

MassHousing Retirement News

Summer 2025

COLA

BOARD APPROVES MAXIMUM COLA

Good News! The Massachusetts Retirement Board voted unanimously on May 13th to grant retirees the maximum allowable Cost of Living adjustment- pg 3

MASSHOUSING RETIREMENT BOARD ELECTION TIME

Nomination forms, Election Rules, and updates are available on the Board's website at - MassHousingretirement.com
See pg-6 for time table.

FOR OUR VETS

You had until August 8 to buyback your military service time at the existing rate. New legislation was put in order for these situations. If you have time you want to buy, please contact the Retirement system.Pg-4

Retirement Checklist

Thinking about Retirement? Things to consider-

One year before Retirement

*Request a benefit estimate from our office to ensure your account is in order

**Contact your employer to confirm the health insurance coverage for which you will qualify as a retiree

***Apply for and purchase service credit enhancements, if applicable, for which you have not yet established credit.

3-4 months before Retirement

*Request an Application for Superannuation Retirement with Option Selection Form from our office and submit your completed application and option selection form to the retirement office.

1 month before Retirement

*Call Social Security, make an appointment to go to Social Security in person. If over 65 apply for Medicare part B as GIC will require you to have it before allowing you to be on GIC retiree insurance.

**Provided your application was timely filed and complete, expect your first payment on the last business day of the month following your effective date of retirement. After the bank prenotes your account the next month will be directed deposited.

1 Month after Retirement

Provided your application was filed timely and complete, expect your first Real Check in the mail that you will need to deposit. The Retirement system will pay out your benefit on the last business day of the month following your effective date of retirement. The second month of your retirement your benefit will be direct deposited into your account.

Visit the Resources Tab on our website at www.MassHousingRetirement.com to download the appropriate forms and applications. Contact Joe Petty for Direct Deposit and Tax forms.

A Message from Michael T. Fitzmaurice, Chair of the Massachusetts Housing Finance Agency Employees' Retirement Board

At its February 11, 2025 Board Meeting, the MHFA Employees' Retirement Board voted unanimously to grant retirees the maximum allowable Cost of Living Adjustment (COLA). Currently, the maximum COLA allowed by law for retirees of the MassHousing Retirement System is 3% of the first \$18,000 of retirement benefits, or \$540.00 per year. However, the Board recognized that the annual COLA does not adequately cover the impact of inflation on our retirees. Therefore, on May 13, 2025 the Retirement Board voted to increase the maximum base of which its retirees can receive a cost-of-living allowance (COLA) under M.G.L. c. 32sec103(j) as follows: 1. To increase the COLA base from \$18,000 to \$20,000 effective July 1, 2025. 2. To increase the COLA base from \$20,000 to \$21,000 effective July 1, 2026. The MassHousing Board subsequently approved the COLA base at its June meeting. This is a \$600.00 increase per year. I would like to point out that the Board has always voted for the maximum COLA each year and has steadily increased the COLA base. It is also important to recognize the beneficial cumulative results of granting the maximum COLA each year. If you retired before June 30, 2011, and received the maximum COLA, your pension has increased by the following amounts:

Effective Date	% Increase	Maximum Benefit	Cumulative Maximum
Benefit			
2012 FY	3%	\$390.00	\$390
2013	3%	\$390.00	\$780
2014	3%	\$390.00	\$1,170
2015	3%	\$390.00	\$1,950
2016	3%	\$390.00	\$2,340
2017	3%	\$390.00	\$2,730
2018	3%	\$390.00	\$3,120
2019	3%	\$450.00	\$3,570
2020	3%	\$450.00	\$4,020
2021	3%	\$450.00	\$4,470
2022*	3% + 2% *	\$480.00+\$320	\$5,270
2023	3%	\$510	\$5,780
2024	3%	\$540.00	\$6,320
2025	3%	\$600.00	\$6,920

I would like to thank my fellow Board members, Antonio Torres, Rachel Madden, Tom Flynn and Paul Hynes, along with the MassHousing Agency for their continued support.

*Reflects the one-time increase of 2% to the COLA percentage pursuant to Chapter 269 of the Acts of 2022 that was paid for Fiscal Year June 30, 2023.

Effective Date	COLA Base	% of Base	Annual COLA
July 1, 2000	\$12,000	3%	\$360.00
July 1, 2012	\$13,000	3%	\$390.00
July 1, 2019	\$15,000	3%	\$450.00
July 1, 2022	\$16,000	3%	\$480.00
July 1, 2023	\$17,000	3%	\$510.00
July 1, 2024	\$18,000	3%	\$540.00
July 1, 2025	\$20,000	3%	\$600.00

What is the Massachusetts retirement cola for 2025?

