CITY OF

MANCHESTER

EMPLOYEES'

CONTRIBUTORY

RETIREMENT

SYSTEM

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November 19, 2020

To: Retirement System Participants

From: Board of Trustees

Subject: Housekeeping to Administrative Rules Part 2.6.1 and addition of Part 9.1.2 to address Pandemic Furloughs.

The provisions of Chapter 218 (Plan Document) specifically Section 218:6 V, provide that the Board of Trustees "shall produce a Summary Plan Description, By-Laws, and Administrative Rules which are not inconsistent with this act."

The By-Laws of the Board of Trustees, Article XIV, paragraph 14.06 require that proposed amendments to Administrative Rules be posted thirty (30) days before their adoption "in order to afford interested persons an opportunity to submit data and make their views known either orally or in writing..."

The trustees are seeking to make housekeeping improvements to Part 2.6.1 to make it inclusive of a new section, Part 9.1.2 needed to address service credit purchases for period of Pandemic Furlough.

Comments may be submitted in writing before the close of business on Thursday, December 31, 2020.

Public Hearing: Tuesday, January 12, 2021 @ 8:30

Manchester Employees' Contributory Retirement System

1045 Elm St, Sutie 403 Manchester, NH 03101

Questions and comments may also be directed to Gerard Fleury by phone at 624-6506 Monday through Friday between 8:00 a.m. and 4:00 p.m.

Gerard Fleury – Executive Director
Or by email to <u>Gfleury@ManchesterRetirement.org</u>

1045 ELM ST. • SUITE 403 MANCHESTER, NH 03101-1824 PHONE (603) 624-6506



Explanation of Rule Changes: Corrections and improvement to existing language:

The Manchester Employees' Contributory Retirement System Board of Trustees plan to enact a new administrative rule to allow for the purchase of time to fill gaps in service resulting from Pandemic Furlough. A new rule, Section 9.1.2, will allow for the purchase of such time within the conditions set down in the rule. Enactment of the new section will also require that an existing section, 2.6.1, which addressed "Minimum Quantity of Service Purchases Allowable" be amended to include a reference to the new rule.

9.1.2 Pandemic Furlough Eligibility: Service credit gaps attributed to "stay home" orders and the inability to conduct daily work in the traditional manner resulting from the COVID-19 pandemic of 2020 and other similar events, as determined by the employer, shall be eligible for service buyback pursuant to Chapter 218:10 II and Chapter 218:10 VI. Buyback requests shall be calculated by the System only upon the member's restoration of weekly contributions and must be paid in one lump sum. Should the period for which no salaries were paid culminate with a permanent separation from service and loss of employment, a member otherwise eligible to retire or become vested deferred, must buy back missing service within 60 days of notice of termination from the employer and 60 days prior to commencement of retirement benefits in accordance with Rule 2.6.3.

Amend 2.6.1 as indicated in italics:

2.6.1 Minimum Quantity of Service Purchase Allowable: Under no circumstance shall any period of service purchased pursuant to Chapter 218:10, V, be for less than six months. Periods of less than six month shall be deemed ineligible for purchase. However, nothing in this requirement shall prohibit the buyback of temporary periods short than six months under the provisions of Chapter 218:7, II for temporary service, *under the provisions of Chapter 218:10 II for authorized leaves of absences*, or for worker compensation cases *or in the case of buybacks made pursuant to Rule 9.1.2*.