

**WATERTOWN
CONTRIBUTORY
RETIREMENT
SYSTEM**

Administration Building
149 Main Street
Watertown, MA 02472

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We're on the Web!
www.watertownretirement.com

2019 Payment Schedule

- Jan—01/31/19**
- Feb—02/28/19**
- Mar—03/29/19**
- Apr—04/30/19**
- May—05/31/19**
- Jun—06/28/19**
- Jul—07/31/19**
- Aug—08/30/19**
- Sep—09/30/19**
- Oct—10/31/19**
- Nov—11/29/19**
- Dec—12/31/19**

www.watertownretirement.com

The Watertown Retirement System has recently updated the System's website. For Active and Retired Member Information, links to related websites, access to downloadable forms, copies of up to date Meeting Agendas and helpful publications, including Group Percentage Charts, please visit us at

www.watertownretirement.com

Attention Snowbirds!!!

If you're headed to a sunnier destination for the winter, be sure to notify the Watertown 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) 972-6456 to request an address change, or send a note to the Watertown Retirement System, 149 Main Street, PO Box 199, Watertown, MA 02471-0199. You can also download a form from our website, www.watertownretirement.com, and mail it back to our office.

**Please call (617) 972-6456
or email:
bsheehan@watertownretirement.com
ksheehan@watertownretirement.com**

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SYSTEM**

BOARD MEMBERS:

THOMAS V. THIBAUT, JR.
Chairman & Elected Member

THOMAS J. TRACY
Ex-Officio & Vice Chairman

DOMENIC "DUKE" ARONE
Elected Member

JOHN T. LOUGHRAN
Appointed Member

KATHLEEN KIELY-BECCHETTI
Fifth Member

STAFF:

BARBARA A. SHEEHAN
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Watertown Retirement System News

Decision Could Impact Treatment of Vacation Sellbacks

A recent Contributory Retirement Appeal Board (CRAB) decision could impact the treatment of vacation sellbacks as regular compensation for retirement purposes. The decision rejected 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 *O'Leary v. Lexington Retirement Board and PERAC* decision, CRAB determined that payments made as part of a vacation sellback program are not pensionable. 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 the three-year salary average used in calculating his retirement allowance. The Lexington Retirement Board declined to do so, and Mr. O'Leary (and PERAC) appealed, first to the Division of Administrative Law Appeals (DALA) and then CRAB. Both appeal boards concurred that 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 was appealed by both Mr. O'Leary and PERAC to the Suffolk Superior Court. In the interim, CRAB has issued a partial stay of its decision. Pending judicial review, CRAB has ordered that no retiree's allowance be recalculated, that retirement contributions from vacation sellbacks cease, that prior contributions be retained, and that vacation sellbacks no longer be included in retirement calculations. Until the judicial appeal process is concluded, or until the Legislature takes action, the Watertown Retirement System is bound to follow CRAB's orders.

We understand how concerning this issue is for our members who are or have participated in the town's vacation sellback program, especially those who have or expected to have these payments factored into their retirement allowances. 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 Watertown Retirement System 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.

Beware of Phone Scams!

We have been hearing several reports of people receiving unsolicited phone calls from individuals who are requesting that you immediately pay a sum of money. Beware, it is most likely a scam. Often, these individuals will claim to be from a legitimate organization and request that you make a payment in some dubious way (ie as pre-paid credit cards, reloadable debit cards or gift cards) - they may even spoof a genuine phone number to trick your caller ID. In these situations, the best thing to do is to say nothing and just hang up. If your bank, the IRS, the Watertown Retirement Board or some organization has a legitimate need to communicate with you about a payment, it will always be in writing, not over the phone. With many reports of phone scams in the news, remember that we will never make any unsolicited calls to request any payments or changes to your account, nor do we provide your phone number to others except pursuant to a public records request from a qualified organization.

The Acting Inspector General of Social Security, Gale Stallworth Stone, is also warning citizens about an ongoing Office of Inspector General (OIG) impersonation scheme. The OIG has recently received reports from citizens about suspicious phone calls claiming to be from the Acting Inspector General. The reports indicate the caller identifies as "Gale Stone" and states the person's Social Security number (SSN) is at risk of being deactivated or deleted. The caller then asks the person to call a provided phone number to resolve the issue. Citizens should be aware that the scheme's details may vary; however, citizens should avoid engaging with the caller or calling the number provided, as the caller might attempt to acquire personal information.

The Acting Inspector General urges citizens to be cautious, and to avoid providing information such as your SSN or bank account numbers to unknown persons over the phone or internet unless you are certain of who is receiving it. If you receive a suspicious call from someone alleging to be Acting Inspector General or from the OIG, you should report that information to the OIG at 1-800-269-0271 or online via <https://oig.ssa.gov/report>.

