



# SWAMPSCOTT CONTRIBUTORY RETIREMENT SYSTEM

## Swampscott Contributory Retirement Board

Thomas Driscoll, Jr,  
Chair (Appointed)  
John Behen Jr,  
Vice-Chair (Elected)  
Kevin Breen, Member (Elected)  
Robert Powell III,  
Member (Appointed)  
Amy Sarro, Member (Ex-Officio)  
Nancy Lord, Retirement  
Administrator  
Tracy Spear, Administrative  
Assistant

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### ELECTION NEWS

Kevin F. Breen was re-elected to the Swampscott Contributory Retirement Board in accordance with the M.G.L. Chapter 32, for a three (3) year term which commenced on August 12, 2022 and will expire on August 12, 2025. Mr. Breen ran unopposed.



## WELCOME




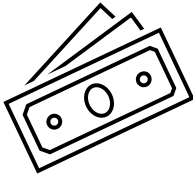

Welcome to our first quarterly newsletter, designed to provide current news and information to all active members, retirees and beneficiaries of the Swampscott Contributory Retirement System. Do you have a suggestion for an article topic or is there something you'd like to see in our next newsletter? Let us know by emailing us at [tspear@swampscottma.gov](mailto:tspear@swampscottma.gov).

## WHAT IS THE PENSION PLAN?

The pension plan for public workers in Massachusetts is a statutory *defined benefit plan* which relies on the combination of contributions from you as the employee, your public employer and the return on investment of those contributions, as set forth in General Laws Chapter 32. Once you receive "superannuation" (which is a term to describe the process of being retired upon reaching a certain age and meeting other requirements such as length of service), you are eligible to receive a guaranteed monthly retirement benefit allowance as a result of this plan. A defined benefit plan is a retirement plan based on a formula which guarantees a pension for the retiree for the lifetime of the retiree. Contributions to the plan are made over the course of the employee's working career by both the employee and the employer.

As a member, it is important to be aware of the importance of your contribution toward your overall pension plan. The contribution rate for the employee is a fixed percentage of pay for the length of their employment, which ultimately funds the retiree's annuity portion of their retirement allowance. You may have noticed that once you became a member of the Swampscott Contributory Retirement System, a percentage of your wage was automatically deducted each pay period. Depending on your hire date, you are contributing either 5%, 7%, 8% or 9% of your eligible pay, with an additional 2% on anything earned over \$30,000. This amount is deposited for you into an annuity savings fund which accrues yearly interest. (Continued on Page 4)

## Frequently Asked Questions

	<p><b>WHEN CAN I RECEIVE RETIREMENT BENEFITS?</b></p> <p>If you were employed prior to April 2, 2012, you are eligible to receive retirement benefits upon retirement at 55 years of age or older, if you have at least ten years of creditable service. You can retire at any age if you have 20 years of creditable service.</p> <p>If you were employed after April 2, 2012, you are eligible to receive retirement benefits upon retirement at 60 years of age or older, if you have at least ten years of creditable service. Your position determines your group classification (1-4). If your position classifies you as Group 4 within the system (typically police officers and firefighters) you are eligible to receive retirement benefits at 55 years of age or older.</p>
	<p><b>HOW MUCH WILL I RECEIVE FOR MY RETIREMENT ALLOWANCE?</b></p> <p>The factors used to determine your benefit are:</p> <ul style="list-style-type: none"> <li>• Your age at the time of retirement</li> <li>• Your amount of creditable service</li> <li>• Your group classification (1,2,3 or 4)</li> <li>• An average of your three highest years of regular compensation.</li> </ul> <p>Calculate your estimated retirement benefit at:  <a href="http://www.swampscottretirement.com">www.swampscottretirement.com</a>, Member Information Tab, Town Employee Individual Account Login.</p>
	<p><b>AS A RETIREE, ARE THERE LIMITS ON WORKING?</b></p> <p>If you are receiving retirement benefits, the limits on working are:</p> <p>For the public sector:</p> <ul style="list-style-type: none"> <li>• You can earn the difference between the salary paid in your former position and your pension or 1,200 hours per calendar year, whichever comes first. After being retired one full calendar year, you may earn the difference plus an additional \$15,000.</li> </ul> <p>For the private sector:</p> <ul style="list-style-type: none"> <li>• There are no limitations for retirees working in the private sector, unless you are a disability retiree, or your duties provide service to the Commonwealth of MA.</li> </ul> <p>For more information, go to:  <a href="http://www.mass.gov/service-details/working-in-retirement-msrb">www.mass.gov/service-details/working-in-retirement-msrb</a>.</p>

## ATTENTION RETIREES: Verifications ARE COMING!

Every year the Swampscott Contributory Retirement Board is required to confirm the eligibility of our retirees and their beneficiaries to continue receiving benefits. This is done to ensure that the system is paying benefits to the intended recipients and to prevent fraudulent collection of benefits by others.

