



Massachusetts Retirees United
314 Main Street - Unit 105
Wilmington, MA 01887

John
Bartolotta
2/7/14

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Dear Massachusetts Retiree and Vermont Resident,

You are one of over 200 people who are retired from a Massachusetts school and living in the State of Vermont, or is the survivor of one. As such you are paying double state tax on a portion of your pension. Massachusetts Retirees United is attempting to correct this unfair practice. The Commonwealth has been unaware of this tax, and the State of Vermont most likely is also unaware, as are you.

The amount of your pension that you contributed until the date of your retirement was taxed by Massachusetts. If you had \$100,000 in your account on the date of your retirement, (and those retiring with Retirement Plus will have a lot more), you already paid state taxes to the Commonwealth on that \$100,000. You are paying tax on that amount again to Vermont. If you look at your 1099-R form that you receive from the MTRS, they differentiate for federal tax purposes the amount of your pension and the amount that is federally taxable. That is because you already paid federal tax on the pension you contributed up until January 1988. They should do the same for state tax purposes. I was told legislation would have to be filed in the Vermont Legislature to allow this. The bill would be drafted by a member of the legislature but should contain the following:

Any resident of the State of Vermont who collects a state pension that originates in another state which collects a state income tax, may have that portion of their pension to which they contributed and said contribution was already taxed by the state in which it was earned, be exempt from a state tax in Vermont providing said state indicates on the 1099-R report the pension earned and the pension that should be taxed. Said state will use the Simplified General Rule similar to that used by the federal government in proportioning the part already taxed over a period of time instead of in one lump sum, or some other means devised by the State of Vermont. This exclusion may only occur if the person has not made use of it when residing in another state that taxes state pensions.

MRU does not want to see you pay state tax twice on the same money and we hope to unite you to correct this. Contact your Vermont Members of the House and Senate by calling the Sargent at Arms Office at 802-828-2228 and leaving a message for your respective member. Or you can email your member directly by putting first initial last name @leg.state.vt.us. Ex. j.smith@leg.state.vt.us. Ask them to please file a bill to correct this or support one that gets filed. If you are told it is too late to file for this session tell them you wish to see it drafted and filed in the next session.

Another issue for which we could use your support is the Social Security Fairness Act of 2011 that called for the complete repeal of the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). We need you to unite and get Senator Bernie Sanders or Senator Patrick Leahy to file the bill that he co-sponsored in the last session, and has signed on to every year. Your Vermont delegation in Washington has always been supportive to sign on as co-sponsors each session. With Senator John Kerry no longer in the Senate we need a Senator to sponsor the bill. Senator Sanders can be reached at the following numbers: Burlington 802-862-0697 or 800-339-9834, St. Johnsbury, 802-748-0191 Brattleboro, 802-254-8732 and Washington DC 202-224-5141. Senator Leahy can be reached at the following numbers: Burlington, 802-863-2525 or 1-800-642-3193 Montpelier, 802-229-0569 and Washington DC, (202) 224-4242. We are working to ensure the filing of a House Version.

At the State level, Massachusetts Retirees United continues its commitment to retirees with requesting the filing or re-filing of a number of bills. In most instances we are the only organization seeking justice for retirees in many of the following areas.

State: Option B \$395
 Option C \$1200
 Survivor \$900

Any of the other 104 retirement systems that elect to accept the provisions of this act will use the figures of the State.

COLA

As a result of the Pension Reform Bill that became law on April 2, 2012 the base on which the COLA is figured was raised to \$13,000

H2366 filed by Senator Jay Kaufman not only deals with the COLA base increase at present, but presents a long range plan for its continued increase without having to address it legislatively each time. In 2013 the Maximum Social Security is \$30,396 for someone receiving it at 66 Y/A, so we are using that figure to determine the following COLA bases. Obviously, Social Security will increase and so will the COLA base in the year specified.

2013	Raise Base to \$16,000 immediately or increase by 3% or CPI, whichever is greater
2016	First 4-year cycle Cola Base would be 65% of Max. Soc. Sec. Benefit or \$19,757
2020	Second 4-year cycle Cola Base would be 75% of Max. Soc. Sec. Benefit or \$22,797
2024	Third 4-year cycle Cola base would be 85% of Max. Soc. Sec. Benefit or \$25,836
2028	Last 4-year cycle Cola Base would be 95% of Max. Soc. Sec. Benefit or \$28,876
2032	At the end of this last cycle the Cola Base would be 100% of the Maximum Social Security Benefit or \$30,396 and would increase in future cycles based on the Maximum Social Security benefit of the time.

The progress of all bills is updated at the MRU website: retireesunited.org, or in our newsletters. Anyone who wishes to join the organization that really works for its members can fill out the form on the enclosed brochure. If you join now you will not need to renew until January 2015, or January 2016 depending on your selection of a one or two year membership. We also ask that you take the survey on the reverse side.

Dues are only \$20 a year, two years for \$35. All dues revert to member benefits, as we do not have paid positions. Retired teacher volunteers are in all leadership positions. You will receive four newsletters a year filled with valuable information for you. In addition you will receive The Advocate nine times a year. The Advocate has a Retiree Corner filled with timely and important information for seniors.

In addition to legislation, MRU was the organization that brought to the attention of the MTRS, the importance of updating member beneficiary forms so one's final check would go where it was intended. We have kept our members updated on numerous issues that have resulted in savings to them. We have informed them on the Medicare B penalties and surcharge to ensure proper choices by them.

Our representative to the Governor's Commission on Health Insurance, Andrew Powell, advocated and protected health insurance for retirees and will continue updating us on health insurance issues. We are definitely the organization that works for its members. Please join us, as we want to continue our work for you.

Sincerely,



Marie A. Ardito

Information Coordinator Massachusetts Retirees United