



Fitchburg Retirement System Newsletter

JULY 2025



THOMAS A. DATEO JR.
SECOND ELECTED MEMBER
CHAIRPERSON

Message from the Chairperson

For those who may not know me, my name is Thomas Dateo Jr. I served the Fitchburg Fire Department for 42 years and retired from my position as Deputy Chief in 2021. I am privileged to serve as Chairperson of the Fitchburg Contributory Retirement Board, on which I have been the Second Elected Member for 18 years. The Board is wholly committed to protecting the retirement security of the members and beneficiaries of the Fitchburg Retirement System. The Board's deep experience in public service ensures that your retirement benefits will be administered with the highest degree of integrity, transparency, and dedication to the retirement laws.

The Board was an early and active advocate for the enactment of M.G.L. c. 32, §106, which allows vacation buyback payments to be counted as pensionable earnings for members who meet the eligibility requirements outlined in the statute. Recognizing that personal time buybacks were used similarly, and with the support of Mayor DiNatale and the Fitchburg City Council, a Home Rule Petition was filed to have these payments similarly recognized. With the steadfast support of State Representative Kushmerek and State Senator Cronin, Governor Healey signed Chapter 377 of the Acts of 2024 into law, officially allowing qualifying personal time buybacks to be treated as pensionable earnings for our members. Another major milestone for public workers was the repeal by Congress of Social Security's Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provisions earlier this year. This long-overdue repeal ensures that our members who paid into Social Security will no longer have those benefits unfairly reduced due to their public service in the Massachusetts retirement system.

The Board has consistently approved the maximum allowable COLA increases (3%), and has worked to raise the COLA base, most recently from \$12,000 to \$14,000. These increases have had a tangible impact—adding approximately \$6,840.00 to the average pension. Working alongside my fellow Board members, we plan to advocate once again for an increase to the COLA base in the near future. Thanks to prudent fiscal oversight and strategic investment through MassPRIM, our retirement system is now nearly 60% funded—a significant improvement in our funding status that further ensures the long-term stability of our system.

I want to express my profound gratitude to the current and former Board members for their years of service, and to express sincere appreciation to our retirement office staff, past and present, whose work behind the scenes is nothing short of exceptional. Their commitment to excellence on behalf of our members is evident in everything they do. And most importantly, I want to thank you—the members of the Fitchburg Retirement System. Thank you for your public service, for your trust, and for your continued support. Please know that the Board remains steadfast in placing your best interests at the core of every decision made, and that the Board is passionate about ensuring that our members and retirees receive the benefits they've earned and deserve. We look forward to continuing our work on your behalf.

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MEMBERS OF THE RETIREMENT BOARD

Jacquelyn M. Cronin
Ex-Officio

Anna M. Farrell
Elected

Thomas A. Dateo Jr.
Elected, Chairman

Mary E. Cringan
Appointed

John Brown
Fifth Member

NOTICE TO ALL ACTIVE MEMBERS WHO ARE VETERANS

AUGUST 8, 2025, DEADLINE APPROACHING

We are quickly approaching the **deadline for vested members** to purchase creditable service for eligible time served in the armed forces of the United States.

In September 2024, all active members of the Fitchburg Retirement System were notified of the applicable legislative changes to the retirement law resulting from Chapter 178 of the Acts of 2024, commonly referred to as the HERO Act, which extended the statutory deadline for purchasing military service. The Act instituted a deadline for entering into a payment arrangement and completing your first payment within one (1) year of vesting in the retirement system, effectively eleven (11) years of creditable service. **Additionally, the Act granted a one-time, one-year grace period from the effective date of the HERO Act for vested members who did not purchase their military service, to take advantage of the benefit by entering into a payment arrangement and making their first payment by or before August 8, 2025.**



If you are a Veteran who HAS NOT entered into an agreement with the Fitchburg Retirement Board ("FRB"), and you have completed MORE than 11 years of creditable service, you have until AUGUST 8, 2025, to do so. This date reflects one year after Governor Healey signed the HERO Act. Contact the FRB IMMEDIATELY to take action.



