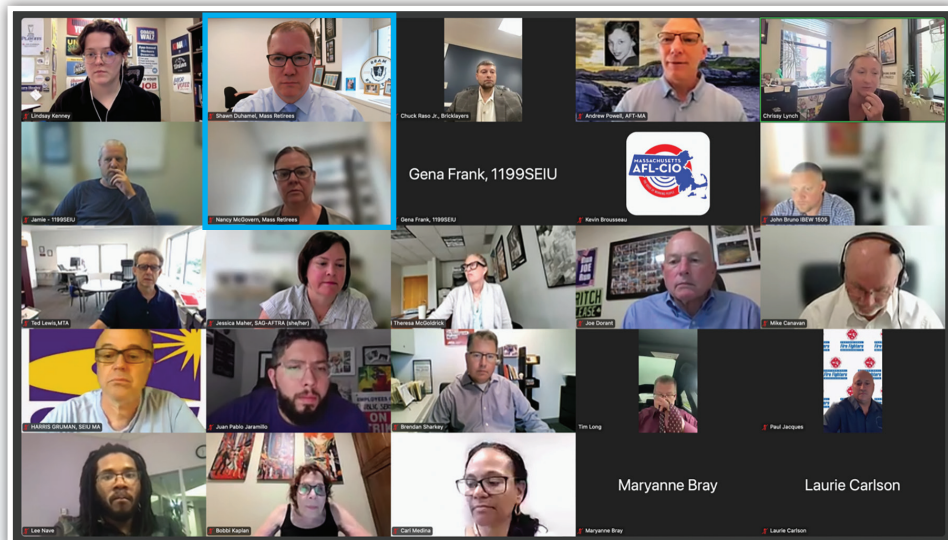
"Whether it be GLP-1s or any other approved healthcare treatment, we do not believe that blanket prohibitions on coverage be issued simply based on cost. Today it is GLP-1s, but tomorrow it is another type of specialty drug aimed at treating another disease. This is not the right approach to controlling costs or providing effective care," comments Duhamel. "That said, there is no question that the cost of these medications is not only ridiculously high, but also unaffordable in the long-term. Controlling drug prices must be a focus going forward."

COLLABORATION BY PUBLIC & PRIVATE SECTOR UNIONS

One of the great strengths of the approach taken by BCBSMA with their Labor Advisory Committee is that the group includes representatives from public and private sector unions, as well as nonprofit associations such as *Mass Retirees*. Bringing organizations with different benefit structures and approaches to healthcare together is not simply a benefit to BCBS, but also to the varying groups involved.

In July, the Massachusetts AFL-CIO hosted a virtual meeting of all public and private sector unions operating within the Commonwealth that began to lay the foundation for greater collaboration amongst the various labor groups on healthcare issues.

While *Mass Retirees* is a private nonprofit association and not a union, we have enjoyed a decades-long close working relationship with labor and the AFL-CIO. The Association is frequently invited to not only participate in meetings related to pension and healthcare issues, but we are often called upon to share our unique expertise on



AFL-CIO Meeting: Mass Retirees officials Shawn Duhamel & Nancy McGovern (Highlighted), Addressed Labor Representatives on Public Sector Health Insurance & Related Issues.

related topics.

At the July meeting, *Mass Retirees* joined AFT MA, SEIU 1199, and the Bricklayers Union in presenting to the larger group that included more than 40 representatives of various labor organizations from across Massachusetts. The focus of our Association's presentation was the legal structure of our public sector health insurance laws (Chapters 32A and 32B), along with the political process that exists in governing these benefits.

"We want to thank MA AFL-CIO President Chrissy Lynch for inviting Shawn and I to actively participate in the meeting. As Chrissy indicated, this was the first of many formal steps now being taken by labor to get out in front of these issues and work toward common solutions for our collective members," says *Mass Retirees* Director of Healthcare and Retirement Advocacy Nancy McGovern. "Hearing from the building trades, as well as unions representing healthcare workers, provided us with a comprehensive overview of how different groups provide benefits to their members, as well as the various approaches being taken to control rising costs. We believe the AFL-CIO plans to hold additional meetings early this fall,

where the discussion will focus on cost containment options."

NEW FOCUS ON MUNICIPAL CONCERNS

Back in 2010, the primary trigger for what became an effort by former Governor Deval Patrick to "reform" public sector healthcare benefits was the rapidly rising cost of municipal health insurance. Yes, growing costs for the GIC were also a factor in what became an all-out brawl between labor and *Mass Retirees* on one side and state and municipal governments on the other, but the belief that local insurance costs had become an "unsustainable budget buster" drove the reform argument.

That fight not only ended with employees losing some long-held bargaining rights, but with all employees and retirees paying more for their insurance benefits. The worst aspects of the reform proposals were defeated, largely with the help of our Association which placed the focus of the debate on what we viewed as measures harmful to public retirees.

