



Methuen Contributory Retirement Board Winter Edition Newsletter

2024

Contact Us:

Searles Building
41 Pleasant Street, Room 313
Methuen, MA 01844
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Visit us on the Web:

<https://www.cityofmethuen.net/retirement-board>

Hours:

Mon.-Thurs.: 8 AM-4:30 PM
Friday: 8 AM – 12 PM

Board Members:

John T. Sheehy,
Chairman
Kathleen Beam,
Ex-Officio
Gina LaGreca,
Appointed Member
Christine St. Onge,
5th member
Albert J. Trott,
Elected Member

Staff:

Kaitlyn Doucette,
Retirement Administrator
Barbara L. Carr,
Retirement Assistant

Looking Forward to 2025:

2024 1099Rs: 1099Rs will be mailed by January 31, 2025. If you are expecting a 1099R and don't receive one, please contact the office as soon as possible to request a duplicate copy at (978) 983-8620.

Retirees Turning Age 59 ½: If you retired before the age of 59, you would receive two 1099R forms for the tax year in which you turn 59 ½. Each 1099 is different; they are not duplicates and you will need both forms when you are filing your taxes for that year.

2024 Annual Statements: Annual Statements will be mailed in February 2025. Every active and inactive member will need to review to make sure all the information is up to date and correct and contact us at your convenience to make any changes necessary. Address change forms and beneficiary selection forms can be found on our website: <https://www.cityofmethuen.net/retirement-board>.

2025 New Medex Rates: New Medex rates are as follows: MEDX – Medex Insurance Single = \$98.80; MEDX2 – Medex Insured Two = \$197.60.



Have you heard about the **Internal Revenue Service** calls demanding money??

Is it *really* the **Internal Revenue Service**??
STOP!!!

The **IRS** won't ask you to pay by wire transfer.

If in doubt, always check with the real **IRS**
@ **#800-829-1040**

Report scams to the Federal Trade Commission @ **#877-382-4357**

Back Again: Retirees Return to Work

Alyssa Place / Employees Benefits News / August 2024

Employers and employees can both benefit when retirees return to work, as long as both sides keep an open mind around the experience. Once an employee leaves the workforce, that no longer means their work life is over forever.

In 2024, one in eight retirees plan to go back to work, due to factors like high cost of living, inflation, a lack of savings and even boredom, according to a survey by ResumeBuilder.com. Of those planning for their future now, a third expect to work part-time, according to Flex jobs.

Reentering the workforce after any time takes time and careful consideration. Due to the speed of technology and other in-demand workplace skills, many returning retirees may find themselves unprepared for the realities of today's work world.

The first thing they should do is self-assess their skills, interests and values to meet the challenges of the new work environment they're trying to enter. Consider being more flexible with different types of working arrangements too, like consulting, freelancing, or part-time hours.

Finding the right fit comes with financial benefits for older workers and can support their well-being too. Retirees who returned to the office have reported better mental health and less feelings of loneliness than those who remained retired for the long-term.

Reentering the workforce can provide retirees with a sense of purpose and fulfillment, especially for those who miss the routine of their younger years. It's also an additional income stream to support their retirement funds, which may not be enough to cover their living expenses comfortably.

As employees deal with the influx of younger employees, having a multi-generational balance of staff can help train and mentor workers and create a more inclusive work environment for everyone. Older generations often possess valuable industry experience they can share with younger team members. This knowledge transfer ensures that essential insights are passed down to the next generation.

Employers will need to consider the unique needs of people who have already experienced life outside of their career. Older workers might want more flexibility in their schedule or see their return to work as temporary. Offering options is beneficial to everyone.

By fostering an inclusive environment, team members feel valued and respected regardless of age. Encourage open dialogue that celebrates the unique strengths and experiences each generation brings to the table.