If you are a Veteran who HAS NOT entered into an agreement with the FRB, and you have completed LESS than 11 years of creditable service, you have until the LATER of the two following events to do so: prior to completion of your 11th year of creditable service, OR, August 8, 2025. Contact the FRB to take action.



If you are a Veteran who HAS already entered into an agreement with the FRB, but HAS NOT MADE PAYMENTS TOWARDS YOUR MILITARY BUYBACK, you have until the LATER of the two following events to do so: prior to completion of your 11th year of creditable service, OR, August 8, 2025. Contact FRB to take action.



WELCOME TO THE FITCHBURG RETIREMENT SYSTEM

ABOUT US

- The Fitchburg Retirement System administers the pension system for the public employees and retirees of the City of Fitchburg (excluding teachers), Fitchburg Housing Authority, and Fitchburg Redevelopment Authority.
- The Fitchburg Retirement System was established under the provisions of M.G.L. c.32 in 1937. Pursuant to c.32, the Public Employee Retirement Administration Commission (“PERAC”) oversees and regulates the 104 public pension systems in the Commonwealth of Mass.
- Comprised of 5 members, the Fitchburg Retirement Board operates under and administers the provisions of the contributory defined benefit plan established by G.L. 32. The Board meets on the fourth Tuesday of every month from 10 AM to 12 PM.

MEMBER ELIGIBILITY

Public retirement is state-mandated for nearly all full-time public employees, equivalent to Social Security, offering retirement benefits under a defined benefit plan (401a) and limited disability benefits. In place of Social Security deductions, on your pay advice, you will see (City) Retirement and Medicare deductions.

Membership in the Fitchburg Retirement System is mandatory for employees scheduled to work twenty (20) hours or more per week for at least thirty (30) weeks.

PERAC published a series of guides to help retirement system members navigate their retirement benefits (<https://www.mass.gov/guides/perac-retirement-guides>). The guides are available on our website along with additional resources. We encourage you to familiarize yourself with the guides and contact our office with any questions. **Please note, the Public Employee Guides are specific to the membership date. Your membership date is the date on which you began your full-time public service employment in the Commonwealth.** Please contact our office if you need assistance determining your membership date.

MEMBER SELF-SERVICE PORTAL

In December, the Fitchburg Retirement Board migrated to a new software platform: Bay State Pension Solutions, Inc. The new platform offers a powerful yet user-friendly Member Self-Service Portal that allows all members (active, inactive, and retired) to access information about their retirement benefits. Using state-of-the-art identity verification software to ensure security, the system will require you to verify your identity before granting access to the portal. A link to the portal and instructions for registering your account can be found on our website <https://www.fitchburgma.gov/1114/Member-Self-Service-Portal>

FY26 COLA INCREASE FOR RETIREES

The Fitchburg Retirement Board voted unanimously on April 22, 2025, to grant retirees the maximum Cost-of-Living-Adjustment (COLA) allowed by law. The 3% increase will be on the first \$14,000 of retirement benefits, the maximum benefit being \$420 annually, paid in monthly installments of \$35. This increase took effect on July 1st and will be in the July 31, 2025, retiree payroll.

NOTICE OF DEPOSIT REMINDER

Retirees received a Newsletter from the Board with their April 2025 pay advice. In the Newsletter, we advised that effective August 2025, the Fitchburg Retirement Office would only be mailing Notice of Deposits ("NOD") if and when a benefit was modified. Please be advised, July will be the last month NODs are mailed to members monthly.

Moving forward, all retirees will receive a copy of their NOD in December and July. Retirees under age 65 who are on the City's health insurance will also receive a copy of their NOD in June to reflect premium increases. If your benefit is modified for any other reason, we will mail you a copy of your NOD. Members are encouraged to access their pay information electronically via our self-service portal. Please refer to page 3 of this newsletter to learn more.

