



Focusing on Retirement Issues for Massport Employees Past and Present

What's Inside

WEP and GPO repeal	2	Deferred Comp Limits	4
Member Statements	2	Transitions	5
Retirees' Corner	3	Calendar	6

The HERO Act Important Reminder for Massport Veterans

As you may recall, on August 8, 2024 Governor Healey signed into law Chapter 178 of the Acts of 2024, commonly referred to as The HERO Act. If you are an active member of the Massport Employees' Retirement System (MPAERS), a veteran, and have not yet purchased your military service, this legislation is important for and will impact you.

There are new deadlines and timing restrictions that limit the timeframe in which you can purchase military service towards your Massport pension. ***Even if you have been told that you missed the deadline and are no longer eligible to apply for credit, the HERO Act reopens the application window.*** There are new time limits, however, so if this is relevant for you, we urge you to pay attention and understand these new rules as they may affect your retirement planning efforts.

The HERO Act sets one year from date of vesting as the new deadline for purchasing military service towards your creditable service. So in effect, a member's deadline is the date he or she reaches 11 years of creditable service. Unfortunately, the MPAERS Board and staff will have no flexibility with regard to these new rules. If you miss the deadline that pertains to you, you will be ineligible for a military service purchase in the future.

For those active member veterans with more than 11 years of creditable service who have not yet



The HERO Act adds a deadline for purchasing military service towards your Massport pension.

It is your responsibility to understand which deadline applies to you.

initiated a veterans buyback there is also a ***one-time*** grace period for doing so until August 8, 2025 (the one year anniversary of the effective date of the HERO Act).

While the timing around purchasing military service has changed, most other key provisions have not. You may purchase up to four years of retirement credit for up to four years of your military service. The cost is 10% of your salary when you first became a member of a retirement system for each year of military service you want to purchase (unless you left the system and took a refund of your contributions, this will be your first salary when you entered public service). There are three payment options:

1. Roll over funds from the SMART Plan or another qualified plan;
2. Initiate a weekly payroll deduction installment plan with the MPAERS not to exceed 5 years, or;
3. Submit a personal check.

Continued on page 3.

Repeal of the Social Security Windfall Elimination Provision and Government Pension Offset

On January 5, 2024, President Biden signed into law The Social Security Fairness Act, HR 82, which repealed the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provisions of Social Security. This law has a retroactive effective date of January 1, 2024, which means that the Social Security Administration (SSA) will be required to recalculate benefits for anyone impacted during 2024.

The WEP and GPO have negatively impacted thousands of Massachusetts public employees and their beneficiaries for decades. The WEP is a formula used to decrease Social Security worker benefits for individuals who receive "non-covered pensions" (i.e., Chapter 32 retirement benefits) and qualify for Social Security benefits based on Social Security-covered earnings (i.e. previous private sector employment). The GPO adjusts spousal Social Security or widow(er) benefits for individuals who receive "non-covered pensions".

It is our understanding that the Social Security Administration is evaluating how to implement the Act and will provide more information as soon as it becomes available. Social Security is a federal benefit and does not and will not in any way impact your Massport pension.

For more information, please contact the Social Security Administration. You can go to www.ssa.gov/benefits/retirement/social-security-fairness-act.html or call the SSA at 1-800-772-1213 between 8:00 am – 7:00 pm local time, Monday through Friday. You can also visit your local Social Security office.* To find the location of their nearest office please go to www.ssa.gov/locator/ and enter your ZIP code.

** Update: If you need in-person help you must make an appointment at a local Social Security office.*



For Your Benefit Annual Member Statements

We're in the process of completing our 2025 active member statements which will be mailed to you by June 2025. These statements include retirement allowance projections at three ages in addition to the standard beneficiary, account balance and current year contributions and interest information. We encourage you to take this opportunity to review your beneficiary designations. Please contact the retirement office if you have any questions regarding your statement or wish to change your beneficiaries.

HERO Act

Continued from front

In summary:

→ ***If you are a veteran and have already completed your military service purchase, you do not need to take any action.***

→ ***If you have NOT entered into an agreement and you HAVE COMPLETED more than 11 years of creditable service, you have a one-time grace period to do so until August 8, 2025.***

→ ***If you have NOT entered into an agreement and you have less than 11 years of creditable service, you have until the later of the two following events to do so; you complete your 11th year of creditable service or August 8, 2025.***

→ ***If you have already received notification from the MPAERS that you are eligible to purchase your veteran's service but have not completed the purchase or entered into an agreement with the MPAERS, you have until the later of the two following events to come to terms with the retirement board on the purchase: completion of your 11th year of creditable service or August 8, 2025. This could be a payment plan, lump sum payment or rollover from the SMART Plan.***

If you have questions or we can be of assistance, please don't hesitate to contact the retirement office!



Retirees' Corner

Required Minimum Distributions

As you may be aware, the IRS has rules around when you have to begin receiving retirement benefits and/or when you must begin drawing money from retirement savings vehicles, for example the SMART Plan. These are called required minimum distributions (RMDs), and the rules around the timing of these distributions recently changed with the passage of the federal SECURE 2.0 Act.

The chart below shows the RMD ages based on birth dates:

Birth Date	Applicable RMD Age
Before July 1, 1949	70½
July 1, 1949- 1950	72
1951-1959	73
1960 or later	75

How this potentially impacts members of the MPAERS, is as follows.

Members who:

- are not receiving a retirement allowance, and;
- are no longer employed at Massport, and;
- turned 73 on or before December 31, 2024, MUST:

Receive a plan distribution or begin collecting a pension by April 1, 2025.

