



OUTLOOK

January 2020



Focusing on Retirement Issues for Massport Employees Past and Present

Retirement Board Election

The retirement board election results are in! Betsy Taylor and Michael P. O'Brien will serve as member representatives to the Massport Employees' Retirement Board for another three-year term beginning on January 11, 2020.

ELECTION VOTE BREAKDOWN	
Candidate	Total Votes
Betsy Taylor	685
Michael P. O'Brien	645
Joseph McCann	375

Approximately 45% of eligible voters participated in the election. Ballots were counted on January 7, 2020.

Voting by Secret Ballot

Nearly 40 votes were disqualified because the name and signature line on the gold return envelope was left blank. We assume voters were

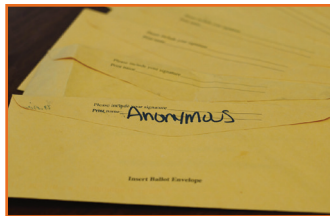
concerned about the privacy of their vote. We go to great lengths to maintain the integrity of the election process and protect the confidentiality of our members' votes.

To be more specific, we use two envelopes to protect your anonymity. The gold return envelope is used to identify the voter. Prior to counting, these envelopes are separated from the inner white envelope containing the ballot. The gold envelopes are discarded before the white envelopes are opened and the ballots are removed. Therefore there is no way our ballot counters know who you vote for. So, if you did not include your name and signature on the gold return envelope for this election please do so next time so your voice is heard.

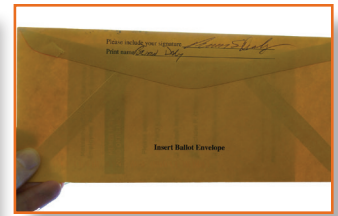
— continued on page 5



Left to right: Betsy Taylor – re-elected Retirement Board Member, Irene Moran – Director of Retirement, Election Officer, and Mike O'Brien – re-elected Retirement Board Member



Above: If this was your ballot it wasn't counted. Just like voting at the polls we need to identify the voter!



Above: Please use the white ballot envelope so we don't see how you voted!



Back row – left to right: Irena Gagulic, Kim Winer, Laura Barbosa, Dan Lonardo, Kate Arazi, Paula Raczkowski, Kathy Keating-Patti, Donna Seminatore, Courtney Chobot, Irene Moran, Frank Rivera, Susan Magoon, Paul Reardon, Nancy Bournival, and Lillian Ciulla
Front row – left to right: Lynne Pignato, Katie Fuller, Steve Bottaro, Judy Miskinis, and Jessica Ford

More inside . . .

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- page 5: Vacation Buyback Update
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Find us online! Simply go to <http://retirement.massport.com>.

Deferred Comp Limit Increases for 2020

If you contribute the max to the SMART Plan, please note the limits have increased for calendar year 2020.

Annual Limits

The 2020 maximum contribution is \$19,500.

Age 50 and Over Catch-up

If you are, or become, age 50 in 2020 you may contribute an additional \$6,500 for a total of \$26,000.

“Special Catch-up” Provision

If you contributed less than the maximum at any point in the past, you may be eligible for a “Special Catch-up” program. Under the “Special Catch-up” you can contribute a maximum of \$39,000 (\$19,500 plus an additional \$19,500)

in 2020. Please contact SMART Plan Retirement Plan Advisor, Sean Brennan, for details.

2020 Employer Match

The Authority will continue the deferred compensation match program in 2020 and will match up to \$3,000 in eligible employees’ contributions to the 457 deferred compensation plan. Distributions are made approximately two and a half weeks after the end of each quarter. The 2020 match schedule is: April 10th, July 10th, October 9th, and December 31st. Quarterly match amounts are reported and can be verified on both your weekly paystub or direct deposit notification and quarterly Empower-Retirement statements.

SMART Plan Office Hours

Sean Brennan, Massachusetts SMART Plan Retirement Plan Advisor, will hold office hours in the Retirement Office at the LOC on the following dates and times:

Wednesday, January 22, 2020	10 am – 1 pm
Wednesday, February 5, 2020	10:30 am – 1:30 pm
Wednesday, February 19, 2020	10 am – 1 pm
Wednesday, March 4, 2020	10:30 am – 1:30 pm
Wednesday, March 18, 2020	10 am – 1 pm
Wednesday, April 8, 2020	10:30 am – 1:30 pm
Wednesday, April 22, 2020	10 am – 1 pm

To schedule an appointment, please contact Sean directly at (978) 960-9569 or Sean.Brennan@empower-retirement.com.



We’re Deductible!

Did you know that contributions you’ve made to the Massport Employees’ Retirement System are deductible on Massachusetts state tax returns? Line 11a on the state’s Form 1 allows you to deduct up to \$2,000 for contributions to Social Security, Medicare or Massachusetts retirement systems. You can find your total contribution on your pay stub dated December 27, 2019. Don’t miss out!