The budget includes a cost-of-living adjustment (COLA) effective July 1, 2025, providing a 3% increase on the first \$20,000 of your retirement benefit. This results in a maximum increase of \$600 per year or \$50 per month ($3\% \times \$20,000/\text{year} = \$600/\text{year}$; $\$600/\text{year} \div 12 \text{ months} = \$50/\text{month}$).

VETS-NOTICE TO ALL ACTIVE MEMBERS WHO ARE VETERANS August 8, 2025, was the deadline, but you can still purchase time!

In September 2024, all active members of MassHousing Retirement system were notified of significant legislative changes to the retirement law that improved the rights of veterans to purchase retirement credit for their military service.

Specifically, on August 8, 2024, "The HERO Act" was enacted into law by the Legislature and Governor Healey, which removed the prior 180-day statutory deadline for purchasing military service and replaced it with a deadline of within one year of vesting in the retirement system, which is effectively 11 years of creditable service. The new law also provided a one-time, one-year grace period for active member Veterans who missed the opportunity to purchase their military service prior to the enactment of the HERO Act.

Reminders:

- I. If you are a Veteran who HAS NOT entered into an agreement with MassHousing Retirement, and you have completed MORE than 11 years of creditable service, you had until August 8, 2025 to do so. Contact MassHousing Retirement to take action.
- II. If you are a Veteran who HAS NOT entered into an agreement with MassHousing Retirement, and you have completed LESS than 11 years of creditable service, you have until the LATER of the two following dates to do so: prior to completion of your 11th year of creditable service. The application is available on our website at www.masshousingretirement.com/resources. Contact Joe Petty to take action.
- III. If you are a Veteran who HAS entered into an agreement with MHFAERS, but HAS NOT MADE PAYMENTS against the invoice you received, you have until the LATER of the two following dates to do so: prior to completion of your 11th year of creditable service. Contact Joe Petty to take action. If you have any questions regarding your military service purchase, please email our office at jpetty@masshousing.com. The application is also available on our website at www.masshousingretirement.com.

Out of State Taxation of Benefits

While your MassHousing Retirement Pension benefit is not taxed as a benefit recipient as long as you live in Massachusetts, different states, however, have different rules as it pertains to your MassHousing government benefit. Below is a link to the Massachusetts Department of Revenue website as to what they reasonable believe to be accurate as far as the taxation of your MassHousing government benefit in other states.

If you are considering moving to another state post-retirement, you are strongly suggested to contact that state's Department of Revenue, or equivalent, to inquire how specifically your MassHousing government pension will be taxed.

MassHousing is not bound by the information and accepts no responsibility if there is any incorrect information.

For more information go to [Mass.gov](https://www.mass.gov)-search for View other states tax treatment- the link will View other states tax treatment of out-of-state government pensions should pop up.

[Mass.gov](https://www.mass.gov)

Retired in 2025

Ann Coughlin
Charlene Hollins
Tom Perry
Nancy Mercado
Colleen Kelley
Joe Mullen
Steve Vickery
Tom Norton
Evelyn Pearson
Steve Winskowicz

Deceased in 2025

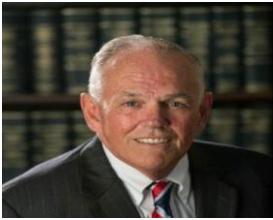
Dorothy Richardson
John Doherty
Brian DeLorey
Wayne Littlefield
Richard Howrigan

Our condolences go out to the families.
They will be greatly missed.

Happy Labor Day to all our MassHousing
Retirees, Members and your Families



SAVE THE DATE: Thursday-October 16, 2025 Retiree Luncheon



Michael T. Fitzmaurice
MHFA Retirement System, Chairman



2025 is an Election Year for the Retirement System. Current Chairman Michael Fitzmaurice is seeking re-election.

The nomination period for the 2025 Board election closes on October 10, 2025.

The MassHousing Retirement Board (“Board”) is conducting a regularly scheduled election for one of the two elected positions to its five-member Board. The elected member will serve a three-year term beginning January 2026.

