



OUTLOOK

Focusing on Retirement Issues for Massport Employees Past and Present

November
2018



Change is in the air

As you may be aware, following a six-year tenure, Massport's CEO Tom Glynn has announced his resignation effective November 16, 2018. Tom has been an active supporter of the retirement system and its initiatives such as the recent COLA Base increase and the recruitment of Jamie Hoyte as the Board's Chair.

Tom's departure will also result in significant changes on the retirement board. Our own ex-officio Retirement Board member, CFO and Treasurer-Custodian of Massport, John Prankevicius, has been appointed Acting CEO by the Authority's Board. John will serve in this capacity until such time as the Massport board appoints a new CEO.

In John's place, Anna Tenaglia, currently Massport's Director of Treasury, will be serving as Acting Director of Administration and Finance/Secretary-Treasurer. As such, Anna will be sworn in as the acting ex-officio member of the Massport Employees' Retirement System Board at our November 29th retirement board meeting.

We extend our best wishes and congratulations to Tom in his next endeavor and to John and Anna in their new respective roles!



Tom Glynn

Appeals Court Decision Could Impact Treatment of Vacation Buybacks

A recent Contributory Retirement Appeal Board (CRAB) decision could impact the treatment of vacation buybacks as regular compensation for retirement purposes. The decision 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.

In CRAB's *O'Leary v. Lexington Retirement Board and PERAC* decision, the

appeal board found in favor of the Lexington Retirement Board stating that, in their opinion, payments made as part of a vacation buyback program are not regular compensation. As background, Joseph O'Leary was a police officer in Lexington who

participated in the town's vacation buyback program. When Mr. O'Leary applied to retire, he requested his vacation buybacks be included in his three-year salary average for purposes of his retirement allowance calculation.

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Find us online! Simply go to <http://retirement.massport.com>.

Massport's Deferred Compensation SMART Plan

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

November 7, 2018	10:30 am – 1:30 pm
November 19, 2018	10:00 am – 1:00 pm
December 5, 2018	10:00 am – 1:00 pm
December 12, 2018	10:30 am – 1:30 pm
January 9, 2019	10:30 am – 1:30 pm
January 23, 2019	10:00 am – 1:00 pm

Making Changes

When you make a change to your contribution amount, it will be effective on the first pay date of the following month. If you are planning to increase (or decrease) your contribution amount to be effective January 1st, be sure to make this change sometime in December.

You can make changes via the SMART Plan website www.mass-smart.com, by contacting Rich Carty or by calling SMART Plan client services at (877) 457-1900.

Contact Rich at (857) 939-6185 or rich.carty@empower-retirement.com if you'd like to enroll, change your current contribution amount, or discuss investment options. Rich can also help you determine how much to contribute in order to maximize this benefit according to your personal circumstances.



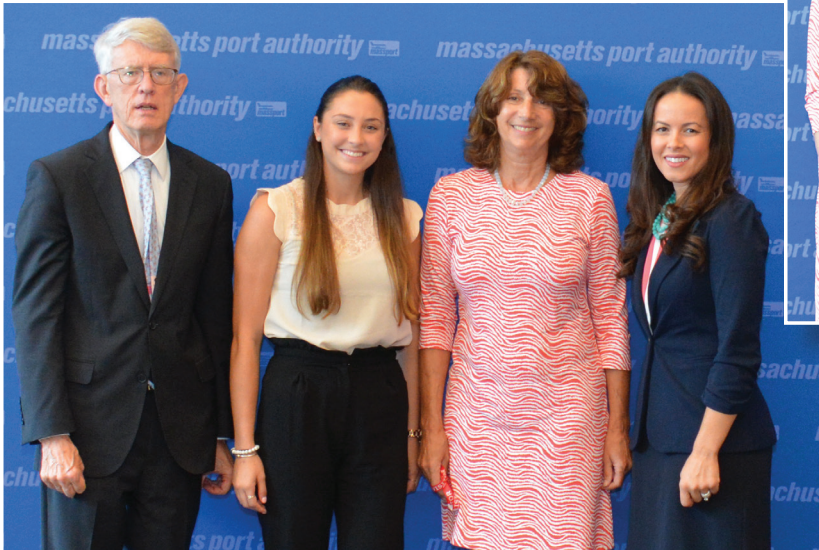
Just the Stats

Did you know that Massport has a 94% employee participation rate in the SMART Plan? We believe this is a clear indication that our members understand and appreciate the value of the SMART Plan and the \$3,000 Massport match.

