



Autumn 2024



MassHousing Retirement Newsletter

For Active Members and Retirees

Latest (Good) news out of Mass Retirees-

The discharge petition to force a vote by the US House of Representatives on H.R.82, legislation to repeal the Social Security WEP and GPO laws, cleared [the first hurdle late yesterday](#). The resolution, H.Res.1410 – Providing for the consideration of the bill (H.R. 82) to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions, gained the required 218 cosponsors necessary for action.

“The pressure on Congress to finally end WEP/GPO is a direct result of the perseverance of public retirees. Our members refuse to give up and with more than 2.1 million current retirees now harmed by these unfair laws, Congress is forced to act,” said *Mass Retirees* CEO Shawn Duhamel.

As a reminder, the discharge petition outlines the specific process for how a vote would proceed. The bill *cannot* be amended. The House would have the option of either holding a straight Yes/No vote on the bill as filed or holding a majority vote to return the measure to committee for further consideration.

What is next?

Now that the threshold has been met the discharge petition has been placed on the discharge calendar where it will be held for seven legislative days, according to the legislative rules. After the seven-day mark, a member (usually one of the sponsors of the resolution) would have to call for a vote which would trigger a two-day requirement for a vote to be scheduled. If the resolution passes, a vote on H.R.82 would automatically be brought to the floor.

As they say, timing is everything. Along with the seven-day hold they are up against a possible government shutdown on October 1st. A vote yesterday on a 3-month short term budget bill failed; however, we anticipate renewed efforts to secure passage next

week, ahead of the September 30th budget expiration deadline and the election just weeks away.

“However, lots of work remains to be done before we can declare victory. Passing a bill through the House will only be the first step. Next comes the US Senate. The key is to keep the pressure on,” commented Duhamel.

Should the legislation pass the House, it still faces action by the Senate. S.597 Social Security Fairness Act has 62 co-sponsors, including Senators Markey and Warren; however, there has been no movement to schedule a floor vote. Passage will continue to be up against the time constraints of the current session.

Nancy McGovern, Legislative Liaison, *Mass Retirees Association*



Retired (since last newsletter) 2024

Sam John

Scot Durkin

Rosemarie Baker-Marshall (Cain)

Carol St. Cyr

Angelo Nuby

Joseph Perry

Patricia Watson

Congrats and Enjoy!!

Massachusetts Housing Retirement System

Michael Fitzmaurice, Chairman
Rachel Madden, Ex Officio
Thomas Flynn, Appointed Member
Antonio Torres, Elected Member
Paul Hynes, Fifth Member

Joseph Petty, Executive Secretary
Michelle Shinnick, Sr. Retirement Analyst, Editor

Latest News from PERAC

This new policy is for **current active** employees. There is a new Veterans' Buyback Change effective August 8, 2024. Governor Healey signed Chapter 178 of the Acts of 2024 "An Act Honoring, Empowering, and Recognizing our Service members and Veterans" ("the HERO ACT"). This act makes substantial changes to the purchase of veterans' creditable service and requires that the retirement boards take action. This is a one-year opportunity to purchase military service if they missed their initial opportunity.

A person may buy up to four years of military service; the cost for each year is 10% of their salary when they last became a member of a retirement system; and the retirement board sets the terms and conditions of the buyback. If you left the system and received a refund, the salary will be from when you recently re-entered the system.

Members will now be allowed to purchase their military service time at any time prior to or up to one year after they vest in the system. Vesting show mean 10 years of creditable service. Retirement board can require a lump sum payment or allow up to a five-year installment plan.

As in the past, members of the National Guard and Reserves are still able to purchase veterans' creditable service at a 5-to-1 ratio.

A veteran who has already completed a military service purchase – no action is needed.

A veteran who has NOT entered into an agreement, and has MORE THAN 11 YEARS of creditable service, has a one-time grace period until August 8, 2025, to enter into an agreement

with the Board. This reflects one year from the effective date of the HERO Act.

An email went out to all current active employees; a letter has been mailed and a notice is on MyMassHousing regarding this update. Please contact Joseph Petty regarding a buyback ext 1871. Also, please bring a copy of your DD214 with the form if you wish to buyback your military service. Please note- we are required to give this form and information to all new employees. You do not have to return it to us if it does not pertain to you.

