

**WATERTOWN
CONTRIBUTORY
RETIREMENT
SYSTEM**

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

2020 Payment Schedule

Jan—01/31/20
Feb—02/28/20
Mar—03/31/20
Apr—04/30/20
May—05/29/20
Jun—06/30/20
Jul—07/31/20
Aug—08/31/20
Sep—09/30/20
Oct—10/30/20
Nov—11/30/20
Dec—12/31/20

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

Coming Soon!!!

The Watertown Retirement System will soon be implementing an Employee Self Service where you can access your retirement account online and get an up to date annuity savings detail, run your own retirement estimates, request certain forms/information and more!

Keep a look out for more information coming soon!

Please call if you have any questions regarding your retirement at
(617) 972-6456

or email:
bsheehan@watertownretirement.com
ksheehan@watertownretirement.com

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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

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Watertown Retirement System News

How Divorce Could Affect Your Retirement Benefits

Your pension from the Watertown Retirement System is generally considered a "marital asset", just like your house, car or investments can be. Whether you are actively employed or receiving a retirement allowance, it is subject to valuation and division in a divorce. The divorce court can divide the retirement allowance or leave it alone, as it sees fit. If your former spouse is named an "alternative payee" by the court, he or she may be entitled to receive a share of your retirement benefits at the time of your retirement pursuant to the terms of a domestic relations order ("DRO"). You need to obtain legal counsel to help you reach a fair property settlement.

What is a domestic relations order?

A domestic relations order ("DRO") is a judgement, decree or order (including approval of a property settlement agreement) that sets out how a person's retirement benefits are to be allocated between parties who are in the process of divorcing or who are already divorced. The DRO must be reviewed and accepted by the Watertown Retirement System in order to ensure that it complies with Massachusetts General Laws and is enforceable. The process of having a DRO accepted by the Retirement System involves the following steps...

1. The parties submit the drafted DRO to the WRS
2. Our legal counsel will then review the DRO to ensure that it complies with MA General Laws, Chapter 32 and can be implemented. If the DRO is not acceptable, we will notify you of the reasons why. Once accepted and signed by the court, the DRO will be put in your member file to be implemented if you are a retiree, or placed in your file for implementation at your time of retirement.

Do I need to have a DRO as part of my divorce?

If your divorce agreement requires that your retirement allowance be divided between you and your former spouse, a DRO is required to be on file before any retirement payments can be calculated.

I'm still working. Can my ex-spouse take part of my pension now?

No. Your former spouse's right to a share of your retirement allowance becomes effective when you retire or leave MA public service and seek a return of your deductions. The DRO will establish a formula for calculating how much will be divided.

Option C Retirees—take notice on the impact of divorce!

If you retire and choose Option C and nominate your spouse as your Option C beneficiary, please be advised that this choice cannot be changed. Therefore your ex-spouse would still be entitled to the Option C survivor benefit after you are deceased.

For more information and a sample DRO, please visit our website at
www.watertownretirement.com

Anti-Spiking Regulations

Legislation enacted in 2011 requires all Retirement Systems in Massachusetts to review the earnings history of retiring employees. This is done to prevent situations in which a member might attempt to enhance a retirement benefit by negotiating a substantial pay increase, and increasing his/her average pay for the three years immediately preceding retirement. The law does not apply to accidental disability retirement calculations.

Normally, new retirees have their benefit calculated by averaging the three highest, consecutive years of earnings (for members who began service after 04/01/2012, the five highest years are averaged). In applying the anti-spiking law, we review the last five years of pay. If at any point during this period, the member's annual salary increases more than 10% over the average salary for the preceding two years, this would be a violation of the statute. In case of a violation, the salary is calculated based on the previous FIVE years of pay, rather than three. It will not be considered a violation if the pay increase was due to an increase in the number of hours worked, or due to a promotion, or was negotiated by a collective bargaining unit.

It is also a violation of the statute if a member's annual salary more than doubles in consecutive years. In this case, the benefit must also be calculated using two additional years of salary history as described above. However, in situations where the salary doubles, there are NO exceptions for hours changes, promotions or collective bargaining.

If you ever have any questions regarding anti-spiking, or think you may be in violation, please do not hesitate to call the office at (617) 972-6456. We will gladly go over everything with you and make sure that when it comes time for you to retire there will be no surprises when it comes to the salaries that we use.

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.*

Don Smith	-	12/09/18	Shirley Connolly	-	06/01/19
Robert McElroy	-	01/26/19	Elizabeth Melanson	-	06/23/19
Sarah Mosca	-	01/31/19	David Cugini	-	07/01/19
Nancy Heffernan	-	02/04/19	Tina Petrino	-	07/26/19
Thomas McDermott	-	02/23/19	Maralyce Dally	-	08/12/19
Paul McCaffrey	-	02/24/19	Nerses Barsoomian	-	08/19/19
Anthony Sabatino	-	03/31/19	Richard Crowley	-	09/03/19
Anthony Geraci	-	04/19/19	Daniele Pugliese	-	10/09/19
Anthony Brandolino	-	05/16/19			

Reminder: Health Insurance Premium Exclusion for Public Safety Retirees

If you are a retired public safety officer, the federal Pension Protection Act of 2006 allows you to exclude up to \$3,000 of your health, accident or long term care insurance premiums from your gross taxable income each year, as long as the premiums are deducted from your retirement allowance. The premiums can be for coverage for you, your spouse or dependents.

If you are filing a federal tax return, please read carefully the IRS tax instructions in order to take full advantage of this benefit. Premium contributions will be reflected on your 2019 1099R.

The following tips may be helpful when you prepare your federal return:

- You must be a public safety retiree who retired for disability or after attaining "normal retirement age" (i.e., age 55 for Group 4 for those entering service prior to April 2, 2012).
- You need to file a federal income tax return in order to take advantage of the exclusion. If you do not file a federal return, then the exclusion will not benefit you.
- If you have your federal tax return prepared by someone, please make sure the tax preparer knows that you are entitled to the exclusion.

Please be aware that the Retirement Office is not able to render tax advice. For additional assistance, retirees should contact a tax consultant.

Congratulations To Our New Retirees.....

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

James Mortensen	-	11/26/18	Brian Costello	-	06/28/19
Anthony Leone	-	01/10/19	Josephine Delaney	-	06/30/19
Joseph Maher	-	01/10/19	Stephen Caira	-	07/16/19
Armen Papazian	-	01/10/19	Deborah Dunn	-	09/06/19
David Collins	-	02/09/19	Andrea Adams	-	09/20/19
Barbara Zuccala	-	02/15/19	Kerry Boudreau	-	09/30/19
John Barry	-	02/22/19			
Donna Lacerra	-	03/15/19			
Anthony Fantasia	-	04/19/19			
Irene Frain	-	04/26/19			
David Melanson	-	05/02/19			
Harold Physic	-	05/31/19			

Best Wishes!