

By Mr. Liederman of Malden, petition of the Associated Fire Fighters of Massachusetts, AFL-CIO, and David S. Liederman that the computation of retirement allowances for public employees be based on the highest annual rate of compensation. Public Service.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-One.

AN ACT PROVIDING THAT THE COMPUTATION OF RETIREMENT ALLOWANCES FOR PUBLIC EMPLOYEES BE BASED ON THE HIGHEST ANNUAL RATE OF COMPENSATION.

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. Subdivision (2) of section 5 of chapter 32 of
2 the General Laws, as most recently amended by chapter 889 of
3 the acts of 1967, is hereby further amended by striking out
4 paragraph (a) and inserting in place thereof the following para-
5 graph: —

6 (a) The normal yearly amount of the retirement allowance
7 for any member classified in Group 1, Group 2 or Group 4,
8 who has paid the full amount of regular deductions on the
9 total amount of regular compensation, including deductions
10 specified in subdivision (3A) of section three, and in paragraph
11 (d) of subdivision (1) of section twenty-two, shall, subject to
12 the limitations set forth in this section, be based on the highest
13 annual rate of regular compensation received by such member
14 during any period preceding retirement, and shall be computed
15 according to the following table based on the age of such
16 member and his number of years and full months of creditable
17 service at the time of his retirement.

Table showing Percentage of the Amount of Average Annual Rate of Regular Compensation to be multiplied by the Number of Years of Creditable Service.

PER CENT.	AGE LAST BIRTHDAY AT DATE OF RETIREMENT.		
	Group 1.	Group 2.	Group 4.
2.5	65 or over	60 or over	55 or over
2.4	64	59	54
2.3	63	58	53
2.2	62	57	52
2.1	61	56	51
2.0	60	55	50
1.9	59	—	49
1.8	58	—	48
1.7	57	—	47
1.6	56	—	46
1.5	55	—	45

1 SECTION 2. Subdivision (2) of said section 5 of said chap-
2 ter 32 is hereby further amended by striking out paragraph (c)
3 and inserting in place thereof the following paragraph: —

4 (c) The total normal yearly amount of the retirement allow-
5 ance of any member of Group 1 or Group 2 or Group 4, as
6 determined in accordance with the provisions of this section,
7 shall not exceed four fifths of the highest annual rate of his
8 regular compensation received during any period of creditable
9 service preceding retirement.

1 SECTION 3. Said section 5 of said chapter 32 is hereby
2 further amended by striking out subdivision (3) and inserting in
3 place thereof the following subdivision: —

4 (3)(a) If any calculation involving the use of the highest
5 annual rate of regular compensation for any one year period
6 required under the provisions of sections one to twenty-eight
7 inclusive, in the case of any member whose creditable service
8 for such period is actually less than one year, such calculation
9 shall be made on the basis of the highest annual rate of his
10 regular compensation applicable to that portion of such period
11 during which such service was actually rendered.

12 (b) Any duly authorized leave or period of absence for
13 which any member is allowed creditable service under the
14 provisions of sections one to twenty-eight inclusive, and any
15 such leave or period of absence not in excess of six months for
16 which he is not allowed creditable service, shall be included in
17 any one year period for the purpose of determining the highest
18 annual rate of his regular compensation therefor to the extent
19 such leave or period of absence falls within such one year
20 period, anything in such sections to the contrary notwith-
21 standing. In determining any such highest annual rate of regular
22 compensation for any member, the rate in effect for him
23 immediately preceding any period of his absence without com-
24 pensation shall be used as the rate for such period of absence.

25 (c) The board may adopt appropriate rules and regulations
26 which shall be subject to the approval of the actuary, to be
27 used in determining the normal yearly amount of any retire-
28 ment allowance in accordance with the provisions of sections
29 one to twenty-eight inclusive on account of any member the
30 whole or a portion of whose creditable service is on a part-
31 time, provisional, temporary, temporary provisional, seasonal or
32 intermittent basis, and subject to such approval may use
33 reasonable approximations in determining the highest annual
34 rate of regular compensation in the case of any member for
35 whom the actual rates of regular compensation are unavailable.