In accordance with regulations established by the Public Employee Retirement Administration Commission, the System will be mailing the 2022 Affidavits for Retired Members and Beneficiaries in **October**. Each member or beneficiary who receives a pension, retirement allowance or survivor's allowance from the system will need to review and confirm the following information:

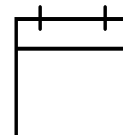
- Name
- Address
- Phone number and email address
- Marital status

You must complete, sign and mail to our office the affidavit certifying that you are currently living and eligible to receive benefits from the Retirement System. We do require the original document with your signature to ensure secure and efficient processing.

If the affidavit is not returned by the established deadline, the Retirement Board must suspend your benefits until such time as you return the affidavit. If you or a loved one is not physically or mentally able to complete the affidavit, please contact our offices promptly. In such cases, a power of attorney or guardianship appointment should be filed.

## Upcoming 2022 Pension Payment Schedule

Direct Deposit of your monthly benefit occurs on the last business day of the month.



Month	2022 Direct Deposit Dates
September	Friday, 9/30
October	Monday, 10/31
November	Wednesday, 11/30
December	Friday, 12/30

## Do You Have a Change of Address?

Please notify us **in writing** of any change of address, be it a permanent address change or a temporary winter mailing address.

Visit our website at [www.swampscottretirement.com](http://www.swampscottretirement.com) to download a Change of Address Form. Then **mail the form to our office**.

For security purposes, we require the original document with your signature.

***What is The Pension Plan?, continued from cover***

The employer's contribution is based on several factors that ultimately funds the remainder of the retiree's allowance. The formula for a pension is years of service times an age factor times average pay. The retiree's retirement plan is a combination of a retiree's annuity and pension and results in a guaranteed monthly retirement allowance.

It is important that our members understand the difference between a defined benefit plan and a defined contribution plan. A defined contribution plan, by contrast, does not guarantee a pension, but is simply a vehicle for saving towards retirement. The employer and/or employee are allowed to contribute a specified amount to the plan. The amount available upon retirement is dependent upon the plan's performance.

Defined benefit pension plans have all but disappeared in the private sector. Fortunately, in Massachusetts, where public workers do not participate in Social Security, our public employees, public employers, taxpayers and elected officials have a strong history of working collaboratively to ensure the viability of our public employee retirement system. By employing fiscal discipline along with reasonable benefit reforms, many of the highly publicized problems which exist in other states have far less significance here. The Massachusetts public retirement system fares well as a result of the shared contributions and Sacrifices from both public workers and

taxpayers. Massachusetts public employee retirement contribution rates are among the highest in the country. For the past 25 years, members entering the system have contributed 9% of their regular compensation, plus an additional 2% of earnings over \$30,000, towards their retirement benefits. That means, for example, that if your gross annual wages are \$60,000, the sum of \$6,000 per year is withheld from your wages. Your employer also makes an annual contribution to fund your retirement.

So, what happens to your contributions? The amounts received are recorded and set aside in your annuity savings fund. Your contributions accumulate during your years of public service and earn a small amount of interest at a statutory rate set every year by the Public Employee Retirement Administration Commission. Every year you receive a statement detailing the amount of your contributions at year end. Your contributions are invested in a diverse allocation of investment vehicles managed by the Pension Reserves Investment Management Board.

Your retirement contributions help to finance your guaranteed monthly retirement allowance, consisting of a pension and an annuity, which is based on those contributions. After one year of retirement, you are also eligible to receive a cost of living increase. For more information regarding the Swampscott Contributory Retirement Board, please visit our website at: [www.swampscottretirement.com](http://www.swampscottretirement.com).

<p>Contact Us:  <b>Swampscott Contributory Retirement Board</b>          22 Monument Avenue, 3<sup>rd</sup> Floor          Swampscott MA 01907          Phone: 78 <a href="http://www.swampscottretirement.com">www.swampscottretirement.com</a></p>	<p><i>Office Hours:</i>          Mon, Tue, Thurs: 8:00am – 5:00pm          Wed: 8:00am – 7:00pm          Closed Fridays</p>
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