ELECTION TIMETABLE FOR MASSACHUSETTS HOUSING FINANCE AGENCY EMPLOYEES’ RETIREMENT BOARD ELECTION

Meeting of MHFA Employees’ Retirement Board	
To Nominate an Election Officer	June 10, 2025
Mail election Officer’s Selection Letter	June 17, 2025
Notice of Election:	
Mail to Retirees & Post to Employees.	August 25, 2025
Deadline for Filing Nomination Papers	October 10, 2025
Mailing of Ballots, Envelopes & Instructions	October 31, 2025
Date of Election	NOON December 1, 2025
Announcement of Election Results	December 4, 2025
If This Was An Election by Declaration:	
Retirement Board Meeting to Declare	October 14, 2025
Notice to the MassHousing Executive Director Regarding	
Election by Declaration	October 14, 2025

A Note to Members Receiving Workers' Compensation Benefits

On February 4, 2022, the Massachusetts Supreme Judicial Court issued a decision clarifying the law regarding supplemental payment of sick leave and vacation time in conjunction with payment of workers' compensation. In *Worcester Regional Retirement Board v. PERAC*, 489 Mass. 94 (2022), the Court determined that such supplemental pay to an employee who is also receiving workers' compensation is not regular compensation under the public employee retirement law. Employers have been instructed to cease withholding retirement contributions from this supplemental pay. The Board is awaiting further instructions from PERAC regarding implementation of this decision.

Or

Divorce And Your Retirement Benefits We are reminding our members that your current or potential retirement allowance is generally considered to be marital property. In a divorce proceeding, your retirement allowance is subject to valuation and division just like your savings accounts, real estate and other marital assets. If the division of your retirement allowance, now or in the future, becomes a part of a divorce agreement and the retirement system is expected to pay benefits directly to your former spouse, you will need to file with us a Domestic Relations Order (DRO) issued by the court. Not all divorce settlements automatically include a DRO, and you should discuss these requirements with your legal counsel. The DRO must comply with all provisions of the public employee retirement law and should be submitted to the retirement office for review before seeking approval by the court. Remember that a DRO will bind the parties and the retirement system, except in circumstances where an active member who is subject to a DRO remarries and then dies prior to retirement. In such cases, the active member's surviving spouse may be eligible to receive a survivor benefit notwithstanding the provisions of a DRO that grants such survivor benefits to a former spouse. To assist our members, the Middlesex County Retirement System has produced a sample DRO which can be found on our website. The terms of the sample DRO provide but one of several options available to members.

After Retirement Once you are retired from the MassHousing, Medicare Parts A and B will be your primary health insurance. It will cover 80% of your inpatient and outpatient costs. Medicare has deductibles which usually will be covered by your secondary insurance. Your employer may offer "supplemental plans" which will cover 20% of your costs and, in most cases, absorb the Medicare deductibles. Your supplemental plan begins the month you are enrolled in both Part A and Part B. The supplemental plans usually offer a Part D prescription drug plan as well. Any plan you choose will work seamlessly with Medicare Parts A and B. These health insurance premiums for the employer supplemental plans are deducted from your retirement allowance with the MassHousing Retirement System. If you have questions, please call Social Security at 1-800-772-1213 from 7 a.m. to 7 p.m. Monday through Friday. If you are deaf or hard of hearing, TTY is available at 1-800-325-0778.

Happy Retirement!

How the New Tax Law Benefits Those 65 and Over



[Suze Orman](#)

Bestselling Author | Host of the Women & Money Podcast | Co-Founder of SecureSave

August 11, 2025

The sweeping new federal tax law that went into effect in early July provides a potential tax break for anyone at least 65 years old.

Before I explain the new tax rule, I want to be clear what was not part of the tax law that Congress passed and President Trump signed into law:

There were absolutely no changes to Social Security. None.

- Benefits current recipients receive, and the formulas that set benefits for future recipients, were not changed.
- The rules on taxation of Social Security were not changed.

Do you hear me? No. Changes. To. Social. Security.

I promise to keep you updated on any changes that Congress does consider (and enact), but for now, I want to make sure you have the facts: nothing has changed to Social Security benefits.

Now let's talk through what did change.

Beginning this year, anyone who is at least 65 years old may be able to claim a \$6,000 income tax deduction. You are eligible even if you have yet to start claiming Social Security. There is no link between this new tax break and Social Security.

Here are the key rules:

- This new \$6,000 per-person deduction is in addition to the already existing deduction available to anyone at least 65. The existing deduction is \$2,000 for single filers and \$1,600 each for married couples filing a joint tax return.
- You can claim these deductions whether you take the standard deduction or file an itemized tax return.
- To claim the full new \$6,000 deduction (\$12,000 total for married couples if both are at least age 65), your modified gross income must be below \$75,000 for single tax filers and \$150,000 for married couples filing a joint tax return. Note: these income limits apply only to this new \$6,000 deduction benefit. There is no income limit to claim the older (and continuing) deduction of \$2,000 for individual filers and \$1,600 per person for married couples, which remains in effect.
- Above those income levels, you can still qualify for a reduced deduction. But single filers with MAGI above \$175,000 and married couples with MAGI above \$250,000 are not eligible for any deduction.

