



SWAMPSCOTT CONTRIBUTORY RETIREMENT SYSTEM

Swampscott Contributory Retirement Board

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WE WANT TO HEAR FROM YOU!

Do you have a suggestion for an article? Or is there a topic you'd like to see in our next newsletter? Let us know by emailing us at:
tspear@swampscottma.gov



HAPPY NEW YEAR!



Everyone at the Swampscott Contributory Retirement System wishes you and your family a Happy, Healthy, and Safe New Year!

YOUR RETIREMENT OPTIONS

A retiree's monthly allowance consists of two parts: an annuity and a pension. The annuity portion is based on the total amount of contributions and interest in your annuity savings account on the date of your retirement. The pension portion is the difference between your total retirement allowance and the annuity. Your total retirement allowance is calculated by a formula which includes your age at retirement, years of creditable service, employment group classification, and average salary over a period of time. In addition, veterans are entitled to an additional benefit equal to \$15 per year for every year of creditable service, up to a maximum of \$300.

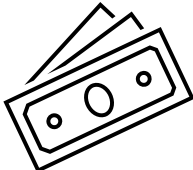


When you retire, you will need to select one of three payment options:

OPTION A: This option provides you with the greatest monthly allowance. However, all payments will cease upon your death and no survivor benefits will be provided.

OPTION B: This option provides you with a monthly allowance that is approximately 1 to 5% less than Option A. Upon your death, the balance, if any remains, of your annuity portion of your retirement allowance (which consists of your contributions to the plan along with interest), is paid to your named beneficiary.

OPTION C: This option is called the joint and last survivor allowance. With Option C, your allowance, (Continued on Page 2)

Frequently Asked Questions

	<p style="text-align: center;">DO I PAY TAXES ON MY RETIREMENT BENEFIT?</p> <p>Each year as a retiree, you will receive a Form 1099-R from the Swampscott Contributory Retirement Board for tax purposes. While your retirement is NOT subject to Massachusetts state tax, it IS subject to federal tax withholding.</p> <p>You will complete a W-4P Form upon retirement to instruct us regarding your federal tax withholding. You can update your W-4P Form at any time</p> <p>Please note that our office is not qualified to provide you with tax advice and we encourage you to consult with a tax professional if you have any questions.</p>
	<p style="text-align: center;">IF I LEAVE MY JOB BEFORE I RETIRE, WHAT HAPPENS TO THE MONEY I'VE CONTRIBUTED?</p> <p>If you leave your job and are NOT going to work for another municipality subject to the provisions of MA General Law 32, you are eligible to request a refund of your accumulated total deductions and interest. If you request the refund as a lump sum, rather than rolling it into another qualified retirement plan, there may be a substantial tax consequence.</p> <p>If you leave your job and you are going to work for another municipality subject to the provisions of MA General Law 32, you must transfer your retirement contributions directly to your new retirement system.</p>
	<p style="text-align: center;">HOW DO I CHANGE MY DIRECT DEPOSIT INFORMATION?</p> <p>If you are a retiree and need to change banks for your direct deposit, you should notify us immediately in writing. We require your signature and a “voided” check from your new account along with your old account number for verification. You can print a Change of Direct Deposit form from our website www.swampscottretirement.com.</p>

YOUR RETIREMENT OPTIONS

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is approximately 7% to 12% less than the Option A allowance. Upon your death, your designated beneficiary will be paid a monthly allowance for the remainder of his/her lifetime. The survivor benefit is equal to 2/3 of the retirement allowance that you were receiving as a retiree. You may name only one person as the Option C beneficiary, and it must be your parent, spouse, sibling, child, or former spouse who has not remarried. Should your designated Option C beneficiary predecease you, your Option C benefit will “pop up” to the Option A retirement allowance.

All retirees and Option C beneficiaries must receive their monthly allowance by direct deposit. A direct deposit authorization form can be printed from the Retiree information tab on our website www.swampscottretirement.com.

We are here to help you understand all your retirement options. When the time comes for you to consider them, you can make an appointment with us to discuss your options.

Form 1099-R Coming To Retirees

The Swampscott Contributory Retirement Board will mail a Form 1099-R for calendar year 2022 to all retirees at the end of January, 2023. Please be aware that if you reached the age of 59 ½ during the calendar year, you will receive two Form 1099-Rs. The IRS uses different codes in Box 7 on each Form 1099-R for before and after the age of 59 1/2. Both forms will need to be reported when filing your returns. This is the only time you would receive two 1099-Rs during your retirement. If you have any questions about filing a tax return, please contact your tax preparer.

Upcoming 2023 Pension Payment Schedule

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

Month	2023 Direct Deposit Dates
January	Tuesday, 1/31
February	Tuesday, 2/28
March	Friday, 3/31
April	Friday, 4/28
May	Wednesday, 5/31
June	Friday, 6/30
July	Monday, 7/31
August	Thursday, 8/31
September	Friday, 9/29
October	Tuesday, 10/31
November	Thursday, 11/30
December	Friday, 12/29

Attention Snowbirds: 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 to download a Change of Address Form. Then **mail the form to our office.**

THE MARKETS AND RECENT FUND PERFORMANCE

The majority of the Swampscott Contributory Retirement Board's assets are invested and managed by the MassPRIM (Pension Retirement Investment Management) Board. Currently over 98 retirement systems throughout Massachusetts, representing more than 300,000 beneficiaries from some of the largest retirement systems in the Commonwealth including Massachusetts State Employees, Massachusetts Teachers' and Boston Teachers' Retirement Systems, and many municipal retirement systems like ours, invest with PRIM. PRIM is recognized in the investment industry as one of the world's preeminent public pension plans due to its thirty year history of achieving an average annual return which has exceeded its targeted rate of return, all while weathering many volatile economic cycles.

PRIM invests its assets in a pooled investment fund, called the Pension Reserves Investment Trust (PRIT) Fund. PRIM's innovative investment tools have allowed the PRIT fund to perform well in both strong and weak markets, and the volatility of the markets over the last two years has proven to be an extraordinary test. In fiscal year 2021, the PRIT fund recorded its best performance in PRIM's entire history with a return of 30%. In fiscal year 2022, the US recorded its

weakest market since The Great Recession thirteen years ago. Challenges to the market included COVID flare-ups, rising interest rates, decades-high inflation rates, the Russian invasion of Ukraine, supply chain disruptions, food and energy constraints, and labor shortages. For the one-year period ending in June 2022, US stocks were down 10.6%. The PRIT fund, however, was down only 3%. The PRIT Fund's return of -3% for fiscal year 2022 was an example of a strong result in a weak market. Performing strongly in both up and down markets is a hallmark of a well-constructed portfolio.

PRIM believes that market downturns, while painful, also create opportunities to improve the portfolio by identifying new and compelling investment opportunities. PRIM maintains its commitment to staying within its long-term strategic goals and return objectives by providing retirement systems a diversified portfolio of active and passive investment strategies across several asset classes. PRIM has continually shown that they have engineered a portfolio that performs well in a variety of market conditions. The PRIT fund's performance continues to help ensure that participating retirement systems meet their pension obligations now and in the future.

<p>Contact Us: Swampscott Contributory Retirement Board 22 Monument Avenue, 3rd Floor Swampscott MA 01907 Phone: 781.596.8827 www.swampscottretirement.com</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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