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City of Chelsea

CHELSEA RETIREMENT SYSTEM

CITY HALL, 500 BROADWAY, ROOM 214

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July 1, 2013

To the members of the Chelsea Retirement System:

The retirement office is sending out this letter to members of the Retirement System who have any previous creditable service or any probationary time, but who have not yet purchased their prior service. Please be advised that effective April 2, 2013, due to a change in State law, the rate of interest we are required to charge on buybacks will double from its current rate of 4% per year to 8% annually. This increase may make it cost prohibitive for many of our members to complete buybacks after that date. At a meeting of the Chelsea Retirement Board held on June 27, 2013 the board voted to extend the date for submitting a buyback request to September 1, 2013 to allow the members additional time to gather the information necessary to request the buyback. We are, therefore, requesting that any such member who is interested in completing their buyback prior to September 1, 2013 to contact the Retirement Office immediately. The Retirement Board requires that all buyback payments be made in a lump sum. However, the Chelsea Employees' Federal Credit Union may be able to assist members in arranging to make the required repayment, or, if you currently have funds in an OBRA account with ING or a voluntary IRC §457(b) deferred compensation account with ING, you may transfer those funds to the Retirement System in order to complete the buyback. Any request for such a transfer must be accompanied by an acceptance letter from the Retirement System in order to execute the transfer. Please make your arrangements to do so at your earliest opportunity.

If you would like to take advantage of this buyback of time or have any other questions regarding creditable service time, please contact the retirement office in Room 214 of City Hall or call the office at 617-466-4230 or 617-466-4231.

David Pickering
Executive Director