

Newton Contributory Retirement System

CITY HALL

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NEWTON CENTRE, MASSACHUSETTS 02459-1449

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October 2, 2024

To: All Active Members

From: Barbara O'Brien, Director, Newton Retirement System

Re: Important information on Veterans' buybacks

If you are an active member of the retirement system, meet the Chapter 32, Section 1 definition of veteran and, for any reason, have not entered into an agreement with the retirement board to purchase your military service time, or, you have entered an agreement, but have not completed the purchase, **please read this notice closely** as there has been significant changes to veterans' buybacks signed into law.

Passed by the Legislature and signed by Governor Healey on August 8, 2024, Chapter 178 of the Acts of 2024, commonly referred to as The HERO Act, removes the 180-day statutory deadline for purchasing military service. It institutes a deadline of within a year of vesting in the retirement system, effectively 11 years of creditable service. It also creates a one-time, one-year grace period for anyone who has not purchased their military service, giving them the opportunity to do so.

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

In each following scenario, these parameters have not changed: You may purchase up to four years of your military service. The cost is 10% of your salary when you last 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).

The Board sets the terms and conditions for the purchase, which include the option to pay via a lump-sum payment, installment payments of \$200 or more not to exceed a five-year period, pre-tax rollovers from eligible retirement plans, or \$25 minimum per pay period payroll deductions for members who are paid 12 months during the year.

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. This date reflects one year after Governor Healey signed the HERO Act. Contact the Retirement Office to take action.

If you have NOT entered into an agreement, and you have completed 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, which reflects one year after the effective date of the HERO Act. Contact the Retirement Office to take action.

If you have already entered into an agreement, but have not completed the purchase, you have until the later of the two following events to come to terms with the retirement board on the purchase: you complete your 11th year of creditable service or August 8, 2025, which reflects one year after the effective date of the HERO Act. These terms could be to pay via a lump-sum payment, installment payments of \$200 or more not to exceed a five-year period, pre-tax rollovers from eligible retirement plans, or \$25 minimum per pay period payroll deductions for members who are paid 12 months during the year. With any of these choices, some type of payment will be required either by the end of your 11th year of creditable service or August 8, 2025, whichever is later. Contact the Retirement Office to take action.

The Notice of Potential Veterans' Benefits and the related application are available:

- on our website: www.newtonma.gov/government/retirement *click on Active Members (Employees)*
- on PERAC's website: www.mass.gov/info-details/perac-forms *click on General Membership Forms;*
- or by contacting the Retirement Office.

If you have any questions, about the veterans' buyback process or need assistance completing the application, please contact the Retirement Office at 617-796-1095.