

Pensions

Employees of Lincoln-Sudbury do not contribute to Social Security. Those who work 20 hours per week or more qualify to participate in one of two retirement systems, depending on their position. Participation in a retirement system is mandatory and is not subject to collective bargaining.

All professional teachers and administrators are required to belong to the Massachusetts Teachers Retirement System (MTRS), which is managed by the State. Currently there are 169 employees in this system. This is a defined benefit plan to which each member contributes a percentage of salary. Lincoln-Sudbury, as the employer, does not contribute to the employees' retirement benefits under this system. When a teacher or administrator retires, he or she qualifies for a fixed pension amount based on a formula that takes into account the number of years of service and the three consecutive highest salary years.

All other staff - administrative office assistants, buildings and grounds staff, teaching assistants, library aides, etc. - belong to the Middlesex County Retirement System. Currently there are 67 employees in this system. This is also a mandated, defined benefit plan to which each member contributes a percentage of salary. In addition, Lincoln-Sudbury, as the employer, pays an assessed amount each year based on actuarial factors associated with its membership, the unfunded liability for its current retirees and future retirees, and the income on investments. The FY'09 assessment is \$358,507 and the FY'10 and FY'11 assessments will be \$379,075 (5.7% increase) and \$396,133 (4.5% increase) respectively. The impact of the decline in the stock market on the funds invested by the Middlesex County Retirement System will be reflected in the FY'12 assessment based on the cycle used by the System in its valuations.

Any employee who works less than 20 hours per week, thereby not eligible to participate in either Massachusetts Teachers Retirement System or Middlesex Retirement System, is required to contribute to an account permitted under OBRA (Omnibus Budget Reconciliation Act of 1990). For L-S employees, this is the Commonwealth of Massachusetts' "SMART" Plan and employees contribute 7.5% of gross wages per pay period. The funds can be distributed to the employee upon resignation or termination from employment, or to a designated beneficiary(ies) upon death.