Protect Yourself from Cybersecurity Threats

Lee Hafner / Employees Benefits News / August 2024

Employers and employees can practice safe web usage and avoid getting hacked. Hacked accounts, scams, identity theft – nothing makes us feel more vulnerable than when our online security has been compromised. 2023 was a record year for data theft in the U.S. with more than 350 million people affected, according to the Identity Theft Research Center, cybercrime was also up, leading to a potential \$12.5 billion in individual losses. Businesses are victims too. Almost 70% of organizations experience ransomware attacks between 2022 -2023, costing companies millions.

The tools for attackers these days are much easier and more powerful than they've ever been. All it takes is for you to click on one thing and your device or account can then be taken over. Here are four ways to guard against cyber-attacks.

SPOT email red flags: Especially with advanced technology like ChatGPT, emails can be targeted and therefore are dangerous, so when in doubt, delete it! Ask yourself, do I know who this sender is, does this email have a link and what is the actual URL address. Everything should be treated as suspicious.

Practice good “security hygiene”: It's recommended using passwords for work that are not used anywhere else and the use of a password manager program that can keep track of long, complex passwords for all accounts, versus any kind of written record.

Automate protection: Businesses can also utilize automated monitoring technology to protect their employees and their information, especially as IT departments are often busy and understaffed. Though more complex in its implementation, the additional level of protection is essential.

Limit who has access to information: Employees should be mindful of what company data they are inputting into AI platforms, shared documents and emails. Make sure that data is not available to those who don't need to have access to it. Especially, highly sensitive data like employee records, customer information like credit card data or healthcare information.

New Retirement Law of importance: The HERO Act

The Voice/ Mass Retirees / October 2024

Signed into law was the Hero Act, this is a reform of the so-called Veterans Buy-Back. Originally created in 1996, the Veterans Buy-Back allows public employees to purchase up to four years of their military service time as creditable service for pension purposes. The cost of the buy-back is 10% of the employee's starting salary. Eligibility, in terms of veteran status, is determined with the state's retirement law – not the federal standard defining 'veteran' status.

The mechanics and timeframe of the buy-back process, despite having been amended more than once since the law's creation some 28 years ago, have been the subject of confusion and criticism regarding the notification process and the timeframe in which a public employee is granted to initiate the buy-back.

To be clear, only active public employees are eligible to purchase or buy back creditable service. Retirees and deferred retirees are not eligible. In fact, federal law specifically prohibits buy-backs of any type for anyone who is not an active member in service. The rationale is that the prohibition protects against the gaming of the retirement system.

The reform grants amnesty to any active employee who is a veteran and has not yet purchased their years of military service. This fall the Commonwealth's 104 public retirement systems will be required to notify all active employees of their right to purchase up to four years of military service if they are eligible.

An employee who is a veteran has a limited amount of time to purchase credit. Also, employees can use their purchased military time to vest (vesting comes at 10-years of creditable service). New employees must purchase their military service prior to or within 1 year of vesting.

If you suspect **PENSION FRAUD** has occurred, please contact:
PERAC FRAUD PREVENTION UNIT:
1.800.445.3266 or pensionfraud@mass.gov

Is it time for a Medical Alert Service?

Beth Israel Lahey Health Winchester Hospital

Use this self-assessment as a guide to determine if a medical alert service would benefit you. Check the circle before each question if the answer is yes. The more boxes checked off, the higher the chances that there is a serious risk for a fall or other medical emergencies, suggesting that a medical alert service is strongly advised.

Questions:

- In the past year, have you fallen or been afraid of falling?
- Are you alone for several hours during the day/night?
- Have you been hospitalized or been to an emergency room in the past year?
- Do you have a chronic illness?
- Do you use a cane, walker or wheelchair?
- Do you require assistance with daily activities?
- Would a medical alert service provide peace of mind for your loved one?
- Is it important for you to continue living independently?

For more information on medical alert services, please call Winchester Hospital Medical Alert Program at 781-756-4752.

Challenges Facing Retirees in The Next 10 Years and What to Do

By: Jaime Catmull/ FORBES/ Sep 27, 2023

People who are retired or close to retirement age should ideally be secure in their long-term financial stability. After all, they've put in the work to set themselves up to enjoy the time after their working years are done. But just because you think you've done or are doing everything right for retirement doesn't mean challenges aren't there.

