

Rules and Regulations of the Franklin Regional Retirement System

January 1, 2009 to present

Membership:

Any individual, who is ¹⁶permanently 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, ~~unless the member ends employment in a way described in Massachusetts General Laws Chapter 32, § 3(1)(a)(i),¹⁷~~ the member will continue contributing to the System and accruing additional creditable service, consistent with the Board's creditable service regulation.

¹⁰When an active member temporarily switches to a different position, without a break in service, within the Franklin Regional Retirement and regardless of unit, they will continue as an active member, with deductions taken, and receive service credit consistent with the Board's creditable service regulations.

¹When 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.

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.

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

Creditable Service:

New members of the Franklin Regional Retirement System shall receive creditable service, for the total of all positions worked, in prorated increments, not to exceed 100%, in the following manner - Reported hours of all the member's positions will be summed and the resulting total used to determine creditable service using the following service percentage chart.

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Average weekly hours over 20		
Weekly hours worked are:		Creditable service percentage given
not less than	not greater than	
20	22.99	50%
23	25.99	60%
26	28.99	70%
29	31.99	80%
32	34.99	90%
35	40	100%
Average weekly hours under 20		
0	3.99	10%
4	6.99	15%

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7	8.99	20%
9	10.99	25%
11	12.99	30%
13	14.99	35%
15	17.99	40%
18	19.99	45%

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,¹⁵⁻ and regardless of involuntary movement to different positions, as long as the member remains active, including layoff and return within 3 months,⁻¹⁵ 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.³ 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.

²Starting July 1, 2009, any member receiving less than a rate of \$5,000 annually will receive zero service credit for the period where the rate computes to less than \$5,000 annually.

⁶Any 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.

⁷In the case of School Department employees whose employment requires them to work from on or about September 1st to on or about June 30th, 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.

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⁸When a member's service terminates at the end of their normal work (week, schedule, rotation, etc.), service credit will extend to, and include, the day just prior to the start of what would have been their next work (week, schedule, rotation, etc.), excluding any overlap with a receiving system.

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 cannot be determined, or when the position was salaried or stipended, the hours can be determined by using double the Massachusetts minimum wage for that period.

Individuals who are not current members of the system will not be allowed to purchase creditable service for time the individual was employed by a member unit regardless of eligibility¹¹ for membership in the Franklin Regional Retirement System.

¹³When a member requests to purchase service for a long-term substitute assignment, where the member had been appointed to a specific position to cover a prolonged absence of a single coworker, implying the same meaning as the terms "temporary fill-in", or "interim", and distinguishing the term "long-term substitute" as different from a substitute that is on a list and ready to fill-in occasionally when needed for random assignments, the service purchase will be allowed notwithstanding the lack of the use of the word "substitute" in MGL 32§4(2)c.

⁴When 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 a minimum of \$150 per month, with full payment 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. ¹⁴If a payment agreement is incomplete at the time of retirement, prorated service will be granted if provided by law. If a payment agreement is incomplete at the time of transfer to another retirement system, payments received will be refunded to the member and any service credit related to the payment agreement will be reversed and no creditable service will be allowed. If a payment agreement is incomplete at the time a member requests a refund of their accumulated total deductions, the refund will include the payment received for the payment agreement and no creditable service will be included in the statement of total credit at the time of refund.⁻¹⁴

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^{9a}Purchases of military service credit (as provided by Chapter 71 of the Acts of 1996) must be paid for in a lump sum. ^{9b}Beginning January 1, 2013, any new, or existing but unpaid approvals for the purchase of military service will accrue interest annually at the same rate as “regular interest” (as provided by M.G.L. c. 32, § 22(6)(b)) and be payable along with the base amount, in full, before service is credited to the member’s record. Interest will begin accruing 30 days after the military service purchase is approved by the retirement board, or notification of the approval, whichever is later. In the case of existing approvals prior to January 1, 2013, interest will begin to accrue 30 days after notification to the member of the change in policy regarding interest.

Additions and Modifications:

July 19, 1995 – Moved that, installments for make-up (buybacks and makeups) payments shall not exceed 5 years or be less than \$150 per month. Vote was unanimous

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 cannot 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 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.

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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.

June 27, 2012 -

On a motion made by P. Mokrzecki and a second by M. Stokarski, the Board voted unanimously to insert "or positions" after the word "position", and take out the "s" at the end of "meet" in the 3rd paragraph of the membership section of the Board Rules and Regulations.

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

October 31, 2012 -

8 - On a motion made by M. Stokarski and a second by P. Mokrzecki, the Board unanimously voted to set policy as follows:

"When a member's service terminates at the end of their normal work (week, schedule, rotation, etc.), service credit will extend to, and include, the day just prior to the start of what would have been their next work (week, schedule, rotation, etc.), excluding any overlap with a receiving system."

December 4, 1996 –

9a - Motion to amend Board Policy relative to veterans' buybacks, changing the language to: "the buy back must be paid for in a lump sum." Vote was unanimous.