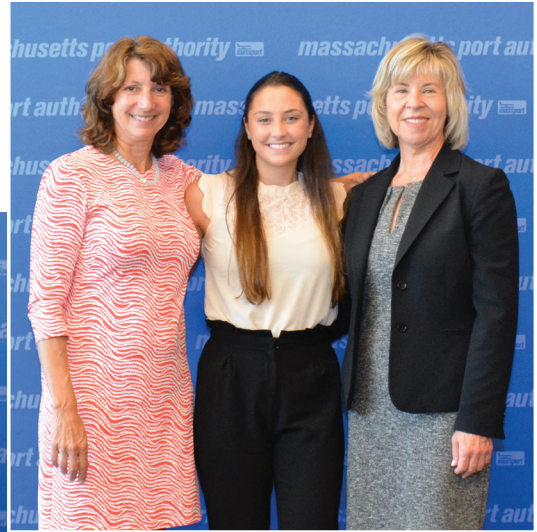


David W. Davis Memorial Internship

We are happy to report that Julia Duplin was the recipient of the 2018 David W. Davis Memorial Internship at Massport. A resident of Winthrop, Julia is a junior at Stonehill College where she studies Accounting and Criminology. Julia interned in Massport's Aviation Security department.



Shown above, left to right, Tom Glynn, Massport's CEO & Executive Director; Julia Duplin, Internship recipient; Michelle Davis, Dave Davis's daughter; and Alaina Coppola, Massport's Assistant Director, Administration & Community Giving



Shown above, left to right, Michelle Davis, Julia Duplin, and Irene Moran, Director of Retirement

LEGISLATIVE UPDATE

New type of Veteran



In August 2018 Governor Baker signed Chapter 218 of the Acts of 2018 into law. Section 5 of this new law expands the definition of a veteran to include service in the *United States Public Health Service Commissioned Corps (USPHS)* and the *National Oceanic and Atmospheric Administration Commissioned Officer Corps (NOAA)*. If you served in the USPHS or the NOAA you may be eligible to purchase up to four years of service to be applied towards your retirement creditable service at Massport.

To be eligible, you must be an active member of the Massport Retirement System with at least four years of membership service. For each year of service you wish to purchase you must pay the equivalent of one year's worth of contributions and interest based on the compensation you received during your first year of membership.

For more information about this new type of veterans buyback, please contact the retirement office at (617) 568-3951.

O'LEARY—continued from page 1

When the Lexington Retirement Board declined to do so, Mr. O'Leary (and PERAC) appealed, first to the Division of Administrative Law Appeals (DALA) and then CRAB. Both appeal boards concurred that in their opinion payments made in lieu of taking vacation leave are not regular compensation because they are not base compensation, are not payments for a service to the employer, are not "predetermined and non-discretionary," and are in the nature of a salary augmentation plan or overtime.

CRAB's decision is not final. Both Mr. O'Leary and PERAC have filed



appeals in Suffolk Superior Court. Until the appeal process is concluded, the MPAERS will be making no changes with regard to the treatment of vacation buybacks.

We will continue to consider vacation buyback payments as regular compensation for retirement purposes. Should the appeal process not be successful for Mr.

O'Leary and PERAC, retirement benefit calculations will likely need to be modified both on a go forward and perhaps even retroactive basis.

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 should the courts decide, when the matter is finally settled, that vacation buybacks are not regular compensation, we as trustees of the MPAERS must abide by their decision and follow their directives as to remedy. We are tracking this issue closely and will keep you apprised of any new developments as they arise going forward.

The Massport Employees' Retirement System (MPAERS) has had a vacation buyback supplemental regulation in place since 2001. It states that vacation buyback payments made as part of the Authority's Vacation Buyback program, are to be treated as regular compensation for retirement purposes. Therefore, retirement deductions are taken from vacation buyback payments and any vacation buybacks purchased during the time period used for retirement calculation purposes are included in three- or five-year salary averages. Our regulation was approved by PERAC as it is consistent with their legal interpretation relative to vacation buybacks as regular compensation.

TRANSITIONS

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

- 🕊️ Steven Consolo
- 🕊️ Timothy Heywood
- 🕊️ William Mackey
- 🕊️ Christina Mines

We also offer our condolences to the family and friends of **Shaun MacDonald**, former Parking Utility Technician in the Parking Garage Operations unit, who passed away on October 9, 2018.

CONGRATULATIONS

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

- ★ Francis Anglin
- ★ Matthew Brelis
- ★ Karen Caswell
- ★ Michael Foley
- ★ Michael Lyons
- ★ Michael O'Connor
- ★ MaryBeth Reddy
- ★ Paul Stordy
- ★ Michelle Wilkins
- ★ Deborah Winston

New and Improved Credit Law

Thanks to a new law, free credit freezes are now available to *all* consumers. The Economic Growth, Regulatory Relief and Consumer Protection Act, which enhances parts of the Fair Credit Reporting Act (FCRA), became law in May 2018. Previously, only victims of fraud or identity theft were able to obtain a credit freeze for free while others were charged a fee each time a freeze was placed or removed.

