

## REVERE RETIREMENT NEWS

### REVERE EMPLOYEE SELF SERVICE PORTAL

#### Employee Self Service – Forms and Letters

Many Revere employees and retirees have been utilizing the Revere Retirement Board's **Employee Self Service** Portal. The ESS portal is available for your use 24/7 at

ACCESS AND PRINT LETTERS NEEDED  
FOR SOCIAL SECURITY OR HOUSING  
AGENCIES DIRECTLY FROM THE  
REVERE ESS PORTAL

[www.revere.org/departments/retirement](http://www.revere.org/departments/retirement).

The Revere ESS portal allows system members to fully access their retirement accounts. The portal's features allow members to review their retirement data,

including their retirement deductions, regular compensation and beneficiaries. The portal also allows retirees to print various letters requested by government or private agencies. For example, retirees can print letters needed for Social Security or housing agencies. These letters are available for immediate printing at home and can speed up the process of applying for or updating information for the Social Security Administration or housing agencies. Please register and utilize the Employee Self Service portal for all your retirement needs.

### TAX LAW CHANGES

An opportunity for Revere retirees to update federal tax withholding

In December, the President signed a major Tax Cut and Reform Act into law. The Act

significantly lowers tax rates for Americans. The Treasury Department recently issued new 2018

### VOTE NOW!

The Revere Retirement Board is conducting an election for two Member Representatives. Ballots and instructions were sent to all active members and retirees. Ballots will be accepted by mail or in person until March 13, 2018 at 5:00pm. If you did not receive a Ballot, please immediately contact the Retirement Office at 781-286-8173.

tax tables and announced that a website will soon be available to allow taxpayers to properly calculate their federal tax withholding. These changes mean that Revere retirees should carefully examine the amount withheld for federal taxes from their retirement allowance. Retirees should consult their accountant, attorney or view the IRS website at [www.irs.gov](http://www.irs.gov) to determine whether their federal tax

withholding should be adjusted. Forms are available in the Retirement Office to make necessary changes to your federal tax withholding.

Contact the Revere Retirement Board Office in Revere City Hall, 281 Broadway, at (781) 286-8173, [www.revere.org/departments/retirement](http://www.revere.org/departments/retirement) or visit the Retirement Office for any assistance.

## **SOCIAL SECURITY NEWS**

***By Francine Kollias, MCRS Social Security Specialist***

### **The Bipartisan Act of 2015 and Social Security “Financial Strategies”**

You may receive Social Security retirement benefits or survivor benefits and work at the same time. However, if you are under your full retirement age, and earn more than the Social Security earnings limits in a calendar year, some of your monthly payments may be withheld.

#### *SOCIAL SECURITY’S DEFINITION OF WORK*

The total wages you receive as an employee or the net profit you earn from self-employment are earnings for Social Security purposes. Wages are credited when they are earned, not when they are paid. However, if you are self-employed, income is credited when you receive it, not when it is earned. Government benefits, such as Social Security payments, investment earnings, interest, pensions, annuities, and capital gains are not included when calculating Social Security earnings limits within a calendar year.

#### *THE EARNINGS LIMITS*

If you are under full retirement age in calendar year 2018, the Social Security

earnings limit is \$ 17,040 per year. If you exceed this threshold, Social Security withholds from your monthly Social Security payment \$1 for every \$2 earned over the annual limit. For example, if you earn \$2,000 over the limit, you will lose \$1,000 of your monthly benefits in the calendar year.

If you attain full retirement age in 2018, the earnings limit is \$45,360 from January 1st up to the month of full retirement age. If your prorated earnings for those months are less than \$45,360, you may be eligible for monthly benefits before full retirement age. If you earn more than \$45,360 during those months, Social Security will withhold from your monthly Social Security payment \$1 for every \$3 earned. For example, if you earn \$3,000 over the limit, you will lose \$1,000 of the monthly benefits you receive before your full retirement month.

The good news is that from the month you attain full retirement age (regardless of the day of the month you were born) there is no earnings limit. You may work and earn as much money as you want and still collect

your full Social Security payments while you work. The work restrictions are lifted.

### *A SPECIAL RULE FOR THE FIRST YEAR OF RETIREMENT*

Often, people who retire mid-year already have earned more than the annual earnings limit. There is a special rule that applies to earnings during the first year you retire and begin collecting Social Security payments.

People who retire midyear are entitled to receive their full monthly Social Security payment for any full month they are retired regardless of their earnings from January of that year through their last month of employment.

For more information, visit [www.ssa.gov/planners/retire/whileworking.html](http://www.ssa.gov/planners/retire/whileworking.html), or call Social Security at 1-800-772-1213. Courtesy Middlesex County Retirement System.

## **ANTI-SPIKING PROVISIONS OF THE RETIREMENT LAW**

### *Chapter 176 of the Acts of 2011*

As part of the major pension reform in 2011, the Legislature added two sections to the retirement law intended to prevent employees from “spiking” their regular compensation in the years prior to retirement. These provisions prevent members from increasing their retirement allowances by dramatically increasing earnings in the last few years before their retirements.

The two so called anti-spiking provisions are Section 14 of Chapter 176, which amended Mass. General Law §5(2)(a), and Section 18 of Chapter 176, which added Mass. General Law section §5(2)(f). This section was further amended by Section 68 of Chapter 165 of the Acts of 2014

Section 14 - Who is affected? Anyone who retires on or after April 2, 2012, and has a benefit calculated under most sections of the retirement law.

What Does This Mean? If in the last 5 years of a member’s creditable service, the rate of a member’s regular compensation increases by more than 100% (i.e. more than doubles) between two consecutive years, then Section 14 is violated. If Section 14 is violated, the average of the regular compensation earned during the last 5 years of creditable service are used to calculate a retirement allowance rather than the last three years. There are no exceptions to this section.

## **2018 DIRECT DEPOSIT DATES**

March 30, 2018 • April 30, 2018 • May 31, 2018 • June 29, 2018 • July 31, 2018 •  
August 31, 2018 • September 28, 2018 • October 31, 2018 • November 23, 2018 •  
December 21, 2018

Section 18 - What Does This Mean? In determining the 3-year (or 5-year) average of regular compensation used in calculating the retirement allowance, if regular compensation in any year (of creditable service) exceeds the average of the regular compensation of the previous two years (of creditable service) by more than 10%, then Section 18 is violated. In calculating the benefit, regular compensation in excess of 10% of the average of the previous two

years cannot be used. There are some exceptions in Section 18. If the increase in regular compensation is due to one of the following, then Section 18 is not violated:  
Increase in the number of hours worked • Overtime wages (not regular compensation, but included in §18) • Bona fide change in position • Modification in salary or salary schedule negotiated for bargaining unit members of Chapter 150E • Salary amount which is specified by law.

**Financial security in retirement doesn't just happen. It takes planning and commitment and, yes, money.**

Facts -

- √ Fewer than half of Americans have calculated how much they need to save for retirement.
- √ In 2016, almost 30 percent of private industry workers with access to a defined contribution plan (such as a 401(k) plan) did not participate.
- √ Putting money away for retirement is a habit we can all live with. Remember, Saving Matters!

**In the United States, people live an average of 20 years after retirement**

**The three most common options to save for retirement are:**



1. Retirement Plans offered by an employer



2. Savings and Investments



3. Social Security

For more information, visit [USA.gov](http://USA.gov)