October 31, 2012 -

9b - On a motion made by P. Mokrzecki and a second by M. Stokarski, the Board unanimously voted to set policy as follows:

"Beginning January 1, 2013, any new, or existing but unpaid approvals for the purchase of military service (as provided by Chapter 71 of the Acts of 1996), will accrue interest annually at the same rate as "regular interest" (as provided by M.G.L. c. 32, § 22(6)(b)) and be payable along with base amount in full before service is credited to the member's record. Interest will begin accruing 30 days after the military service purchase is approved by the retirement board, or notification of the approval, whichever is later. In the case of existing approvals prior to January 1, 2013, interest will begin to accrue 30 days after notification to the member of the change in policy regarding interest."

December 19, 2012 -

10 - On a motion made by H. Sanderson and a second by D. Gendron, the Board unanimously voted to set membership regulation policy for temporary positions as follows:

"When an active member temporarily switches to a different position, without a break in service, within the Franklin Regional Retirement and regardless of unit, they will continue as an active member, with deductions taken, and receive service credit consistent with the Board's creditable service regulations."

July 31, 2013 –

11 - On a motion by D. Gendron and a second by M. Stokarski, the Board unanimously voted to accept the following revision to the Buybacks and Makeups section of the Supplemental Policy as written below.

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

It was noted that a request for non-membership service liability can always be presented to the Board for a case-by-case review.

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December 22, 2015 –

12 - Board regulations perhaps amended for service granted part time positions – The service percentage chart for less than 20 hours in the current board regulations has proven problematic in that the described method often results in unrealistic total service for members working multiple positions. Staff suggested removal of the chart, and simplification where the reported hours of all the member’s positions will be summed and the resulting total used to determine creditable service using the service percentage chart for greater than 20 hours.

On a motion made by P. Mokrzecki and a second by M. Stokarski, the Board voted unanimously to modify its regulations regarding service granted for part-time positions as presented to the Board and made part of these minutes below:

Creditable Service:

New members of the Franklin Regional Retirement System shall receive creditable service, for the total of all ~~each~~ positions worked, in prorated increments, not to exceed 100%, in the following manner:

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Primary membership positions		
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%

Additional and/or individual positions		
Weekly hours worked are:		Creditable service
not less than	not greater than	percentage given
0	4.99	10%
5	9.99	20%
10	14.99	35%
15	19.99	45%

January 26, 2016 -

13 – Board regulations added to allow for purchase of “long-term” substitute service.

On a motion made by M. Stokarski and a second by P. Light, the Board voted unanimously to approve the following wording to be added to Board regulations:

When a member requests to purchase service for a long-term substitute assignment, where the member had been appointed to a specific position to cover a prolonged absence of a single coworker, implying the same meaning as the terms “temporary fill-in”, or “interim”, and distinguishing the term “long-term substitute” as different from a substitute that is on a list and ready to fill-in occasionally when needed for random assignments, the service purchase will be allowed notwithstanding the lack of the use of the word “substitute” in MGL 32§4(2)c.

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April 25, 2017 -

Revise policy regarding continuing deductions during non-membership

Dale Kowacki, Executive Director informed the Board that The Supreme Judicial Court of Massachusetts (“the SJC”) has issued a decision regarding what it terms “non-full-time-employees.” The SJC has decided that once a member is granted initial membership in a retirement system, he or she will retain that membership status so long as he or she remains employed. This means that a member, whose hours or pay are reduced below the initial membership threshold of a particular board, may not have their membership revoked. In light of this decision, Dale presented the Board with a copy of our current regulations with review notes in red with suggested changes to FRRS supplemental regulations.

Upon further discussion, the Board agreed that staff would reinstate members that are still active with FRRS who have been removed from membership erroneously and those members that were removed from membership under the \$5,000 rule as we discover them. The members will need to repay the amounts they should have paid into the system, and then be given creditable service in accordance with our supplemental regulations.

On a motion made by M. Stokarski, and a second by P. Mokrzecki the Board voted unanimously to accept the changes, as presented, to the FRRS supplemental regulations in regards to membership and pro-rated creditable service for non-full-time employees, see addendum B.

7th

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¹⁰When an active member temporarily switches to a different position, without a break in service, within the Franklin Regional Retirement and regardless of unit, they will continue as an active member, with deductions taken, and receive service credit consistent with the Board's creditable service regulations.

¹¹When 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, or positions, that meet 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.~~

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

Creditable Service:

New members of the Franklin Regional Retirement System shall receive creditable service, for the total of all positions worked, in prorated increments, not to exceed 100%, in the following manner: Reported hours of all the member's positions will be summed and the resulting total used to determine creditable service using the following service percentage chart.

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Creditable Service:

New members of the Franklin Regional Retirement System shall receive creditable service, for the total of all positions worked, in prorated increments, not to exceed 100%, in the following manner ∴ Reported hours of all the member's positions will be summed and the resulting total used to determine creditable service using the following service percentage chart.

