

# Rules and Regulations of the Franklin Regional Retirement System

January 1, 2009 to present

## **Membership:**

Any individual, who is permanently employed twenty (20) or more hours per week with any member unit or units of the Franklin Regional Retirement System, shall become a member of the Retirement System. Upon becoming a member of the System, a member must maintain the status of being permanently employed 20 or more hours per week to continue contributing to the System and accruing additional creditable service, consistent with the Board's creditable service regulation.

<sup>1</sup>When an active member takes on an additional position that is temporary, the temporary position will not be included for maintaining membership, but will be included as salary earnings and creditable service, with deductions taken, as long as the employee maintains active membership through permanent positions.

The system will not take contributions from members earning less than \$5,000 annually unless the member holds a position that meets all other membership regulations and earns a minimum of \$5,000 in at least one other eligible position.

This policy will also apply to any individual who is already a member prior to January 1, 2009, but on January 1, 2009 was an inactive member.

Any individual who is already a member prior to January 1, 2009, and on January 1, 2009 is an active member, shall remain an active member, regardless of the number of hours worked, or regardless of subsequent reduction(s) of hours to less than 20 per week, until such time that they retire, or transfer to another system, or take a refund of their contributions, or their membership status changes to inactive for all positions that were held on January 1, 2009.

<sup>2</sup>Starting July 1, 2009, any individual who is employed and receiving less than \$5,000 is excluded from membership.

## **Creditable Service:**

New members of the Franklin Regional Retirement System shall receive creditable service, for each position worked, in prorated increments, in the following manner:

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Weekly hours worked are:		Creditable service
not less than	not greater than	percentage given
20	22.99	50%
23	25.99	60%
26	28.99	70%
29	31.99	80%
32	34.99	90%
35	40	100%

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Any individual who is already a member prior to January 1, 2009, and on January 1, 2009 is an “active” member, shall receive full creditable service regardless of the number of hours worked, for any and all positions they continue working in as of January 1, 2009, except that members working occasionally and sporadically with no clear pattern of a regular work schedule will be given creditable service equal to the actual time worked.<sup>3</sup> Actual hours worked for call firefighters will be determined by dividing the earnings by the known hourly rate for those wages, and if the hourly rate is not known, the corresponding Massachusetts minimum hourly wage for each particular time period will be used.

Additional positions started on or after January 1, 2009 will receive prorated creditable service as per the above table.

<sup>6</sup>Any individual who is an “inactive” member as of January 1, 2009 shall, for time worked prior to January 1, 2009, receive creditable service consistent with board regulations in effect prior to January 1, 2009. When returning to “active” membership for prior positions, or for additional positions, started on or after January 1, 2009, they will receive prorated creditable service as per the above table. Any return to “active” membership for prior positions shall be consistent with board policy, as of January 1, 2009, regarding membership.

In the application of this regulation, membership and positions allowed will be consistent with board policy regarding membership.

<sup>7</sup>In the case of School Department employees whose employment requires them to work from on or about September 1<sup>st</sup> to on or about June 30<sup>th</sup>, including but not limited to cafeteria workers, clerical and secretarial staff, teacher’s assistants and teaching professionals, such as therapists, said employees shall receive one month of creditable service for each full month the employee is receiving regular compensation, with ten (10) months being the equivalent of one (1) year of creditable service, based on the following conversion: the number of months worked in a ten month year is multiplied by 1.2 to yield the twelve month equivalent and the creditable service to be given. This conversion will apply in partial years worked as well, whether due to lay-off, resignation, transfer or retirement.

## **Buybacks and Make-ups:**

Any temporary or part-time employee hired after 1/1/96 who later becomes eligible for membership shall have the option of buying back creditable service time at the rate proportionate to actual time worked. Documentation in the form of actual payroll records that include: position, wages paid, hours and/or payrate, and start and end dates, are to be provided by the unit treasurer. Where no payroll records exist, the board will review provided materials. In the case of appointed officials or employees purchasing creditable service for time prior to becoming a member, when actual hours worked can not be determined, or when the position was salaried or stipend, the hours can be determined by using double the Massachusetts minimum wage for that period.

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Individuals who are not current members of the system will not be allowed to buy back creditable service for time the individual was employed by a member unit but not eligible for membership in the Franklin Regional Retirement System.

<sup>4</sup>When a member seeks, and is approved, to purchase both refunded membership service (a buyback) and non-membership service (a make-up), and the member chooses to make partial payments, the payments will be applied to membership service first, starting with the most recent, and then non-membership service, starting with the most recent. Payments must be made within five years from the date the board votes the approval of a buyback and/or make-up (separately or together) unless a greater time period is approved by the board. At the conclusion of five years from the date the board votes the approval (or an approved longer period), or if the member transfers to another retirement system, or if the member terminates service, or if the member retires; prorated service will be given and applied as a purchase of the most recent service first, and the approval for any balance of service not purchased will be cancelled, after which, the member can re-request board approval, with the appropriate retirement board, for the service not purchased.

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## Additions and Modifications:

May 28, 2008 – The board voted the main parts of this policy with implementation to start July 1, 2008, which, on September 30, 2008, was postponed to January 1, 2009.

1 – August 26, 2008

2 – September 28, 2011

3 - May 27, 2009

4 – June 24, 2008

5 – August 26, 2008 – Modified numbers in second column of chart.

6 – August 26, 2008

7 – September 28, 2011 – The Board discussed its policy regarding “school-year” employees and concluded it should be retained.

June 30, 2009 - the Board voted unanimously that in the case of appointed officials or employees purchasing creditable service for time prior to becoming a member, when actual hours worked can not be determined, or when the position was salaried or stipend, the hours can be determined by using double the Massachusetts minimum wage for that period.

October 27, 2009 - the Board voted unanimously to remove the following sentence: “Actual time worked by employee to be provided and certified by unit Treasurer.”, in the first paragraph of the Buybacks and Make-ups section of the Board Regulations, and replace it with the following sentence: “Documentation in the form of actual payroll records that include: position, wages paid, hours and/or payrate, and start and end dates, are to be provided by the unit treasurer. Where no payroll records exist, the board will review provided materials.”

August 31, 2010 - the Board voted unanimously to accept the opinion of its attorney and not take contributions from members earning less than \$5,000 annually unless the member holds a position that

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meets all of the other membership supplemental regulations and earns a minimum of \$5,000 in at least one other eligible position.

September 28, 2011 - On the recommendation of the Board's attorney, Michael Sacco, the Board voted to strike from the Membership section of Board policy the following paragraph:

In compliance with C.32§ 3(2)(d) - Any person holding a position for which the annual compensation is fixed in an amount of two hundred dollars or less shall not be eligible for membership except by vote of the board.

And to establish the following policy:

Starting July 1, 2009, any individual who is employed and receiving less than \$5,000 is excluded from membership.

7<sup>th</sup>