"Thankfully, we had strong leaders such as Marty Walsh and Katherine Clark serving in the state legislature at that time. They took

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MASS RETIREES

AREA MEETINGS IN PHOTOS



To See More, Visit Association Website

Hundreds of members have been attending Association meetings this year, most recently in Cape Cod. As you can see on Page 3, more will be held before year's end, most notably the September Annual Meeting.

We have recapped these meetings in photos on the Association website.

Visit www.massretirees.com and click EVENTS.

Healthcare

CONTINUED FROM PAGE 16 ►

up our cause and helped broker a compromise," recalls Duhamel, who was the Association's legislative liaison at the time. "Nancy McGovern was with AFSCME at the time. She and I worked closely to protect our respective members and learned some valuable lessons. We're not about to take anything for granted going forward."

Beyond general concerns regarding rising costs, *Mass Retirees* is alarmed by reports of potential financial instability amongst some local insurance plans. These concerns are compounded by what we view as a lack of transparency by some plans, coupled with very little state oversight of municipal insurance plans in general.

To be clear, *Mass Retirees*

believes that most municipal insurance plans are well run and operate with enrollees' best interest in mind. And no retiree is in danger of losing insurance coverage. All municipalities do have the option of joining the state's GIC.

One specific issue that has been flagged by our Association and labor as a concern is what appears to be a conflict of interest by certain health insurance broker/consultants operating at the municipal level, whereby the same company is allegedly providing both services to the same municipal entity simultaneously.

At our request, legislation has been filed by State Representative John Lawn (D-Watertown), that would not only prohibit the practice but also provide transparency on fees and costs associated with consultant and broker services. Representative Lawn is the House chairman of the Joint Committee on

Healthcare Finance. The legislation is now before the Joint Committee on Public Service, where it received a public hearing on July 9th.

"These problems at the local level, while certainly not something we would like to see, have the benefit of bringing legislative attention to the bigger issues at play. We do not want to see the situation worsen to the point where another large reform proposal is filed. We see this fundamentally as a healthcare financing challenge, on best addressed through collaboration between Retirees, Labor and Management. Having been down that road in 2010, it is not a fight we want to revisit. That is why it is so important that attention be brought to these issues now and we work collectively on solutions. Retiree healthcare is far too important to leave anything to chance," added McGovern.

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INVESTMENT RETURNS & FUNDED RATIOS FOR 104 RETIREMENT SYSTEMS

KEY FACTORS IMPACTING A COLA BASE INCREASE

RETIREMENT SYSTEM	2024 RATE OF RETURN	ASSUMED RATE OF RETURN	40-YEAR RATE OF RETURN	COLA BASE	FUNDED RATIO	DATE OF LAST VALUATION
Minuteman Regional	9.32%	7.00%	9.25%	\$15,000	99.7%	1/1/23
Montague	9.59%	6.85%	9.02%	\$30,000	83.3%	1/1/24
Natick	10.95%	7.00%	8.41%	\$15,000	70.4%	1/1/21
Needham	9.47%	6.25%	9.42%	\$18,000	76.8%	1/1/24
New Bedford	11.03%	7.00%	8.24%	\$14,000	54.5%	1/1/24
Newburyport	9.70%	7.00%	8.30%	\$15,000	75.5%	1/1/24
Newton	9.49%	6.90%	8.60%	\$15,000	67.8%	1/1/25
Norfolk County	9.83%	7.63%	8.45%	\$20,000	70.7%	1/1/24
North Adams	15.74%	7.00%	9.31%	\$13,000	84.8%	1/1/23
North Attleboro	10.91%	7.00%	8.68%	\$16,000	77.7%	1/1/24
Northampton	14.78%	7.00%	9.12%	\$13,000	75.1%	1/1/24
Northbridge	9.80%	7.00%	9.23%	\$14,000	85.4%	1/1/24
Norwood	7.11%	7.25%	9.17%	\$16,000	76.3%	1/1/24
Peabody	9.88%	7.75%	8.64%	\$15,000	59.5%	1/1/24
Pittsfield	9.50%	7.00%	8.22%	\$16,000	55.9%	1/1/23
Plymouth	9.70%	7.00%	8.81%	\$16,000	59.3%	1/1/24
Plymouth County	9.62%	7.88%	8.94%	\$18,000	67.5%	1/1/24
Quincy	8.60%	6.75%	8.07%	\$16,000	92.6%	1/1/24
Reading	9.78%	6.75%	9.16%	\$14,000	77.5%	1/1/23
Revere	9.49%	7.00%	8.40%	\$14,000	70.5%	1/1/23
Salem	9.36%	6.90%	8.20%	\$15,000	73.5%	1/1/24
Saugus	9.21%	7.00%	9.08%	\$18,000	91.2%	1/1/23
Shrewsbury	9.10%	7.50%	9.09%	\$14,000	94.4%	1/1/24
Somerville	15.38%	7.50%	9.32%	\$16,000	75.1%	1/1/24
Southbridge	9.56%	7.00%	8.16%	\$18,000	81.3%	1/1/24
Springfield	9.79%	7.00%	8.48%	\$14,000	40.1%	1/1/24
State	9.64%	7.00%	9.30%	\$13,000	72.5%	1/1/24
Stoneham	9.15%	6.75%	8.64%	\$15,000	91.6%	1/1/24
Swampscott	8.55%	7.00%	8.91%	\$16,000	70.1%	1/1/23
Taunton	10.26%	7.60%	9.29%	\$16,000	80.2%	1/1/24
Wakefield	9.61%	7.40%	9.45%	\$16,000	73.9%	1/1/24
Waltham	11.94%	7.75%	8.65%	\$14,000	67.0%	1/1/23
Watertown	9.37%	7.65%	8.31%	\$15,000	100.2%	1/1/24

