

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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July 27, 2023

Karl Schmaelzle, Chairperson  
Hampden County Regional Retirement System  
67 Hunt Street, Suite 116  
Agawam, MA 01001

**REFERENCE:** Report of the Examination of the Hampden County Regional Retirement System for the three-year period from January 1, 2018 through December 31, 2020.

Dear Chairperson Schmaelzle:

The Public Employee Retirement Administration Commission has completed a follow-up review of the findings and recommendations contained in its audit report of the Hampden County Regional Retirement System for the period referenced above. We conduct these visits as a regular part of the oversight process to ensure the timely implementation of the recommendations contained in that report. The examination also addressed the other matters discussed at the completion of the audit. The results are as follows:

**1. The Audit Report cited a finding that the HCRB did not have a formal cash management plan to ensure that excess funds are invested to maximize earnings as well as ensure that sufficient cash is available to meet immediate needs.**

**Follow-up Result:** HCRB subsequently developed a cash management policy that was approved by PERAC. HCRB is minimizing monies kept in the checking account and investing remaining funds in higher earning accounts. This issue is resolved.

**2. The Audit Report cited a finding that HCRB had not requested Federal tax form W-9, Request for Taxpayer Identification Number and Certification, for all vendors they do business with.**

**Follow-up Result:** HCRB requested and received tax form W-9 from all their vendors. This issue is resolved.



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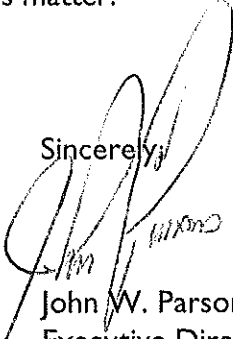
**3. The Audit Report cited a finding that a notarized affidavit was presented to the board for a retiree that had previously died. HCRB ended up paying out \$27,111 before finding out that the retiree had died.**

**Follow-up Result:** HCRB is handling the matter through the court system. In February 2023, the Board entered into a contract with a death match service to prevent this from happening in the future. This issue is pending.

The additional matters discussed have been reviewed and have been resolved.

The Commission wishes to acknowledge the effort demonstrated by the staff of the Hampden County Regional Retirement System to correct the issues from the most recent examination of the system.

Thank you for your continued cooperation in this matter.

Sincerely,  
  
John W. Parsons, Esq.  
Executive Director

JWP/tal

cc: Hampden County Regional Retirement System Members