The MassHousing Retirement System (Joe and I) thank all the Vets for their service. We are happy to help you through this process.



Hope you can join us for the Retiree Luncheon at One Beacon Street on Thursday, November 7th on the 4th floor. Lunch will be served.

A Financial Checklist, From Age 20 to 70 and Beyond

By Roger Wohlner

What You Need to Know

- Younger clients should start and contribute as much as possible to their 401(k) or other workplace retirement plans.
- After retirement, investors need to review and update their estate planning, especially if a spouse has died.
- At age 50, savers ideally would have accumulated an amount equal to 3 to 5.5 times their current salary.
-

Financial planning is generally about setting goals and helping clients devise and implement strategies to achieve those goals.

Planning priorities, of course, will be different for people at different stages of their lives.

These priorities can vary widely based on clients' individual situations. Family issues such as marriage, divorce, career changes and others can play a large role in adjusting priorities over time.

Here is a look at financial planning priorities through the decades of your clients' lives, from their 20s to their 70s and beyond.

Clients in Their 20s

For most people, this is likely their first decade of working full time. College or other higher education is behind them. Some key planning priorities for this decade should include:

- Get started and **contribute as much as possible** to their 401(k) or other

workplace retirement plans. The miracle of compound growth is never more on an investor's side than during this period.

- Establish a budget for their spending.
- Formulate a plan to pay down any student loan or excess credit card debt.
- Be sure to enroll in **health insurance** and consider disability insurance.

Clients in Their 30s

This is a decade often framed by moving ahead careerwise, starting and growing a family and in many cases buying a first home. For those graduating from professional schools like law or medical school, this might be the decade where they start their careers in these areas. Planning priorities for this decade might include:

- Create a will and buy **life insurance** as needed.
- Increasing their savings rate. Investors in this age range should be putting as much as possible away for retirement. This can coincide with increased earnings as they advance in their careers.
- Continue to reduce student loans and any other lingering debt obligations.
- Accumulate a down payment and purchase a home.
- Begin saving for their children's college education.

Clients in Their 40s

This is a life stage where many people are established in their careers. Children will be getting older, with some of them off to college. This is a time where clients should be seriously thinking about long-term goals like retirement. Planning priorities for this decade might include:

- Make retirement planning a priority. Max out contributions to a 401(k) or similar retirement plan. **Invest elsewhere** as well to the extent possible for retirement.
- Increase insurance coverage. This is not only life insurance but also personal liability coverages like an umbrella policy. Be sure to have adequate disability coverage as well.
- Get serious about their overall financial picture, including estate planning.
- Work out the details of paying for children's college.
- Pay down their mortgage if possible.

Clients in Their 50s

This is the home stretch toward retirement for many. Investors should continue on the financial planning and investing path they ideally started in their 40s. This is the time period where retirement planning should be refined and where investors should start thinking seriously about their retirement timetable. Planning priorities for this decade might include:

- Get specific as far as retirement planning. What will their retirement lifestyle look like? What sources of income will be available in retirement? Will they retire all at once or ease into it? Formulate a preliminary retirement income plan.
- Continue to max out retirement savings and take full advantage of catch-up contribution opportunities. Consider a health savings account if they have access to one.
- Be sure their estate planning reflects their current and projected needs. **Business owners need to have an exit strategy** in place.
- Discuss finances with children and parents as applicable.
- Get a handle on any old 401(k) plans.

- Check Social Security earnings statements to be sure that all career earnings are captured.

Clients in Their 60s

This is the decade where retirement happens for most people. Some may retire in full, while others may continue to work on a full- or part-time basis. This is a decade where some people may downsize their residence and perhaps relocate. Planning priorities for this decade might include:

- Decide **when to claim Social Security benefits**.
- Review **Medicare options** and claim at 65 or older if covered by an employer's health plan.
- Formulate a more concrete **retirement income strategy** including which accounts to tap and when.
- Look at their tax situation as they enter retirement to ensure that withdrawals are done in the most tax-efficient way.
- Look at long-term care options.
- Update and revise their will and **estate planning** as needed.

