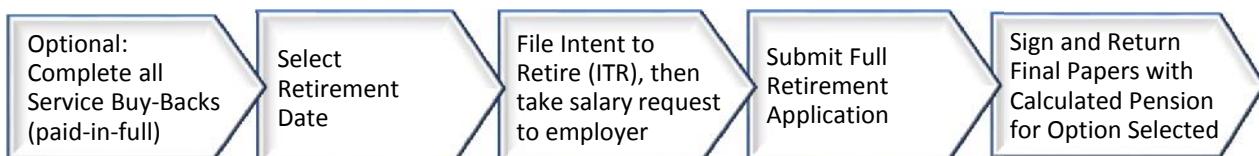


Retirement Checklist and Process

- Intent to Retire (ITR) Form (file 45-60 days before retire). ITR Form available at the Retirement Board
- Photo ID (government-issued)
- Birth certificate for member (government-issued)
- If married, birth certificate for spouse
- If married and selected Option C, government-issued marriage certificate
- Voided check (to be used to set up direct deposit)
- Copy of personnel card or employment record
- If leaving job involuntarily, notice of termination
- If veteran, discharge papers (DD-214) unless submitted previously as part of a buy-back application
- Beneficiary selection form (may need to be notarized)
- Birth certificate for beneficiary (Option C only)
- Social Security numbers for all beneficiaries
- Social Security numbers for all insurance dependents
- If divorced, any court order or domestic relations order (DRO) issued by the Court
- If divorced and DRO in place, ex-spouse's birth certificate, direct deposit form, voided check, and W-4P tax form



Payment and Tax Details

- Retirement allowance is paid once per month on the last Tuesday of the month (your first check will be paid retroactively two months after your retirement date). In November and December, payment is made at least one week early
- Deductions are automatically taken for Health and Life Insurance if applicable
- Deductions may be taken for some Credit Unions (for example, loans or Christmas Club)
- Initial tax withholding will be based on your W-4P form filed at the time of retirement. Tax withholding may be changed at any time after the pension starts. No Massachusetts income tax is due. Please contact a tax professional for any specific questions or to seek advice
- After one full fiscal year post-retirement, a cost of living adjustment (COLA) may be added each year (effective July 1). Historically, the COLA has been 3% of the COLA base (currently \$13,000). For example, a \$390 annual increase for retirees with an annual pension of \$13,000 or more.

Employment after Retirement

- When you retire, there are limits on the amount of income you may earn if you are re-employed by a Massachusetts public employer. After the first year post-retirement, the income limit is \$15,000 per calendar year above the salary your last position currently earns. The number of hours you work is also limited (960 hours per calendar year). These limits apply to all Massachusetts public employment including contractor, consultant, and small business, not just on-staff full- or part-time positions. If you exceed either limit, you must repay the over earnings, and/or waive some or all of your retirement allowance for that time period. Note, there are different limits for disability retirement. Consult www.mass.gov/perac for more details.
- The earnings limitations apply only to retirees, not survivors or beneficiaries
- There are no earnings or hour limitations on post-retirement employment in private sector jobs
- You will receive a 1099-R to file with your taxes
- You will receive a bi-annual affidavit to update and verify personal information

Refer to www.mass.gov/perac for a more comprehensive explanation of the rules or contact the Boston Retirement Board.

Retirement Options (Simplified Explanation)*

Selecting a Retirement Option is how you as the member decide how your retirement allowance will be allotted and what benefits (if any) will be paid to your beneficiaries. Your health at the age of retirement, income from other sources, financial obligations, and the need to provide for others after your death are some of the factors to consider. You must select an Option before the allowance becomes effective. Option B is the default if you do not make a timely selection. **After retirement starts, the Option selection cannot be changed for any reason.**

Option A: Member receives monthly benefits for the rest of his/her life. No payments are made to beneficiaries after the member's death except for a residual payment for the partial month in which the member died. If there is a balance in the member's account (consisting of a member's retirement deductions during employment plus interest), those funds are absorbed into the retirement system's general fund, not paid to beneficiaries.

Option B: Member receives monthly benefits for the rest of his/her life, but the amount is typically 1 - 5% lower than under Option A. Upon the member's death, surviving beneficiaries are awarded the remaining balance of the member's account (if any) as a lump sum payment. Typically the member's account is depleted within 8-12 years of retirement. If there is no balance remaining when the member dies, no payment will be made to beneficiaries. There are no limits on whom a member can select as their Option B beneficiary. The Option B beneficiary may be changed even after retirement.

Option C: Commonly known as "joint and last survivor", this Option is the most commonly selected for married couples. Member receives monthly benefits for the rest of his/her life, but the amount is **typically** 7 - 15% less than under Option A. Upon the member's death, the beneficiary (one person) receives monthly benefits for the rest of their life. Pre-tax payment to the beneficiary is exactly two-thirds the amount formerly paid to the member. The Option C beneficiary must be the member's spouse, former spouse (if not remarried), sibling, child or parent. After retirement the beneficiary cannot be changed. If the beneficiary predeceases the member, the member "pops up" to receive an Option A benefit.

	Option A	Option B	Option C
Monthly Benefits to Member	Yes, until member's death	Yes, until member's death (typically 1-5% less than Option A)	Yes, until member's death (typically 7-15% less than Option A, but may be even less if beneficiary is much younger than member)
Account Balance	No payments disbursed	Balance paid in lump sum to last designated beneficiary	No payments disbursed
Monthly Benefits to Beneficiary	None	None	Upon member's death, beneficiary paid 2/3 allowance for beneficiary's lifetime
Beneficiary Selection Limits	Not Applicable	None	One person. Must be member's spouse, former spouse (if not remarried), sibling, child, or parent

* Death of the member before retirement, death of beneficiary before the retiree, divorce, remarriage, court orders, the presence of dependents, a job-ending disability, the circumstances around the member's retirement and/or death, etc. can affect benefits. Refer to www.mass.gov/perac for a more comprehensive explanation of the rules or contact the Boston Retirement Board.

