

Town of Ayer

Benefits and Payroll Department



1 Main Street – Ayer, Massachusetts - 01432
Kevin A. Johnston, Benefits and Payroll Manager

Tel: (978) 772-8248
Fax: (978) 772-3017

Memorandum

Date: June 20, 2018

To: Robert Pontbriand, Town Manager

From: Kevin A. Johnston *KAS*

Subject: Monthly Report – May 2018

The May 2018 monthly report for the Benefits and Payroll Office includes the following:

Middlesex County Retirement System – I attended a meeting of the Advisory Council on Tuesday, May 8th. Discussion included:

- A review of investment performance from PRIM; as of March 31st the investment earnings are .48% calendar year to date and 8.46% fiscal year to date. The calendar year return reflects the continuing market volatility.
- Increasing the COLA base for retirees from the current level of \$14,000 to \$16,000 was deferred to the December Advisory Council meeting.
- Segal Associates reported that the actuarial valuation as of January 1, 2018 is underway. All deferred losses are behind MCRS and there is a deferred actuarial gain of \$40M that will be recognized in this valuation. Active enrollments and salaries have risen slightly across the system, however, there are no significant data changes expected. The Retirement Board will decide on any change to the actuarial rate of return on investments at their June 7, 2018 meeting.
- PERAC Actuary James Lamenzo recommended reducing the actuarial rate of return and work towards moving to a return of 7.5% or less.
- The Retirement System budget was approved with a 1.9% overall increase from FY 2018.

Minuteman Nashoba Health Group (MNHG) – The annual Open Enrollment for health and dental benefits runs through Friday, May 4th for health benefits effective on June 1, 2018. A health benefits fair was held on Wednesday, May 2nd from 10:00 a.m. to 12:00 Noon in Town Hall.

Health Benefits – A Request for Quotation (RFQ) for health benefits for employees and retirees of the Town of Ayer was issued in May. Letters of Intent to Bid are due in June and final responses in July.

Flexible Spending Plan (FSA) – Open enrollment for the FSA was held in May for the plan year that begins on June 1st. 30 benefits eligible employees have elected to participate in the FSA.

Insurance Advisory Committee (IAC) – The IAC met in May to discuss the Health Savings Account Qualified Health Plans, receive an update on the Health Benefits Request for Quotes, and discuss Basic Life Insurance benefits.