

HOUSE No. 751

By Messrs. Tweedy and Dooley of Taunton, petition of the Federated State, County and Municipal Employees Association and others for legislation to provide for certain changes in the laws relating to retirement systems. Pensions and Old Age Assistance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Five.

AN ACT PROVIDING FOR CERTAIN CHANGES IN THE LAW
RELATING TO RETIREMENT SYSTEMS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter ten of the General Laws is
2 hereby amended by striking out section eighteen, as
3 appearing in the Tercentenary Edition, and inserting
4 in place thereof the following section:—
5 *Section 18.* There shall be a state board of retire-
6 ment serving in the department, consisting of three
7 members, one of whom shall be the state treasurer,
8 ex officio, who shall be chairman, a second member
9 elected by the state retirement association established
10 under section two of chapter thirty-two, for a term
11 of three years, from among their number and a third
12 member chosen by the other two from the membership
13 of the Massachusetts Branch of the American Fed-
14 erated State, County and Municipal Employees As-

15 sociation. If the third member is not so chosen within
16 thirty days after the election of the second, the
17 governor shall appoint, from the membership of the
18 Massachusetts Branch of the American Federated
19 State, County and Municipal Employees Association,
20 the third member for a term of three years. Upon
21 the expiration of the term of office of an elected,
22 chosen or appointed member, or in case of a vacancy
23 in either of said offices, his successor shall be elected,
24 chosen or appointed as aforesaid for three years.
25 The board shall submit to the governor an annual
26 report which shall be a public document.

1 SECTION 2. Chapter thirty-two of the General
2 Laws is hereby amended by striking out section
3 thirty-four, as amended by chapter five hundred and
4 eighty-four of the acts of nineteen hundred and forty-
5 one, and inserting in place thereof the following
6 section:—

7 *Section 34.* The board of retirement shall prescribe
8 for the state retirement system, the retirement system
9 for teachers and for each county, city and town re-
10 tirement system one or more mortality tables, and
11 fix the rates of interest to be used in connection there-
12 with, and may later modify such tables or prescribe
13 other tables to represent more accurately the expense
14 of such retirement systems, or may change the rates
15 of interest and determine the application of such
16 changes. It shall also prescribe and supervise methods
17 of bookkeeping of their retirement associations and
18 shall assume all the duties formerly prescribed for the
19 insurance commissioner under this chapter.

20 The board or its agent shall at least annually,
21 during the first three years of its existence, and tri-

22 annually thereafter, and whenever it determines it to
23 be prudent, thoroughly inspect and examine the affairs
24 of each such retirement association to ascertain its
25 financial condition, its ability to fulfill its obligations,
26 whether all the parties in interest have complied with
27 the laws applicable thereto, and whether the transac-
28 tions of each board of retirement have been in ac-
29 cordance with the rights and equities of those in
30 interest. Each such retirement system shall be cred-
31 ited, in the account of its financial condition, with
32 its investments having fixed maturities upon which
33 the interest is not in default at amortized values,
34 and, to the satisfaction of the commissioner, amply
35 secured, and its other investments at a reasonable
36 valuation.

37 For the purposes aforesaid, the board or its agent
38 shall have access to all the securities, books and papers
39 of such retirement systems, and may summon and
40 administer oath to and examine any person relative
41 to the financial affairs, transactions and condition of
42 the retirement system. The board shall preserve in
43 a permanent form a full record of the proceedings at
44 such examination and the results thereof. Upon the
45 completion of such examination, verification and valua-
46 tion, the board shall make a report in writing of its
47 findings to the governor and council and shall send a
48 copy thereof to the governor and council, the county
49 commissioners, the city council or the selectmen, as
50 the case may be.

1 SECTION 3. Said chapter thirty-two is hereby
2 amended by striking out section thirty-five as appear-
3 ing in the Tercentenary Edition and inserting in place
4 thereof the following section: —

5 *Section 35.* If, in the judgment of the chairman of
6 the board of retirement, the commonwealth, the state
7 board of retirement or the teachers' board of retire-
8 ment has violated or neglected to comply with any
9 provision of sections one to nineteen, inclusive, or the
10 rules and regulations established thereunder, he shall
11 give notice thereof to the governor and to the board,
12 and thereafter, if such violation or neglect on the part
13 of the board continues, shall forthwith present the
14 facts to the attorney general for action.

1 SECTION 4. Said chapter thirty-two is hereby
2 amended by striking out section thirty-six, as amended
3 by chapter three hundred and thirty-six of the acts
4 of nineteen hundred and thirty-seven, and inserting
5 in place thereof the following section:—

6 *Section 36.* If, in the judgment of the chairman of
7 the board of retirement the county, city or town or
8 the board of retirement thereof has violated or neg-
9 lected to comply with any provision of sections twenty
10 to thirty-one, inclusive, or of the rules and regulations
11 established thereunder, he shall give notice thereof to
12 the county commissioners or the mayor or the chair-
13 man of the selectmen and to the board of retirement,
14 and thereafter, if such violation or neglect continues,
15 shall forthwith present the facts to the attorney
16 general for action.

1 SECTION 5. Said chapter thirty-two is hereby
2 amended by inserting after section ninety A, inserted
3 by chapter four hundred and fifty-two of the acts of
4 nineteen hundred and forty-three, the following
5 section:—

6 *Section 90B.* Notwithstanding any provision of this
7 chapter the amounts of retirement allowances payable

8 to members of the system established under chapter
9 three hundred and eighteen of the acts of nineteen
10 hundred and thirty-six shall be increased by twenty
11 per cent of the amounts payable under the law in
12 force upon the effective date of this act. This section
13 shall apply to any member who has been retired under
14 any provision of chapter three hundred and eighteen
15 of the acts of nineteen hundred and thirty-six.

1 SECTION 6. No actuary appointed under the pro-
2 visions of this chapter shall be an employee of the
3 state department of banking and insurance. The
4 board of retirement shall have authority to engage
5 the services of a public actuary when such services
6 are required.