To avoid financial mishaps and make sure your retirement is secure, it's important to identify potential pitfalls and plan accordingly. Here are some examples of challenges facing retirees in the next 10 years and how to overcome them.

Outdated Rules of Thumb: When it comes to retirement, there are many well-known rules of thumb. Perhaps you've heard several of them. They range from a recommendation to save 15% toward retirement to planning on withdrawing no more than 4% annually after retirement. While these "rules" are better than operating on zero guidance, they are hardly guarantees of financial success in retirement.

For many years now, it's been a common sentiment that you need at least \$1 million to retire. That number often gets thrown out there without consideration of a person's lifestyle, asset diversity, or income.

So, while a rule of thumb is not a bad place to start, you need to make sure it fits within a comprehensive retirement plan. Whether you consult retirement planning professionals or create your own plan, factor in considerations like taxes, income, and social security. A single dollar figure just isn't enough.

Uncertain Economic Forecasts and Inflation: One challenge for current or upcoming retirees is economic volatility. In the past 15 years there has been a housing bust, a global pandemic, and a recession. There is also recent inflation and huge price swings in common expenses like fuel and food to consider. Consequently, the nest egg you assumed was sufficient for retirement might not go nearly as far as you thought.

To protect yourself from economic uncertainty, provide yourself with a source of income in retirement. That way, you have some security if your investments see a sudden and dramatic decrease in value. Even if that income is somewhat modest, such as a couple of rental properties, it can still provide a safety net for catastrophe.

The current economic uncertainty also emphasizes the importance of portfolio diversification. Keeping your money or assets in complementary investment classes can stabilize your net worth in times of volatility. For example, technology investments tend to be negatively affected by inflation. If your portfolio is tech-heavy, you should offset that with inflation-advantaged investments such as real estate or raw materials.

Inflation can also affect a retiree's spending power beyond investment values. One area that sometimes doesn't occur to people involves social security payments. Theoretically, social security payments are adjusted for inflation and should therefore maintain their spending power. However, certain expenses that disproportionately affect retirees usually rise in price at rates much greater than the overall inflation rate. The usual offender for this is medical care.

Now it must be said that in 2022 medical care costs increased at a lower rate than inflation. Since this was the first time in more than 30 years that was the case, it's a trend that's unlikely to continue. So, what that usually means is that social security payments will increase with inflation, but retirees' medical care costs will increase even more.

To combat these current or future medical payment expenses, it's generally advised to max out your HSA account every year if you're eligible. Funds are contributed, grow, and are distributed tax free if they're used for qualified expenses. Since most retirees spend anywhere from \$80,000-150,000 on long-term care alone, statistically those funds will get used. And since HSA contributions aren't allowed after you file for Medicare, do it while you can.

Cover Your Bases: The retirement landscape has changed in the last several decades. Pensions have all but disappeared, new investment categories such as cryptocurrency have emerged, and the global economy is seemingly more mercurial. What hasn't changed is the need to protect your lifestyle, plan, and diversify your portfolio. By employing those tactics, you can be secure in your finances and experience the retirement you envision.

CONGRATULATIONS

The following members have retired recently, and we wish them all the best for a happy, healthy and successful future:

Donald Agnew	Lisa Fisher
Gerard Bedard	Stephen Gagnon
Elizabeth Bistany	Brian Hellman
Margaret Condon	Walter Fleming
Thomas Curtis	Michael Hennessy, Jr.
Kenneth DiGiulio	Paul Ramirez
Michael Driscoll	Dennis Richard II
Susan Farelli-Kattar	

Dates to Remember

2025 Pension Payment Schedule:

Direct Deposit of your monthly benefit occurs on the last business day of the month.

