

Acton Public School Committee
Acton, Massachusetts
<http://ab.mec.edu>

1/25/10
TT

January 22, 2010

Ms. Paulina Knibbe, Chair
Board of Selectmen
Town of Acton
472 Main Street
Acton, MA 01720

Dear Ms. Knibbe:

Please consider this letter as a formal request to the Board of Selectmen from the Acton Public School Committee to vote acceptance of Massachusetts General Laws Chapter 29, Section 64D. The Selectmen's vote would allow part-time employees of Acton Public Schools and the Town of Acton to participate in an Omnibus Budget Reconciliation Act (OBRA) Plan, in lieu of social security participation.

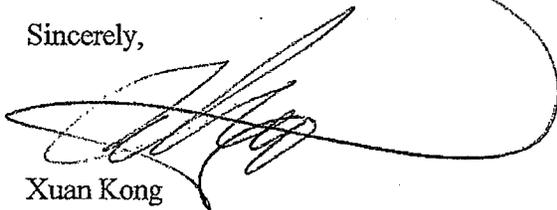
Currently, part-time employees participate in a 6.2% contribution to social security tax, and that contribution is matched by each entity. When the OBRA law was passed in 1990, it required employees not eligible to participate in their employer's retirement program to be placed in Social Security or another program meeting federal requirements. The Massachusetts Deferred Compensation Plan, operated by the State Treasurer, titled SMARTPlan, meets the federal requirements.

In order to participate in Social Security, the entity needed to accept Section 218 of the federal code. We have verified with the State Administrator for Social Security that neither the town nor the regional schools have accepted this section.

The attachment explains the process we have used to make this recommendation to you. It includes correspondence from Ropes and Gray, our legal counsel, and information on OBRA.

Please let me know if you need additional information.

Sincerely,



Xuan Kong
Chair, Acton Public School Committee

Cc: Dr. Stephen Mills, Superintendent
Acton Public School Committee
Sharon Summers, Finance Director, APS and ABR School Districts