Deferred Comp Limit Increases for 2025

If you contribute the max to the SMART Plan, please note the limits have increased for calendar year 2025.

Annual Limits

The 2025 maximum contribution is \$23,500.

Age 50 and Over Catch-up

If you are, or become, age 50 in 2024 you may contribute an additional \$7,500 for a total of \$31,000.

Age 60 – 63 Catch-up

If you are between the ages of 60 to 63 in 2025 you may contribute an additional \$11,250 for a total of \$34,750.

3-Year Catch-up Provision

If you contributed less than the maximum at any point in the past, you may be eligible for the 3 year catch-up program. Under this provision you can contribute a maximum of \$47,000 (\$23,500 plus an additional \$23,500) in 2025.

Please contact SMART Plan Retirement Plan Advisor, Leilany Acosta, for details. Leilany can be reached at (508) 930-2540 or leilany.acosta@empower.com.

2025 Employer Match

The Authority will continue the deferred compensation match program in 2025 and will match up to \$3,000 in eligible employees' contributions to the 457 deferred compensation plan. Distributions are made approximately two and a half weeks after the end of each quarter. The 2025 match schedule is: April 11th, July 11th, October 10th, and December 26th. Quarterly match amounts are reported and can be verified on both your weekly paystub or direct deposit notification and quarterly Empower-Retirement statements.

MPAERS Inactive Members

If you're an *inactive* member of the MPAERS with an annuity savings fund account balance, and you turned 73 on or before December 31, 2024 you must either apply to retire or submit a refund request effective April 1, 2025.

Notices are sent to inactive MPAERS members beginning at least a year prior to their RMD deadline.

MPAERS Retirees

If you are a Massport retiree with a SMART Plan account (or other retirement savings vehicles like 401(k) or 403(b) plans), and you turned 73 on or before December 31, 2024, you must begin taking required minimum distributions (RMDs) from these vehicles by April 1, 2025. It is our understanding that the SMART Plan sends letters to participants notifying them of their RMD deadline.

Potential Tax Penalties

If you meet the criteria referenced above and fail to take a distribution before April 1, 2025, you may be liable for a federal tax penalty, which is equal to 25% of the amount that should have been distributed as a required minimum distribution.



Here to help!

The options relative to RMDs can be quite complicated and we recommend that you consult with your tax advisor if you have questions regarding your individual circumstances. SMART Plan questions should be directed to your SMART Plan representative, Leilany Acosta. Inactive MPAERS members with questions about their annuity savings fund should contact the Massport Retirement Office.

Transitions

The following is a list of retirees and members who passed away as well as members who have retired since January 2024.

We regret to inform you that the following retirees have passed away:

Edward Amodeo	Rudolph D'Addario	Francis Johnston	Carmen Orlando
Salvatore Balzotti	Robert Desmond	John Leslie	Agnes Ricko
John Belcastro	L. Charles DiPerri	Larry Lombard	Robert Smith
John Bradanese	Lawrence Eaton	Thomas MacDonald	Elizabeth Sposato
John Cataldo	Robert Fisher	Reginald McCarthy	Marie Vitagliano
Giuseppe Cefalo	Elliot Friedman	George Nashawaty	Robert Wallace

We also offer condolences to the family and friends of **Glen Goldman**, former Treasury & Capital Funding Manager in the Treasury department at the Logan Office Center, who passed away on May 1, 2024.

We also offer condolences to the family and friends of **Anthony Schiavone** former Electrical Foreperson in the Electrical Maintenance department at Logan Airport, who passed away on December 10, 2024.

Congratulations

The following people retired recently and we wish them all the best for a successful future:

Agron Balluku	Timothy Johnson	Herbert Pruitt	Charles Webb
Paolo Basile	Jeffrey Jones	Joseph Reiter	Ronald Wise
Angelo Bonaventura	Dean Lupisella	Wendy Riggs-Smith	Gary Younger
James Boulter	Thomas Lynch	Christopher Ryan	
Ingrid Christmas	Maria McKinnon	Paul Sainato	
Stephen Coleman	Norberto Melendez		
Anthony D'Ambrosio	Kaiyoz Mirza		
Gregory Deal	Paul Morrill		
Jerald DiLorenzo	Nicholas Mosca		
Kathleen Flynn	Susan Nally		
Russell Hatch	Pablo Nieves		
Richard Henderson	Charles O'Neal		
Ruben Hernandez	Stephen Pacchielat		
Nhuy Hoang	Rafael Perez		
Anita Jansky	Francesco Picozzi		



Calendar

February

- 27 Retirement Board Meeting, 9:00 am
- 28 Ramadan begins at sundown

March

- 9 Daylight Savings Time begins: Set clocks ahead one hour
- 17 Happy St. Patrick's Day!

Evacuation Day observed (Massachusetts)
Massport offices **open**
- 20 Spring begins
- 27 Retirement Board Meeting, 9:00 am
- 29 Last day of Ramadan

April

- 11 Quarterly employer match to 457 Plan
- 12 Passover begins at sundown
- 13 Palm Sunday
- 15 Tax filing day
- 18 Good Friday
- 20 Easter

Last day of Passover
- 21 Patriots Day (Massachusetts):
Massport offices **closed**
- 24 Retirement Board Meeting, 9:00 am

May

- 26 Memorial Day
Massport offices **closed**
- 29 Retirement Board Meeting, 9:00 am

June

- 17 Bunker Hill Day (Massachusetts):
Massport offices **open**
- 19 Juneteenth Independence Day
Massport offices **closed**
- 20 Summer begins
- 26 Retirement Board Meeting, 9:00 am

Retirement Board & Staff

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