Retirees turning age 59 1/2

Those of you who retired from Watertown before the age of 59 will receive two 1099-R forms for the tax year in which you turn age 59 1/2. Per IRS rule, we are required to identify and separate out pension payments you receive both before you turn 59 1/2 and after.

Each 1099-R 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 59 1/2 and Box 7 of this form will indicate a distribution code of 2. The other form will reflect pension amounts from the month you turned 59 1/2 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) 972-6456.

IN MEMORY...*The following are members of the Watertown Retirement System who have most recently passed away. Our deepest sympathies to their families, friends, and loved ones.*

<i>John Bower</i>	<i>12/14/17</i>	<i>David McCaffrey</i>	<i>05/06/18</i>
<i>Anne Crimmins</i>	<i>03/24/18</i>	<i>Ruth McCurley</i>	<i>08/29/18</i>
<i>Patricia Days</i>	<i>07/04/18</i>	<i>Francis Mullahy</i>	<i>07/13/18</i>
<i>Henry DiCicco</i>	<i>06/11/18</i>	<i>Francis Murphy</i>	<i>10/17/18</i>
<i>Mary Irvine</i>	<i>10/06/18</i>	<i>Thomas Walsh</i>	<i>03/24/18</i>
<i>David Kiley</i>	<i>05/13/18</i>		

Military Service Credit Legislation Filed by Board

Representative John Lawn has agreed to sponsor legislation filed by the Board that would allow veterans the right to purchase their military service credit for retirement at any time during their working career. At present, veterans have 180 days from the date of notice to decide whether to purchase their military service. The Board believed that the time constraints are too restrictive, especially for members starting employment, who may not be able to afford to do so at that particular time.

The Board's bill would remove the 180 day requirement from the law. The Board hopes that the Legislature will recognize that the restriction is morally wrong, and will legally correct this injustice to those who have served our country and who are now serving our community.

Credit Union Upgrades to Direct Deposit!

If you are a retiree who has been having a Credit Union deduction withheld from your monthly benefits check, you may have noticed a change in the way your October check looked. Recently, the Credit Union upgraded their system and now have the capability to accept direct deposits. Although this has caused a lot of confusion, we assure you that the amount of money either deposited into your normal checking or savings accounts, or if you typically receive a live check, has not been effected due to this change.

Starting in October, if you typically have a direct deposit rather than a live check, the **Net Amount** shown on your Notice of Deposit slip will be the total amount of money deposited into **both** your typical checking or savings account, as well as now the amount deposited into your Credit Union savings account. At the bottom of your Notice of Deposit slip it will show how the payment was divided between the two accounts. **Please make sure that those amounts look correct to you, just as you would look at your deduction.** If you typically receive a live check and not a direct deposit, you will now receive both your regular check and now a Notice of Deposit slip for the amount deposited into your Credit Union savings account.

Currently our system only allows for two direct deposits per account. Meaning, if you already have two accounts that we deposit into each month and you have a credit union deduction, then nothing will change for you.

The main concern we have been hearing due to this change, is that the "Year to Date" figure below the Credit Union deduction will no longer be calculated, which is true. We will no longer be able to calculate the year to date amount of your Credit Union deduction, however the Credit Union does send out quarterly statements to all of their members. If you have any questions about this change or still have some confusion, please don't hesitate to give us a call at (617) 972-6456 and we will be happy to explain further.

Congratulations To Our New Retirees.....

The Following are the most recent Retirees from the Town of Watertown

<i>Kevin Boudreau</i>	<i>11/30/17</i>	<i>Beth Reisman</i>	<i>06/30/18</i>
<i>Susan Falkoff</i>	<i>01/02/18</i>	<i>Daniel LaVache</i>	<i>07/07/18</i>
<i>Beverley Jones</i>	<i>01/05/18</i>	<i>Deborah Rosati</i>	<i>07/13/18</i>
<i>Arlene Smith</i>	<i>01/31/18</i>	<i>David Gilchrist</i>	<i>07/31/18</i>
<i>Edward Kasabian</i>	<i>02/01/18</i>	<i>Stephen Russo</i>	<i>08/17/18</i>
<i>Robert Knell</i>	<i>02/21/18</i>	<i>Robert Malone</i>	<i>08/18/18</i>
<i>Stephen Romanelli</i>	<i>05/23/18</i>	<i>Donna Maher</i>	<i>11/06/18</i>
<i>Hugh McLaughlin</i>	<i>06/15/18</i>	<i>Patricia Bernier</i>	<i>11/16/18</i>
<i>Gretchen Morse</i>	<i>06/30/18</i>	<i>B. Victoria Norvaisa</i>	<i>11/22/18</i>