New Human Resources Healthcare Representative

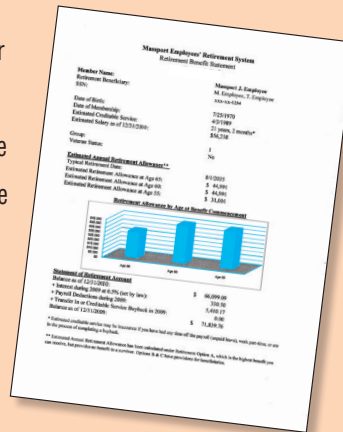
We are happy to announce HR's Benefits Specialist Katie Fuller is now handling all post-retirement medical and dental matters for Massport employees and retirees. Katie has taken over for Loren Tempro who recently retired. Katie first joined Massport's Human Resources department in 2017. Prior to that, she worked in HR for an immigration law firm. Katie graduated from UMass Dartmouth in 2013 with a Bachelor's Degree in Human Resources Management. She can be reached at (617) 568-3915 or kfuller@massport.com.



Annual Member Statements

We're in the process of completing our 2020 active member statements which will be mailed to you in April. These statements include retirement allowance projections at three ages in addition to the standard beneficiary, account balance and current year contributions and interest information.

We encourage you to take this opportunity to review your beneficiary designations. Please contact the retirement office if you have any questions regarding your statement or wish to change your beneficiaries.



TRANSITIONS

We regret to inform you that the following retirees have passed away:

-  John Crisostamo
-  Maureen Foley
-  Natasha Kellici

CONGRATULATIONS

The following people retired recently and we wish them all the best for a successful future:

- ★ Philip Aldo
- ★ Jeanne Boyle
- ★ Mark Grover
- ★ Joseph Guarino
- ★ Wendy Harrington
- ★ Robert McGovern
- ★ Loren Tempro
- ★ Lynn Vikesland

No State Tax on Pensions



As a reminder, there is no state tax liability for public pensions in Massachusetts. Therefore, your Massport pension is not subject to MA state taxes and you should not be claiming this income on your annual filing. However, if you live outside Massachusetts you could be subject to tax depending on the state in which you reside. For more information, go to <http://www.retirementliving.com/taxes-by-state>.

Attention Snowbirds!

If you're headed to a sunnier destination for the winter, be sure to notify the Massport retirement office of your address change to ensure timely delivery of retirement mailings!

For your security, we require you send us written notice of your address change. Please call the retirement office at (617) 568-3951 to request an address change form, send a note to the Massport Retirement System, One Harborside Drive, Suite 200S, East Boston, MA 02128-2909, or send an email to karazi@massport.com.



Notices of Deposit

As a reminder, notices of deposit are mailed to retirees in January and July only. Retirees can access payment history as well as beneficiary, 1099R, and contact information via the retirement self-service portal. You may

also download address and direct deposit change forms.

If you haven't signed up, we encourage you to do so. Online registration is quick and easy! To access the portal, go to <http://retirement.massport.com>, select "Massport's Pension

Plan" from the menu bar on the left side and then click on the "Member Self-Service" link. To register for access, click on the "Self Registration" button then enter the information requested. Be sure to bookmark this website for quicker access.



Changing Bank Accounts?

Attention retirees: It is very important that you alert us of any change to your banking information as soon as possible. If you close the account to which your retirement allowance is direct deposited to and don't notify us in time, the bank will reject any attempts to deposit your monthly payment. If this happens a replacement check will be issued but it can take up to two weeks to complete this process. So to avoid this inconvenience please keep us posted when you change banks or bank accounts!

Retirees turning age 59½

Those of you who retired from Massport before the age of 59 will receive two 1099R forms for the tax year in which you turn age 59½. Per IRS rule, we are required to identify and separate out pension payments you receive both before you turned 59½ and after. This rule only applies for the tax year in which you turn 59½.

Each 1099R form will be different and you will

need both forms when filing your taxes for that year. One form will reflect pension payment amounts for the months before you were 59½ and Box 7 of this form will indicate a distribution code of 2. The other form will reflect pension payment amounts from the month you turned 59½ on and this form will show a distribution code of 7 in Box 7.



If you have any questions, please contact the retirement office at (617) 568-3951.

Superior Court Affirms CRAB on Vacation Buybacks

A recent Superior Court decision in *O'Leary v. CRAB*, affirms the Contributory Retirement Appeal Board's (CRAB) decision that vacation buybacks are not regular compensation for retirement purposes.

As reported to you last January, CRAB rejected our regulator's, the Public Employee Retirement Administration Commission's (PERAC), long standing position that payments made in lieu of taking vacation leave may be considered regular compensation for retirement purposes.