- This additional tax deduction is available for the 2025, 2026, 2027, and 2028 tax years. Under current law, it will no longer be available beginning in the 2029 tax year. And please note: this temporary tax break is only for the new \$6,000 deduction. The \$2,000/\$1,600 per married person deduction for people at least age 65 is permanent.

A potential \$6,000/\$12,000 tax deduction is a big opportunity for many households. The key is to make sure your income will not be above the limits to grab the tax break.

For those of you who have been converting traditional IRA or 401(k) assets into Roths—and for those of you considering conversions—you will want to plan around this new law. When you convert traditional retirement savings to Roth retirement savings, the entire amount of the conversion is treated as taxable income in the year you make the conversion.

If you intend to make any conversions in 2025, 2026, 2027, or 2028, and you will be at least 65, be aware of how it could impact your eligibility for this \$6,000/\$12,000 tax deduction in each of those years. If you have yet to turn 65 and want to convert large sums, it may make sense to convert more now so you will also be able to claim this deduction once you turn 65.

Sitting down with a trusted tax pro to consider your options is a smart move.



Fifth Member Paul Hynes, Esq.

Middlesex Retirement's Fall 2024 newsletter, reported several important amendments to the public employee retirement law which had been enacted at the end of the 2023-2024 legislative session. These new laws related to veteran's service, anti-spiking exceptions, post-retirement earnings calculations, restoration to active service, and disability caused by a violent act injury. The new two-year legislative session started this past January. Returning as the Senate Chair for the Joint Committee on Public Service is Senator Michael Brady of Brockton. Serving as the House Chair for the first time is Representative Daniel Ryan of Charlestown. The Public Service Committee is expected to act on hundreds of bills relating to public pensions. In addition to bills submitted by legislators, unions and other entities, PERAC has submitted 8 bills, including those addressing pension forfeiture reform, clarification of regular compensation, and payments for creditable service purchases. The Mass Retirees Association has submitted 15 bills, which topics include improvements to cost-of-living-adjustments, veteran's bonuses, and health insurance premium contributions. In the 2025-2026 legislative term we expect to see further important amendments to the laws that affect our members and their families, and MassHousing will continue to provide updates to our members of laws which impact their retirement benefits.

MHFA (Mass. Housing Finance Agency)

Contact Information

One Beacon Street
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Phone: 617-854-1871

Website

masshousingretirement.com

Board Members

Rachel Madden
Thomas Flynn
Antonio Torres
Michael Fitzmaurice*
Paul Hynes
*indicates Chairperson

Board Administrator

Joseph Petty

2023 Earned Income of Disability Retirees

Disability Retirees..... 1
Reported Earnings..... 0
Excess Earners..... 0
Refund Due..... \$0

System Members

Active Members..... 316
Total Payroll..... \$36.9 M
Average Salary..... \$116,700
Average Age..... 50
Average Service Years..... 14.6

Retired Members..... 210
Benefits Paid..... \$11.0 M
Average Benefit..... \$52,300
Average Age..... 73

