

Sandra A. Hanks  
Board Chair

David Gendron  
Elected Board Member

Herbert Sanderson  
Board Vice Chairman

# FRANKLIN REGIONAL RETIREMENT SYSTEM

Mary A. Stokarski  
Elected Board Member

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Paul Mokrzecki  
Appointed Board  
Member

Dale Kowacki  
Executive Director

## MEMORANDUM

date: November 4, 2009

to: All unit treasurers

from: Dale Kowacki, Executive Director

re: \$5,000 limitation on creditable service

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Greetings All

In reviewing my various communications with you about what to do with employees that earn less than \$5,000, I could see that it has come to you in bits and pieces as PERAC refined its guidance, and so below I draw together the key points for you to refer to as you work to implement the changes.

- Starting July 1, 2009, anyone earning less than \$5,000 will **not** be given **creditable service**.
- Service that started before July 1, 2009 will be given until the end of a “specified” term (elected, appointed, or contracted), but no later than July 1, 2012. **Please continue to take retirement deductions.** Also, additional positions are included until the status changes or the term ends, after which, please stop taking deductions from all positions. Please send us a “Status Change” form when this occurs.
- If each individual position earns less than \$5,000, they **cannot** be combined to meet the \$5,000 limit. **Take no deductions and switch them to OBRA or Social Security.**
- However, when the member has at least one position that exceeds the \$5,000 limit, and they qualify for membership in all other ways, additional positions are to be added for salary purposes. **Take deductions on all positions.**
- Additional positions can be with any unit within the Franklin Regional Retirement System. Positions with other systems (State, Teachers, Hampshire County, Greenfield, Montague, or Athol) are not included.
- Their **membership status** will not change on July 1, 2009, even if deductions are not being made, until they terminate from service. They are considered “active” while employed and cannot take a refund of their retirement funds (or get a retirement benefit) until they are all done working in all their positions in this system.
- New hires in positions earning less than \$5,000 are not eligible for membership.