Clients in Their 70s and Beyond

Most people will be retired during this period. Planning priorities might include:

- Prepare to take **required minimum distributions** each year, starting at age 73.
- Review **Medicare options** annually and make changes during the **open enrollment period** as needed.
- Review and update their estate planning as needed, especially in the event of the death of a spouse.
- Determine where they might live in the event that they need to move into some sort of **care facility**.

- Discuss their situation with children or parents as applicable.

How Much to Save for Retirement, by Age

A number of experts have weighed in on the amount that people should have saved for retirement at various stages. T. Rowe Price has established these benchmarks.

- Age 30 – an amount equal to 50% of their current salary
- Age 35 – an amount equal to 1 to 1.5 times their current salary
- Age 40 – an amount equal to 1.5 times to 2.5 times their current salary
- Age 45 – an amount equal to 2.5 times to 4 times their current salary
- Age 50 – an amount equal to 3 to 5.5 times their current salary
- Age 55 – an amount equal to 4.5 times to 8 times their current salary
- Age 60 – an amount equal to 6 times to 11 times their current salary
- Age 65 – an amount equal to 7 times to 13.5 times their current salary.

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The Retirement System-through the years. In the beginning (1969-1973)...JOHN RYAN was our Commissioner of Insurance. He would inform the Treasurer the amount of Pension benefit to be paid out to each retiree.

In 1981 -Walter J. Kelliher, was the CHAIRMAN OF THE MASSACHUSETTS HOUSING FINANCE AGENCY EMPLOYEES' RETIREMENT BOARD. Edward Bryson was the

Executive Secretary, since then Paul Hynes, William Farmer, John Doherty and Joseph Petty have held that position.

Do you know who the first MHFA retiree was? If you do-would you please let me know. I continue to search for this answer, but reach out if you know-thanks!

In June of 1981, the balance sheet shows we paid out \$16,141.19 in Annuity payments and \$61.60 in Pension benefit totaling \$16,202.79 a month. By May 1999 MassHousing Retirement had 51 Retirees. Paying out \$85,805.90 monthly. Today we **have 224** retirees and the monthly payout is roughly \$1,000,000.00- how we have grown!

Essential Medicare Updates You Can't Afford to Miss



[Suze Orman](#)

Bestselling Author | Host of the Women & Money Podcast | Co-Founder of SecureSave
September 23, 2024
Let's dive in...

If you or a loved one is enrolled in Medicare, it's important to stay on top of developments. Too often, people enroll and then stop paying attention to the plan they are enrolled in, or just accept whatever they are told their coverage will be during each annual renewal period. That can mean paying more or being denied covered care.

You are not going to just accept that, right? Okay, here are two important issues you need to be aware of:

Appeal any denials of coverage.

If you are enrolled in a Medicare Advantage plan, you likely need to get pre-authorized approval for plenty of big-ticket care costs. What you need to know is that if your insurer says no to a preauthorization request, it's not likely a hard no.

A study by the non-partisan Kaiser Family Foundation found that when patients appealed an initial denial, the insurer reversed its decision in more than 80% of the cases and agreed to cover the cost in whole or in part.

Let me make sure that's clear: When patients were denied coverage (preauthorization was not granted) but then persevered and filed an appeal, insurers in more than 80% of those appeals basically said, "Oh, okay, we'll cover it."

It's hard not to see this as an attempt by insurers to save money, by starting at "No." In fact, insurers know that most enrollees don't appeal: In 2022 just 10 percent of people denied coverage filed an appeal.

If you are a child of a parent or loved one enrolled in a Medicare Advantage plan, I want you to be aware of this. If you hear your loved one was denied coverage, please help them file an appeal. There's a very good chance the insurer will change its mind and pay for the requested service.

The new cap for Part D drug costs may cause higher premiums.

Beginning in January, there is a \$2,000 cap on what an enrollee will be required to cover out of pocket for prescription drug costs. This will represent a big savings for enrollees who are prescribed high-cost medications.

That's great news for enrollees. However, it is expected to cause insurers to increase the monthly premium cost for Part D prescription drug plans, and it could cause insurers to change their rules on what drugs they cover.

That's why anyone with a Part D plan—whether you currently use it to pay for medications or not—needs to be extra sure to pay attention to their 2025 renewal notice that will soon be arriving (if it hasn't already).