Last Valuation

1/1/23

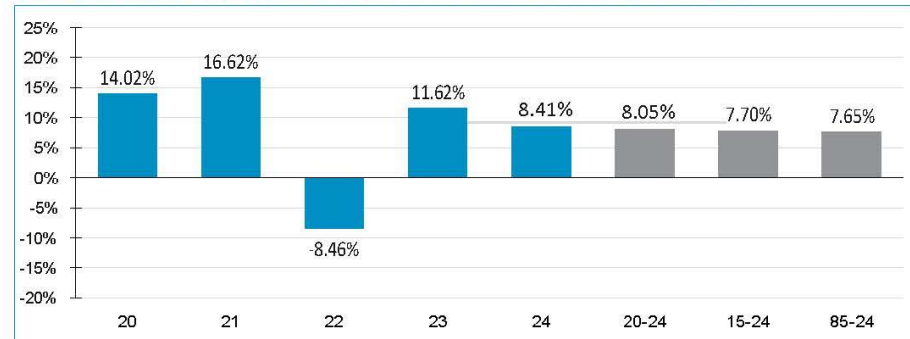
Actuary

Stone

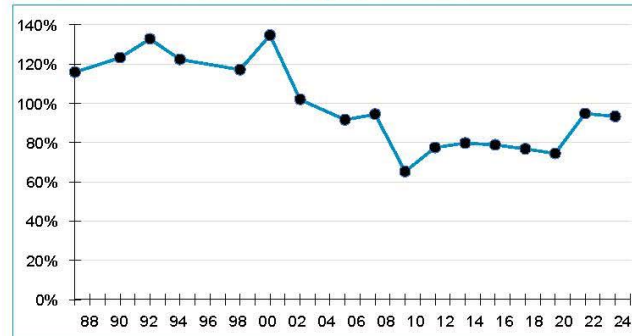
Featured Data

Market Value	2024 Returns	Assumed Rate of Return	COLA Base (FY 2026)	Funded Ratio
\$ 258.2 M	8.41%	7.00%	\$ 18,000	93.3%

Investment Returns (2020–2024; 5, 10, & 40 Year Averages)



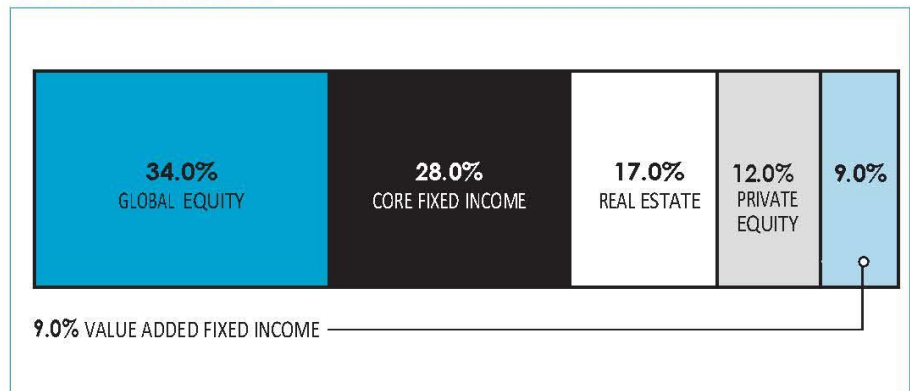
Funded Ratio History (1987–2024)



Board Funding

Unfunded Liability
\$ 15.9 M
Fully Funded
2028
Funding Schedule
Level Dollar
Total Pension Appropriation
\$ 4.8 M (FY 2025)

Asset Allocation



Social Security Update: WEP/GPO Repeal On January 5, 2025, at an impressive ceremony at the White House, President Biden signed into law the Social Security Fairness Act, which repealed the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These two provisions of the Social Security negatively impacted thousands of Massachusetts public workers and their families, by reducing or eliminating entirely the benefits earned through other employment covered by Social Security, solely because they were receiving a Massachusetts public pension. The Middlesex County Retirement Board has long been sensitive to the impact of these onerous laws on members and beneficiaries, and was privileged to retain the talented services of our dearly missed Social Security Consultant and friend, Francine Kollias, to help our members through the WEP/GPO maze. President Biden correctly stated that signing this significant legislation was “a big deal” and acknowledged many of those present at the ceremony, which was broadcast live, including Rep. Richard Neal of Springfield, who co-sponsored the legislation for years on Capitol Hill. Present also were Shawn Duhamel and Frank Valeri of the Mass Retirees Association, who, along with the late Mass Retirees President Ralph White, advocated tirelessly over decades for the repeal. Also present for the signing was Boston Firefighter Ed Kelly, now President of the International Association of Fire Fighters, which strongly supported the repeal.

The repeal is retroactive to January 1, 2024. Most, if not all, of MASSHOUSING RETIREMENT's impacted retired members and beneficiaries have had their Social Security benefits adjusted.

If your Social Security benefit was impacted by WEP or GPO and your benefit has not yet been adjusted, you should contact Social Security at www.ssa.gov. You can also visit the agency's Social Security Fairness Act webpage at <https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html> to learn more, and stay up to date on its progress.

If you are receiving a benefit from MASSHOUSING RETIREMENT and have not applied for Social Security because of the WEP or GPO, you should do so as soon as possible. Don't lose money that is due! If you do not yet have an account, we suggest you create a “mySocialSecurity” Account at www.ssa.gov/myaccount, where you will be asked to upload proof of your identity. To find the Social Security Office that serves you, log onto www.ssa.gov/agency/contact. However, if you plan to call or to visit, prepare for lengthy wait times.

Contact Joseph Petty JPetty@masshousing.com or 617-8541871 for all direct deposit changes.
Contact Michelle Shinnick MShinnick@masshousing.com 617.854.1123 for all address changes.

Hope you are all having a great summer.

All the best! Joe and Michelle

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