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RETIREMENT SYSTEM	2024 RATE OF RETURN	ASSUMED RATE OF RETURN	40-YEAR RATE OF RETURN	COLA BASE	FUNDED RATIO	DATE OF LAST VALUATION
Webster	9.74%	7.00%	8.04%	\$18,000	69.5%	1/1/24
Wellesley	9.59%	6.00%	9.69%	\$21,000	90.3%	1/1/23
West Springfield	14.46%	7.00%	8.09%	\$13,000	72.1%	1/1/24
Westfield	8.45%	7.00%	8.80%	\$13,000	78.4%	1/1/23
Weymouth	7.85%	7.00%	9.50%	\$13,000	72.1%	1/1/24
Winchester	9.61%	7.00%	8.86%	\$14,000	92.2%	1/1/23
Winthrop	9.48%	6.75%	8.65%	\$14,000	102.1%	1/1/23
Woburn	9.47%	7.25%	9.20%	\$18,000	66.4%	1/1/24
Worcester	9.31%	6.80%	8.78%	\$16,000	76.6%	1/1/24
Worcester Regional	9.80%	7.13%	8.26%	\$16,000	51.9%	1/1/24
COMPOSITE	9.60%		9.07%			
PRIM	9.62%		9.37%			

Mayor Wu

CONTINUED FROM PAGE 4 ►

Enhanced COLA benefit that is now being developed by the Special COLA Commission – without increasing the City’s pension appropriation. They will be able to do so by using a portion of the City’s current pension appropriation to fund new benefits.

Speaking of the Enhanced COLA, the concept for the benefit originated with former Mayor Marty Walsh. It is a great example of the fruit born from strong working relationships.

The COLA was among the key issues we discussed with Mayor Wu when she met directly with our leadership team in our Beacon Hill office this spring. Not only was Michelle Wu the only candidate in the race to actively seek our support, but the fact that she made a point to meet personally with us in our office and have a detailed

conversation about the issues of direct importance to our members says a lot.

During the meeting we made our belief clear that the great success of the Boston Retirement System must be shared with the members of the system through improved COLA benefits. We also shared our hope that the City will continue to make incremental improvements beyond the current \$15,000 base in the years approaching full funding.

In addition to a well-run and financed pension system, Boston has long maintained excellent health insurance benefits that are provided to retirees at an affordable price. We appreciate the fact that Mayor Wu recently extended the City’s current PEC agreement, without changes in contribution rates or out-of-pocket costs, until 2027. Given the pressure of healthcare inflation, the extension is

that much more important.

Throughout her first term as mayor, as well as during her time on the City Council, Michelle Wu has proven to be a leader with whom we can work closely in the interest of our members. She understands the needs of public retirees and shares our commitment to strengthening Boston’s defined benefit pension plan. And given the budgetary stresses now placed on Boston (as well as other municipal governments), it is encouraging to have a mayor who does not view public retirees as a source of cost savings.

Actions always speak louder than words and Michelle Wu’s actions as Mayor of Boston earned her our support. We are pleased to endorse the reelection of Michelle Wu for Mayor of Boston and look forward to working closely with her to better the lives of Boston’s retired public employees.

COLA Work

CONTINUED FROM PAGE 7 ►

balanced with the needs of retirees. The recent spike in general inflation, combined with higher health insurance costs, place great strain on

retirees. Our members need relief, which is why we pushed for the creation of the Special Commission.”

Meeting regularly since January, the Commission is likely to issue a report and recommendations to the legislature early this fall. Those recommendations must then be passed

by the legislature and signed into law by the governor prior to taking effect. Due to the requirements of Prop. 2 ½, local acceptance of any new benefits is required prior to taking effect for local retirement systems.



RETIRED STATE COUNTY AND MUNICIPAL EMPLOYEES
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THE VOICE

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