

# PRE-RETIREMENT COUNSELING/POST-RETIREMENT EARNINGS LIMITS: THE 91A PROCESS

PERAC



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## FRAUD PREVENTION UNIT

- Chapter 427 of the Acts of 1996 established the creation of a Pension Fraud Unit within the Public Employee Retirement Administration Commission (PERAC).
- The Manager of the Pension Fraud Unit is Sandra King.
- The Unit has the powers and duties necessary for the prevention and investigation of fraudulent disability pension claims and payments. The Unit is responsible for data collection relating to all disability retirees, including earnings statements, registry information, criminal offender record information, retirement board records and other relevant information.
- The Unit maintains a hot line number to be used to report suspected cases of fraudulent pension payments. The number is 800- 445-3266.
- Required to administer the 91A process, the collection of the Annual Statements of Earned Income for disabled retirees

## CHAPTER 32, SECTION 91A

- Section 91A. Every person pensioned or retired under any general or special law for disability, including accidental disability, shall in each year on or before April fifteenth subscribe, under the penalties of perjury, and file with the commission a statement, in such form as the commission shall prescribe, certifying the full amount of his earnings from earned income during the preceding year. Such pensioned or retired person shall annually submit to the commission all pertinent W-2 forms, 1099 forms, other requested tax forms and proof of income, and any other documentation requested by the commission; provided, however, that the commission may waive such filing by a member, if said member shall have been retired for more than 20 years, has not reported any earnings for the prior 10 years and signs an affidavit under the pains and penalties of perjury indicating that should the member realize any earned income in the future the member will forthwith notify the commission of that fact and again report under this section. Said forms and information shall be submitted on or before April fifteenth of each year. If such pensioned or retired person fails to submit such statement or such forms, and unless such person shall show good cause for such failure to submit such statements to the commission, the member's rights in and to the retirement allowance provided for in section six and seven shall terminate until the member has complied with his reporting requirements under this section.

## CHAPTER 32, SECTION 91A

- If such earnings exceed an amount which when added to the member's retirement allowance is greater than the amount of regular compensation which would have been payable to such member if such member had continued in service in the grade held by him at the time he was retired plus the sum of five thousand dollars, said member shall refund the portion of his retirement allowance for such preceding year equal to such excess and until such refund is made, his pension or retirement allowance shall be held as security therefore. Prior to any termination or reduction of benefits pursuant to this section, the member shall be given a written notice and an opportunity to be heard by the retirement board and, upon such termination or reduction of benefits, shall have the right to appeal such action to the contributory retirement appeal board. A member shall not be entitled to recover a retirement allowance for any period during which the member's rights in and to his retirement allowance were terminated for failure to submit a statement to the commission under this section. After written notice and opportunity to be heard by the board, termination of a member's rights in and to a retirement allowance for failure to submit a statement to the commission shall be considered by the board to be effective as of the date that such statement was due to be submitted to the board. If a retirement allowance was paid to a member for any period during which such member's rights in and to a retirement allowance were terminated for failure to submit a statement to the commission, such member shall refund the portion of his retirement allowance attributable to such period.



## THE 91A PROCESS (January - April)

- **January:**
  - Update data collected from all boards.
- **February:**
  - Update information received from members.
  - Bids received to have statements, instructions, and Q & A printed.
- **March:**
  - 91A mailed by printer to all disability members (approx. 13,100). Statements received by PERAC, scanned and processed in Wagematch system.
  - Incomplete letters mailed on a daily basis. (approx. 1,500 each year).
- **April:**
  - April 15<sup>th</sup> deadline for filing 91A Statements.



## THE 91A PROCESS (May - July)

- **May:**
  - 91A Processing winds down
  - Termination Letters mailed to the member's who have not complied with the 91A filing. (approx. 1,000 members each year).
  
- **June:**
  - Regular compensation request mailed to the boards, to determine excess earnings.
  - Letters mailed to approx. 120 State Agencies looking for salary info.
  
- **July:**
  - CORI Match
  - DOR Match
  - Verified data entered into Wagematch.
  - Modification policy review: any new members to be modified or any modified members looking to resume allowance.



## THE 91A PROCESS (August - December)

- **August:**
  - Excess earnings letter mailed to members and boards, (approx., 175 each year).
  - Affidavits to be mailed to members who the commission has found to be eligible for a waiver.
- **September:**
  - Cases put aside for further review; reviewed and researched.
- **October:**
  - 15<sup>th</sup> IRS extension deadline.
  - Termination letters to be sent to those who have still not complied after the IRS extension deadline. Boards also notified.
- **November:**
  - Cases put aside for further review, reviewed and researched.
  - Reminder notices sent to those that have not returned Affidavit. (2<sup>nd</sup> chance)
- **December:**
  - Memo sent to all boards requesting data updates for the new year. Looking for address changes, deceased members, and new retiree information.



## RESOURCES:

- Additional PERAC staff made available to assist with opening mail and 91A processing.
- Outside Investigators have been contracted to conduct surveillance and other investigatory practices.
- For the most part the retirement boards have been very helpful and prompt when information is requested of them.
- The HR departments of several State agencies have been extremely cooperative in providing salary information.
- Various internet websites used for research. Such as Westlaw, Clear, USPO, as Facebook and Twitter.
- Access to RMV for address and vehicle verification extremely useful.