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<u>Average weekly hours over 20 Primary membership positions</u>		
Weekly hours worked are:		Creditable service percentage given
not less than	not greater than	
20	22.99	50%
23	25.99	60%
26	28.99	70%
29	31.99	80%
32	34.99	90%
35	40	100%
<u>Average weekly hours under 20</u>		
<u>0</u>	<u>3.99</u>	<u>10%</u>
<u>4</u>	<u>6.99</u>	<u>15%</u>
<u>7</u>	<u>8.99</u>	<u>20%</u>
<u>9</u>	<u>10.99</u>	<u>25%</u>
<u>11</u>	<u>12.99</u>	<u>30%</u>
<u>13</u>	<u>14.99</u>	<u>35%</u>
<u>15</u>	<u>17.99</u>	<u>40%</u>
<u>18</u>	<u>19.99</u>	<u>45%</u>

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. ³Actual 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.

²Starting July 1, 2009, any member receiving less than a rate of \$5,000 annually will receive zero service credit for the period where the rate computes to less than \$5,000 annually.

⁶Any 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.]

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November 30, 2016 –

14 - Edit to policy on installment payments for service purchases

During a discussion with Michael Sacco, Board Attorney, regarding one aspect of our policy on partial purchase of service, Michael educated us on the particulars of when we can and cannot prorate the partial purchase. As a result of this discussion we have modified the pertinent section of Board policy, and present it here for the Board's review and approval.

Proposed:

Payments must be a minimum of \$150 per month, with full payment 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. *If a payment agreement is incomplete at the time of retirement, prorated service will be granted if provided by law. If a payment agreement is incomplete at the time of transfer to another retirement system, payments received will be refunded to the member and any service credit related to the payment agreement will be reversed and no creditable service will be allowed. If a payment agreement is incomplete at the time a member requests a refund of their accumulated total deductions, the refund will include the payment received for the payment agreement and no creditable service will be included in the statement of total credit at the time of refund.*

On a motion made by P. Light and a second by P. Mokrzecki, the Board unanimously voted to accept as written the proposed Board policy on installment payments for service purchases.

June 28, 2017 –

15 - Policy on service credit grandfathered when:

- A member leaves one unit to take an identical position in another unit;
- “Transferred” to a different position with fewer hours;
- After they return from a layoff.

Dale presented to the Board descriptions of actual situations where members had compelling circumstances that might warrant the continuation of credit for full-time service that was grandfathered part-time work through the Board's policy change on January 1, 2009.

On a motion made by P. Light and second by G. Voelker, the Board voted to change the wording of its regulation granting full creditable service after January 1, 2009 by striking the phrase “for any and all positions they continue working in as of January 1, 2009”, and replacing it with the phrase “and regardless of involuntary movement to different positions, as long as the member remains active including, layoff and return within 3 months,”.

April 24, 2018 –

16 - Policy question about interim positions

The Board was presented the current membership policy of FRRS which excludes “interim” positions from membership. The membership policy states:

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, unless the member ends employment in a way described in Massachusetts General Laws Chapter 32, § 3(1)(a)(i), the member will continue contributing to the System and accruing additional creditable service, consistent with the Board's creditable service regulation.

The Board was asked to consider changing the membership policy to allow for interim positions.

The policy continues in regard to temporarily switching positions or taking on an additional temporary position but by using the word ‘permanent’ in the above clause, anyone accepting an interim position is precluded from membership. If the employee is subsequently hired to a regular position, (s)he may then

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purchase the prior interim service for deductions that would have been taken plus interest at ½ the actuarial rate, currently 3.875%.

Should the Board vote to change its policy, deductions for interim positions would be taken upon hire. The salary of the interim position would be considered when determining the cost to the governmental unit for appropriation purposes and the funds would be invested. Should the interim employee not accept a regular permanent position, the deductions plus allowable interest could be refunded.

The funding increase, and the lack of need to process a service purchase, outweighs the costs of processing new member forms and possible refunds.

On a motion made by G. Voelker and a second by P. Mokrzecki, the Board voted unanimously to amend the first sentence of the membership policy by removing the word “permanently”.

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, unless the member ends employment in a way described in Massachusetts General Laws Chapter 32, § 3(1)(a)(i), the member will continue contributing to the System and accruing additional creditable service, consistent with the Board’s creditable service regulation.

June 26, 2018 -

17 - Policy question: Continuation after status change of active members

Does the Board want to allow the continuation of member-in-service status to members that separate from a membership eligible position into a non-membership eligible position?

The question of continuing member-in-service status has been prompted by the ‘Once a member, always a member’ interpretation of MGL c.32, section 3. Although section 3(1)(a)(i) states that member in-service status shall continue until retirement, resignation, death.....the Board has broad discretion under 3(2)d to determine membership eligibility for less than full-time employees even though section 4 mandates an annual salary greater than \$5000 to award creditable service.

After some discussion, the Board voted as follows:

On a motion made by P. Mokrzecki and a second by P. Light, the Board voted unanimously to allow the continuing of member-in-service status to those members that separate from a membership eligible position into a non-membership eligible position.