

The Arlington Contributory Retirement Board ("ACRB") is one of 104 Retirement Boards in the Commonwealth of Massachusetts. By accepting Sections 1-28 of Massachusetts General Laws, Chapter 32, these Boards operate independently, but follow the same uniform retirement laws as the other Boards.

The ACRB consistent of 5 members

An Ex Officio Member: Is a member by virtue of the office he or she holds. In many communities the Ex-Officio member is most commonly a City Auditor or Town Accountant. In Arlington the Selectmen have chosen the position of Comptroller to represent them and currently that is Richard Viscay.

Appointed Member : Chosen by the appointing authority for the governmental unit. In Arlington it is the Board of Selectmen and their appointment currently is Richard Keshian Esq.

Two Elected Members: Each is either a retiree or active employee within the system. The position is elected by the retirees and active employees of the system every three years. Currently the Two Elected Members are Retired Treasurer and Board Chairman John Bilafer and Retired Police Lieutenant Kenneth Hughes.

Fifth Member : Chosen by the other four members and cannot be an employee, retiree or official of the governmental unit. Currently the Fifth Member is Kenneth Steele, Investment Advisor

The ACRB has approximately 700 Active Members, 200 Inactive Members 610 Retirees and Survivors. All permanent employees working more than 18.75 per week and an annual salary of \$5,000 are members of the system, except employees in certified teaching positions they are members of the Massachusetts Teachers Retirement System.

The ACRB has \$141,629,105 unfunded liability and \$133,272,003 in assets as of January 1, 2016. An actuarial report is currently being prepared for January 1, 2017. Although the unfunded liability has not been determined as yet the Board's assets have increased to \$139,127,656 as of December 31, 2016.

All retirement boards are mandated to be fully funded by Fiscal Year 2040. In order to meet the mandate of the law, the ACRB has prepared a Funding Schedule working with the Town Manager and the Finance Committee.

The January 1, 2016 Funding schedule presumes that with the Fiscal Year 2018 total appropriation of \$11,696,077 and with an anticipated funding at 5.5% and further assuming a 7.25% rate of return net of fees the Arlington Retirement Board will be fully funded in Fiscal Year 2036 four years ahead of the mandate.

The 5.5% increase for this year and for the future was a result of an agreement arrived at among ACRB, Town Manager the Finance Committee. The purpose of the agreement was to arrive at a stable, consistent funding schedule to meet the mandate of the law for full funding and at the same time provide an anticipated dollar amount each year. It was also agreed by the parties that 5.5% increase would be raised to 6% upon the passage of the next override.

The total funding schedule of \$11,696,077 will be reduced by about 3.6% because of the contribution required from the Arlington Housing Authority. The 3.6 % funding from the Arlington Housing Authority reflects its contribution for the approximately 20 employees and 12 retirees.

The Arlington Retirement Board's monthly payroll for retirees and survivors is approximately \$1,500,000 a month or \$18,000,000 annually and has an operating budget 1,200,000 including approximately \$750,000 in investment fee to the State.

The Board receives approximately \$3,500,000 annually in employee deductions and approximately \$11,700,000 combined appropriation from the Town and the Arlington Housing Authority.

To summarize:

	\$ 19, 200,000 requirements
Less:	\$ 15,200, 000 receipts
Creates a Deficit of:	\$ 4,000, 000

Employees who commenced employment with a municipality after July 1, 1996 pay 9% of their regular compensation on the first \$30,000 of regular compensation paid and 11% of regular compensation above \$30,000.

Employees who commenced employment with a municipality between the years commencing January 1, 1984 and June 30, 1996 pay 8% on the first \$30,000 of regular compensation and 10% of regular compensation above \$30,000.

Those employees hired by the a municipality between January 1, 1975 and December 31, 1983 pay 7% of their regular compensation.

Employees hired after January 1, 1979 pay 7% of their regular compensation up to \$30,000 and 9% on regular compensation over \$30,000.

"Regular Compensation" paid to employees include salary, longevity, certain types of stipend received and increases earned because of certain types of licenses attained.

"Regular Compensation" does not include overtime, housing, car allowances, mileage, tool or clothing allowance or sick or vacation buyouts.

Municipal employees do not pay into the Social Security, so unless they have work previously under social security, municipal employees will not receive a social security benefit. Employees who have worked outside of the municipal system may or may not receive a security benefit.

The ACRB being autonomous manages the retirees' payroll in house. ACRB pays its staff salaries, stipends paid to Board Members, the Town's portion of health insurance premiums, software costs, office space rent, lease of office equipment, postage, actuarial studies, investment fees and other expenses.

The oversight State agencies for retirement boards is the Public Employees Retirement Administration Commission and all reports, audits and regulations are on the website at www.mass.gov/perac. There is also a link on our webpage to connect you to the Commission.

The ACRB website also has a link to the Massachusetts PRIM Board which is the state agency for investments. ACRB currently has approximately 93 % of its assets invested with PRIM. There is a link on the ACRB website at www.mapension.com

And as always if have any question you can contact us at 781-316-3370 or email me at rgreco@town.arlington.ma.us. And our office is located at the Arlington Senior Center 27 Maple Street Suite G-11.