



## S1249

On April 25, 1996 Governor Weld signed the Veterans' Bill allowing all those who were classified as a veteran and still working in the public sector of the state to purchase up to four years of their military service toward their creditable service for retirement. The bill officially became law on July 24, 1996 and affected all those who retired on or after that date.

The Veterans' Bill had the least expensive of all the buy-backs for creditable service. It was based on the first year's public sector salary of the veteran and did not include interest.

In January 2001, Representative Edward Connolly filed the first bill at the request of a retirement group, to bring this benefit to those who were retired at the time the bill went into effect. It followed the same guidelines as the original Veteran's Bill with one main exception. There is no buy back provision. Why? Because the IRS will not allow contributing to one's pension after you have started collecting. More importantly there is no retroactive provision in the legislation. The increase in the pension becomes effective after the bill becomes law.

At the beginning of 2011, we asked the Massachusetts Teachers' Retirement System how many veterans they had listed who had retired prior to April 1996 (we gave the wrong date—we gave date signed by Gov. Weld-not date it became law)? There were 674. This year we asked again and saw there were 60 who retired between April 24, 1996 and July 24, 1996. We do not feel that number influences the cost of the bill as the veteran would have known of the passage of the bill and probably would have delayed their retirement a few months if they were not at 80%.

There were 16,294 teachers retired under the MTRS before the July 24, 1996 date and the number who were veteran's represent 4.14%. Working very closely with the MTRS on the implementation of the Chapter 176, the Maternity Bill, we learned that the member who qualifies for the benefit must be alive on April 2, 2012 to be eligible for the benefit, which means no survivor benefit for a member deceased on that date. We are sure the same will be with the implementation of the Veteran's Bill. This is important to note if one is looking at numbers provided by other retirement systems as they may have the survivors listed as the veteran.

Within a 10 month period, of receiving the 674 names given by the MTRS, 17 died or 2.5%.

As of Nov 30, 2011 there were 657 left. As of May 1, 2013 -- 30 more are deceased.

According to a survey Massachusetts Retirees United conducted 18 months ago of this number (survey attached):

12.5% retired at 80% or roughly 82 which leave 575 left eligible for the benefit.

One of the surprising findings was that a number retired on a pension in the 50% range and lower.

We asked for both their years of creditable service and age at the time of retirement so that we could figure the percent that they retired at. Also it enabled us to factor the percent of increase. The highest increase anyone could receive is 10% and that is if they had 4 full years in as active military service and retired at 65 years of age. Less than ½ of 1% would get the full 10%.

Some vets had as little as 4 months of active service, many two years or less.

Of these 575 according to the survey the average percentage pension increase was 5.38%

Roughly 70% took an Option A --- 20% took Option C and 10% took Option B

Figuring that the Veteran's Benefit will be factored on the FAS (Final Average Salary) of the member the average pension increase is \$1,814.52 (this does not factor in the Option B or Option C penalties as this would be very difficult to factor especially for those who retired prior to January 1, 1988)

The approximate cost for those retired under the MTRS is \$1,043,349

Even if this bill became law by September 2013 the amount will be closer to the \$1M mark due to 4 months of additional deaths.

This is a small amount to pay in recognition of these men and women who signed a blank check in serving our country.

The Maternity Bill is now law and it corrected an injustice that took place four years later than the injustice done to our retired veterans. The MTRS feels that these two bills, the Maternity and the Veterans are comparable.

We have completed 11 years trying to get justice for the men and women who served and were forgotten when the original bill became law. It is time to recognize the service of those who served their country. Many were drafted--- others enlisted—most served in Korea.

Please let us get this bill to the Governor's desk before the end of this session and before their numbers decrease any more. Let us work to have this bill law by Veterans' Day 2013!

S1249 passage will affect those retired from the Massachusetts Teacher's Retirement System and the State Retirement System. It is an option for the other 104 retirement systems.

We ask the Members of Public service to vote S1249 favorably out of Committee. The best way to show gratitude to the fine men and women who served our country is to give them credit for it!

Thank you.

Marie Ardito  
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