SOCIAL SECURITY UPDATE: Repeal of WEP/GPO

On January 5, 2025, President Biden signed the Social Security Fairness Act into law, repealing the Windfall Elimination Provision ("WEP") and the Government Pension Offset Provision ("GPO"). These two provisions adversely impacted public employees and their families for 40 years, by reducing or eliminating the benefits earned from other employment covered by Social Security by the member or a spouse solely because the individual was receiving a Massachusetts public pension. The law is retroactive to January 1, 2024. If your Social Security benefit was impacted by WEP or GPO and your benefit has not been adjusted, please contact Social Security at www.ssa.gov. We encourage members to create a "mySocialSecurity" account at www.ssa.gov/myaccount.

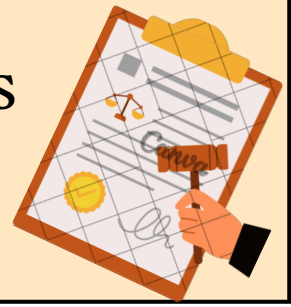
Retirees who did not previously apply for SSA benefits because they believed their benefits would be reduced or eliminated are encouraged to apply for SSA benefits immediately as full payments will only be effective to the date of their application. Please contact your local Social Security Office to apply for benefits if appropriate.

2025 Direct Deposit Dates

<u>MONTH</u>	<u>DATE OF DEPOSIT</u>
July	Thursday, 7/31
August	Friday, 8/29
September	Tuesday, 9/30
October	Friday, 10/31
November	Friday, 11/28
December	Wednesday, 12/31

Retirement benefit checks are issued monthly and dated the last business day of the month. Direct Deposit payments are automatically credited to the retiree bank accounts on the last business day of each month.

VACATION & PERSONAL TIME BUYBACKS PENSION-ELIGIBLE OR NOT?



In November 2018, in accordance with the Contributory Retirement Appeals Board's ("CRAB") decision in *O'Leary vs. Lexington Retirement Board, et al.*, the Public Employee Retirement Administration Commission ("PERAC") issued PERAC Memo #33/2018 dated December 5, 2018, declaring Retirement Systems cease the collection of retirement contributions from vacation buybacks pending the completion of judicial review. As such, the Fitchburg Retirement System suspended the acceptance of contributions on vacation buyback and personal time ("PTO") buyback earnings effective January 1, 2019.

On August 4, 2022, Governor Baker signed Chapter 147 of the Acts of 2022 into law, adding Section 106 to Chapter 32. This new law recognized vacation buybacks as regular compensation for members who met the criteria set out in the statute. All four of the following conditions must be satisfied for an active member's vacation buybacks to qualify as regular compensation.

- (1) The member had to be an active member of a retirement system on May 1, 2018;
- (2) The member had to be consistently participating and making contributions to the system for earnings received from vacation buybacks as of May 1, 2018 – "consistently" meaning not just the highest three years (or five years if hired on or after April 2, 2012) prior to retirement;
- (3) Vacation buybacks had to be established pursuant to an applicable collective bargaining agreement, an individual contract for employment, or a written benefits or personnel policy, municipal plan, or ordinance in effect on May 1, 2018; and,
- (4) The retirement system to which the member pertained had to be accepting regular contributions or deductions as of May 1, 2018, on vacation buyback earnings.

On March 28, 2023, the Fitchburg Retirement Board filed a Home Rule Petition to allow PTO buybacks to be recognized as pensionable earnings under the same guidelines as G.L., §106. On January 8, 2025, Governor Healey signed Chapter 377 of the Acts of 2024 into law, officially allowing PTO buybacks to be treated as regular compensation for qualifying members who met all four of the following conditions.

- (1) The member had to be an active member of the Fitchburg Retirement System on May 1, 2018;
- (2) PTO Buybacks had to be established pursuant to an applicable collective bargaining agreement, an individual contract for employment, or a written benefits or personnel policy, municipal plan, or ordinance in effect on May 1, 2018; and,
- (3) The member had to be consistently participating and making contributions to the system for earnings received from PTO Buybacks as of May 1, 2018 – "consistently" meaning not just the highest three years (or five years if hired on or after April 2, 2012) prior to retirement.