This is not the year to ignore this notice. You need to make sure you know what your premium will be—insurers will release 2025 rates soon—and if you are currently prescribed medications, double-check that they will continue to be covered by your current plan at an affordable rate. From October 15 to December 7, you can make changes to your Medicare plans, including Part D coverage.

Shopping around for the most cost-effective Part D coverage makes a ton of sense. Just be sure to consider both the monthly premium and any copays for a given drug you currently use. And of course, confirm that the plan does indeed cover the drug. The government's [Medicare Plan Finder](#) will show you plans available in your area. Or if you have a trusted Medicare insurance agent, ask them to help you analyze your options for 2025.



Employee Self Service

Employee Self-Service provides our members and retirees with the ability to review their account information, generate superannuation retirement estimates, access select forms and income verification letters, and much more. To create an account, navigate to the retirement office website at www.masshousingretirement.com. Under the Resources tab, select the link for Employee Self-Service: Online Account Access and follow the Self-Registration feature. Once you have created an account, we encourage you to bookmark the Log In page for easy access. If you need help call the office, if you need to leave a message, with Joe or Michelle, be sure to provide your name, telephone number, and the reason for your call. We will return your call as soon as possible.

The Increase in Cost-of-Living Adjustments (COLA) for Retirees: What It Means

As inflation continues to impact daily life, the importance of cost-of-living adjustments (COLA) for retirees has never been more evident. Recently, discussions surrounding increased COLA for Social Security beneficiaries and other retirement plans have gained momentum, raising questions about what this means for those who rely on fixed incomes.

Understanding COLA

Cost-of-living adjustments are designed to protect the purchasing power of retirees by aligning benefits with inflation rates. The Social Security Administration (SSA) typically calculates COLA based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). When inflation rises, COLA increases, providing much-needed financial relief to retirees who may be struggling to keep up with rising costs.

Recent Increases

The last three years, retirees have seen the MassHousing's COLA base increase from \$16,000 to \$18,000 this year. The pension systems know that COLA increases help with surging inflation rates. The COLA is aimed at helping retirees manage increased expenses for essentials like food, housing, and healthcare.

The Impact on Retirees

For many retirees, Social Security benefits are a primary source of income. A robust COLA can mean the difference between affording basic necessities or facing financial strain. With healthcare costs consistently rising, the need for these adjustments becomes even more critical.

Additionally, many retirees may not have other sources of income, such as pensions or investments, that keep pace with inflation. Thankfully we all have

or will have our retirement benefit from MassHousing. As a result, an increase in COLA base can provide a vital buffer against economic pressures, ensuring that retirees maintain their quality of life.

Challenges Ahead

While COLA increases are essential, challenges remain. Inflation has fluctuated, and while some years see significant adjustments, others may not be as generous. Retirees must also navigate the complexities of healthcare costs, which can often rise faster than general inflation.

Moreover, the sustainability of Social Security itself is a topic of ongoing debate. As the population ages, the balance between workers contributing to the system and retirees drawing benefits continues to shift. Policymakers are tasked with finding solutions that ensure the long-term viability of Social Security and its COLA provisions.

Conclusion

The increase in COLA for retirees is a crucial development that acknowledges the financial challenges faced by those on fixed incomes. As inflation remains a pressing concern, these adjustments play an essential role in safeguarding the financial well-being of millions of retirees across the country. Continued advocacy for equitable adjustments and a sustainable Social Security system will be necessary to ensure that retirees can enjoy their golden years without the constant worry of financial strain.

As the conversation around COLA evolves, it remains essential to stay informed and engaged, ensuring that the needs of retirees are met in an ever-changing economic landscape.

2024 MassHousing Retirement System
Pension Payment Schedule

Direct Deposit on your monthly benefit occurs on the last business day of the month. You should expect it between the 1-3rd of the month following.

Month

September	Monday, 9/30
October	Thursday, 10/31
November	Friday, 11/29
December	Tuesday 12/31



Don't forget the luncheon-Nov. 7th-we would love to see you.

Let us know if you plan to attend.

Have a great fall and winter seasons- enjoy your Holidays.

Joe and Michelle

Don't forget to get out and vote! Your vote counts!
Tuesday, November 5th!