<u>Month:</u>	<u>Deposit Dates:</u>
January	Friday, 1/31 st
February	Friday, 2/ 28 th
March	Monday, 3/ 31 st
April	Wednesday, 4/30 th
May	Friday, 5/30 th
June	Monday, 6/30 th
July	Thursday, 7/31 st
August	Friday 8/29 th
September	Tuesday, 9/30 th
October	Friday, 10/31 st
November	Friday, 11/28 th
December	Wednesday, 12/31 st

CONDOLENCES

We offer our condolences to the family and friends of the following members and retirees who have passed:

Priscilla Apkarian	Jeanne McKenzie
Barbara Churchill	Rosemary Morelle
Louis Gaudreau	John Sciuto
Dorothy Johnson	Lorraine Sunderland
Albert Lacasse Jr.	Joseph Tine, Jr.
Philip Lahey	Shirley Weisenborn
Elizabeth Leonard	

2025 Board Meeting Schedule:

Meetings usually occur on the last Thursday of the month, 9:30 AM, 2nd Floor Conference Room, Searles Building

<u>Month</u>	<u>Date:</u>
January	Thursday, 1/23 rd
February	Thursday, 2/20 th
March	Thursday, 3/27 th
April	Thursday, 4/24 th
May	Thursday, 5/22 nd
June	Thursday, 6/26 th
July	Thursday, 7/24 th
August	Thursday, 8/21 st
September	Thursday, 9/25 th
October	Thursday, 10/23 rd
November	Thursday, 11/20 th
December	Thursday, 12/18 th

Contemplating Retirement in 2025? Please contact the office for an estimate packet a few months in advance of your anticipated retirement date. Once you have carefully and thoroughly reviewed all the necessary information, set up an appointment at least four weeks prior to your retirement date to come in and complete all your paperwork. The Retirement Checklist included in the estimate packet can also be found on the retirement website and is an excellent resource of what you will need to do to prepare for your appointment:
<https://www.cityofmethuen.net/retirement-board>.

NEED a NOTARY? The Retirement Staff, Kaitlyn Doucette, and Barbara Carr are now officially commissioned Notaries here to help members and retirees with free Notary services.

A few important policies to remember: Members and retirees must appear and sign in person; a complete document with all the pages and no empty blanks must be presented for notarization; documents must be signed willingly and not under duress; and as always, the appropriate identification must be presented by the signer.

Please contact the office @ (978) 983-8620 to confirm that we are available when you want to come in and that we are commissioned to do the type of notarization you need.

Have a Change of Address? Please notify the Methuen Contributory Retirement Board in writing of any change of address. Whether it be a permanent address change or a temporary winter mailing address, the retirement staff wants to ensure that you receive your 1099R and all other important notices.

Please visit our website at <https://www.cityofmethuen.net/retirement-board> to download a Change of Address form. Once completed, mail, fax or drop your form to the office. Once received, depending on the mode of delivery, the retirement staff will contact you directly to verify the requested change as an additional line of security.

Cheers for 102-year-old war vet Dalis DeParis!!

Methuen Life/December 2024

As this year's Veterans Day Parade Grand Marshall, Dalis DeParis (*our oldest living retiree*), grinned and waved to parade-goers while rolling through the city as a passenger in a convertible. His grandsons preceded him, walking with a banner announcing his war service and his age: an incredible **102 years old!!**

Mr. DeParis was a Petty Officer Second Class, who served from 1942 – 1945 on P.T. Boats and received numerous recognitions and medals for his time in the military. Mr. DeParis was also recognized during the veteran's ceremony, where he briefly spoke acknowledging that the "true Heros" are the men and women who never came home from war.

Happy Birthday Dalis – Thank you for your service!!



City Hall Holiday Schedule:

Tuesday, December 31st (New Years Eve) = Closed @ Noon

Wednesday, January 1st (New Years Day) = Closed

Monday, January 20th (Martin Luther King Day) = Closed

Monday, February 17th (President's Day) = Closed

Wishing everyone a Holiday Season full of love & laughter, happiness & health, peace & prosperity!!

Merry Christmas & Happy New Year from the Methuen Retirement Board And Staff!!