In order for PTO buybacks to represent regular compensation during the period of January 1, 2019, through March 31, 2025, eligible members must contribute the amount of retirement contributions that would have been deducted from vacation buybacks, with no interest. On April 23, 2025, we mailed correspondence to eligible members notifying them of the contributions due to the System for qualifying PTO buybacks that occurred during the aforementioned period. Members must remit the contributions due and owing by or before April 30, 2026. Please contact the Fitchburg Retirement Office (978-829-1843 or retirement@fitchburgma.gov) with questions regarding eligibility and/or how to remit payment.

GET TO KNOW YOUR BENEFITS

FREQUENTLY ASKED QUESTIONS

“What does ‘vested’ mean?”

“Vested” is the term commonly used to signify that you have met the minimum service requirements to qualify for a retirement allowance from the Fitchburg Retirement System. For most members, that means you have a minimum of 10 years of full-time creditable service. Please note, you would still have to meet the minimum age requirements to begin receiving a benefit.

“What are the contribution rates?”

Members-in-service make mandatory pre-tax contributions based on their regular compensation, through payroll deductions. Pension contribution rates are set by Massachusetts General Law c.32, §22 and determined by the date you become a member of a public sector retirement system. If you were a member prior to that date but withdrew your funds from a public retirement system, your contribution rate will be established based on the date that you re-entered a public retirement system, even if you redeposit the amount withdrawn.

- Prior to: 01/01/1975 %5
- On or After: 01/01/1975 %7
- On or After: 01/01/1984 %8
- On or After: 07/01/1996 %9

Members who entered service after 01/01/1979 must also contribute an additional 2% on regular compensation earnings in excess of thirty thousand dollars (\$30,000.00). For example, paraprofessionals who are paid over a 22-pay-period year, whose biweekly earnings are more than \$1,363.64, will have an additional 2% deduction taken on retirement-eligible earnings at or above \$1,363.64. Employees who are paid over a 26-pay-period year will have an additional 2% deduction taken on biweekly earnings at or above \$1,153.85. Please note, you will see two deductions on your paystub, one for the standard retirement contribution (e.g., 9%) and the second for the 2% contribution for earnings in excess of \$30k.

“Are all forms of compensation received from my employer considered regular compensation?”

No, not all earnings are considered regular compensation (“pensionable earnings”). Examples of non-pensionable earnings are:

- Overtime
- Commissions
- Bonuses, other than Cost-Of-Living bonuses
- Amounts derived from salary enhancements or salary augmentation plans
- Indirect, in-kind, or other payments for such items as housing, lodging, travel, clothing allowances, and annuities.
- Lump sum buyouts for Workers' Compensation
- Job-related expense payments
- One-time lump sum payments (e.g., sick time pay-outs at retirement)
- Payments for termination, severance, dismissal
- Any amounts payable as premiums for working holidays
- Early retirement incentives

“Can I borrow money from my retirement account now and pay it back later?”

The contributions members make to the retirement system are deposited into the member's Annuity Savings Account. The law prohibits members from borrowing against their annuity savings account. Members cannot stop contributions or access the funds while still employed by a member unit (a member-in-service).

“Can I refund my annuity savings account if I leave public service?”

Yes, if you leave public service, you may request a refund of your contributions. To learn more, please review the “FAQ - Refunds” document on our website www.fitchburgma.gov/792/Retirement under the “Withdrawal of Accumulated Deductions” tab. Its important to note that once you take a refund, you will terminate your membership and your rights in the retirement system. If you later return to public service in the Commonwealth, after receiving a refund, you will be considered a new employee and subject to the law(s) then in effect.

“How are ‘Groups’ classified within the system?”

The Retirement Board assigns members to one of four specific groups based upon the classifications set out in M.G.L. c.32, §3.

- **Group 1** members are officials and general employees, including clerical, administrative, and technical workers, laborers, mechanics, and all others not otherwise classified.
- **Group 2** includes certain employees with hazardous occupations, such as ambulance attendants and mental health hospital attendants.
- **Group 3** is made up of state police officers.
- **Group 4** consists of public safety officers, officials, and employees, such as police officers, firefighters, and certain correction officers.

In order to be classified in either Group 2 or Group 4 for retirement purposes, you must have actively performed the duties of that position for not less than 12 months immediately prior to termination from service or retirement.