We also reported to you that the O'Leary decision would not be final until the appeal process concludes in the courts. This recent Superior Court decision brings us one-step closer to a resolution, however according to the Superior Court docket, an

appeal has been filed in the Appeals Court. So the *O'Leary v. CRAB* matter moves to the appeals court for judicial review.

In the meantime, we will continue to comply with CRAB's Order of Partial Stay regarding the treatment of vacation buyback payments. As a reminder, the directive is as follows:

For Current Employees and Inactive Members:

- As of January 2019, retirement deductions are no longer withheld from any vacation buyback payments you receive;
- When you retire, we do not include vacation buyback payments as part of the salary average used to calculate your retirement allowance; and,
- Retirement contributions previously withheld for vacation buybacks are refunded to you *after you*

retire. Therefore, refunds on these deductions are being issued only at the time of retirement and only after your retirement application is processed.

For Members who retired prior to November 6, 2018:

If you retired prior to November 6, 2018 your retirement allowance will remain in effect pending the completion of the appeal process. Therefore at this time there will be no change in your monthly pension benefit. Whether or not you will be impacted in the future will be determined by the courts as part of the appeal process.

For Members who retired on or after November 6, 2018:

- If you retired on or after November 6, 2018, vacation buyback payments were not included in the salary

average used to calculate your retirement allowance; and,

- Any retirement contributions previously withheld for vacation buyback payments were refunded to you after you retired.

We understand how concerning this issue is for our members who are or have participated in the Authority's vacation buyback program, especially those who have these payments factored into their retirement allowances, either current or future. We share your concern but also have to acknowledge that as trustees of the MPAERS we must abide by CRAB's Order and ultimately what the courts decide once the matter is settled.

We will continue to keep you apprised of any new developments as they arise going forward.

— ELECTION continued

Thanks

We would like to express our gratitude to our ballot counting team: Steve Bottaro, Courtney Chobot, Lillian Ciulla, Jessica Ford, Katie Fuller, Irena Gagulich, Kathy Keating-Patti, Dan Lonardo, Susan Magoon, Judy Miskinis, Lynne Pignato, Paula Raczkowski, Paul Reardon, Frank Rivera, Donna Seminatore, and Kim Winer.



WEB WATCH

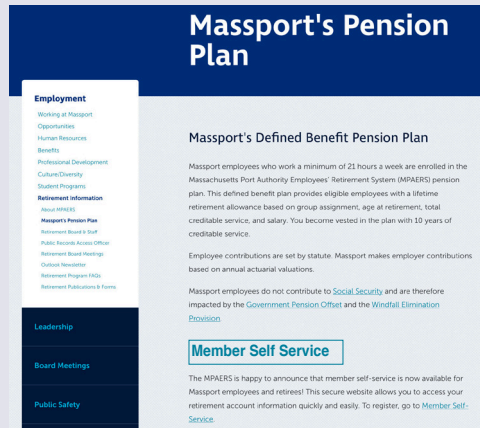
For those of you who have access to the Internet, there is a wealth of information to be found there. In this section we highlight web sites and SmartPhone apps that we have found helpful, informative, interesting or just plain fun.

Retirement Account Information at Your Fingertips

The retirement member self-service portal has been available to employees and retirees for nearly four years now. This secure website allows you to review your retirement account information, download forms such as beneficiary and address change forms, and run pension estimates based on your estimated service and salary history for any date of your choosing. The pension estimator is by far the most popular feature amongst our active membership!

Since roll out in 2016, approximately 725 members have registered for online accounts. That's roughly 30% of our total membership! If you haven't signed up, we encourage you to do so. Online registration is quick and easy! To access the portal, go to <http://retirement.massport.com>, select "Massport's Pension Plan" from the menu bar on the left side and then click on the "Member Self-Service" link. To register for access, click on the "Self Registration" button then enter the information requested. Be sure to bookmark this website for quicker access.

Retirement staff is available during normal business hours if you have questions or need help with registration. Contact Laura Barbosa for assistance via email at lbarbosa@massport.com or phone at (617) 568-3903.



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CALENDAR

January

20
Martin Luther King Jr. Day
Massport offices closed

30
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room,
9:00 am

31
Retiree 1099R Forms & Notices
of Deposit mailed by this date

February
14
Happy Valentine's Day!

17
Presidents' Day
Massport offices closed

25
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

26
Ash Wednesday

March

8
Daylight Savings Time begins:
Set clocks ahead one hour

17
Happy St. Patrick's Day!

Evacuation Day
(Massachusetts)
Massport offices open

20
Spring begins

26
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

April
5
Palm Sunday

8
Passover begins at sundown

10
Good Friday

Quarterly employer match to
457 plan

12
Easter Sunday

15
Tax filing day

16
Last day of Passover

20
Patriots Day (Massachusetts):
Massport offices closed

24
Ramadan begins

30
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

View past issues of *Outlook* at
<http://retirement.massport.com>