Free credit freezes

A credit freeze restricts access to your credit file. This essentially prevents thieves from using your stolen personal identity information to open fraudulent accounts in your name. Under this new law, you can freeze and unfreeze your credit file for free. You may also get a free credit freeze for your children under the age of 16 or an incapacitated adult.

To freeze your credit file, you need to contact each credit reporting agency separately online, by phone, or by mail. Agencies will provide a PIN number to use when you wish to remove the freeze from your credit file either permanently or for a specific period of time (for example, while you are

buying a car or refinancing a mortgage).

Please note that the credit freeze does not apply to your existing creditors or any companies prescreening you for credit. Collection agencies and government agencies will still be able to access your credit report if necessary as well.

Credit freezes and the military

If you are in the military, you can add an Active Duty Alert to your credit file to help protect yourself against identity theft while deployed overseas. An Active Duty Alert remains in your credit file for one year – this is renewable for the entire time you are deployed. This alert notifies creditors that you are currently on active duty in the U.S. military. As an additional layer of protection, credit reporting agencies will remove your name from their marketing lists for prescreened credit card offers for two years unless you direct otherwise.

Fraud alerts

A fraud alert tells potential lenders reviewing your credit file that you may be a victim of identity theft or fraud. This alerts these lenders that they should perform a more thorough



investigation when verifying your identity before extending credit in your name. To place a fraud alert, you need only notify one of the three credit reporting bureaus and they are required to inform the other two. A fraud alert is free and stays in place for one year. Prior to the new law, initial fraud alerts were in place for only 90 days. Identity theft or fraud victims can request an extended alert for up to seven years.

Credit Bureau Contact Information

It is a good idea to order a copy of your credit report from all three reporting agencies once a year. Reviewing your credit reports annually gives you the opportunity to detect, dispute, and correct any inaccurate or erroneous information in your credit file and, more importantly, potentially stop identity theft or fraud early on. You

can obtain one free copy from each agency online at www.annualcreditreport.com.

• Equifax

(800) 685-1111
Equifax Security Freeze
P.O. Box 105788
Atlanta, GA 30348
<https://www.equifax.com/personal/credit-report-services/>

• Experian

(888) 397-3742
Experian Security Freeze
P.O. Box 9554
Allen, TX 75013
<https://www.experian.com/help/>

• TransUnion

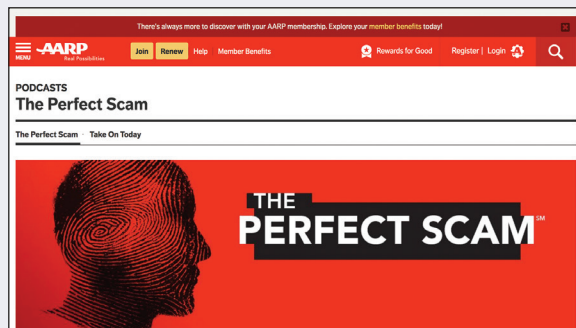
(888) 909-8872
(credit freezes)
(800) 680-7289
(fraud alerts)
TransUnion Fraud Victim Assistance
P.O. Box 2000
Chester, PA 19016
<https://www.transunion.com/credit-help>

WEB WATCH

In this section we highlight web sites, SmartPhone apps, and podcasts that we have found helpful, informative, interesting or just plain fun.

Podcasts: On-demand Radio

For those of you not familiar with podcasts, they are short audio programs made for downloading to a computer or mobile device – a great way to pass the time whether you’re commuting, working, or relaxing at home. Podcasts offer the latest in finance and investing, politics and culture, serial dramas, true crime, and so much more. AARP recently launched a new twelve episode podcast series, **The Perfect Scam**, which will teach listeners how scammers operate and arm them with tips to guard against becoming the next victim. The series is available for free at <https://www.aarp.org/podcasts/the-perfect-scam/>, on Apple Podcasts for iPhone users, or Google Play Music for Android devices.



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View past issues of *Outlook* at
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CALENDAR

November

4
Daylight Savings Time Ends:
Set clocks back one hour!

11
Veterans Day

12
Veterans Day observed:
Massport offices closed

22
Thanksgiving Day:
Massport offices closed

29
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

December

2
Hanukkah begins at sundown

18
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

21
Winter begins

25
Christmas Day:
Massport offices closed

26
Kwanzaa begins

28
Quarterly employer match to
457 plan

January

1
New Year's Day:
Massport offices closed

21
Martin Luther King Day:
Massport offices closed

24
Retirement Board Meeting
Logan Office Center
David W. Davis Board Room
9:00 am

31
Retiree 1099R Forms mailed
by today