

By Mr. Sacco of Medford, petition of the Massachusetts Association of Contributory Retirement Systems, Inc., and George L. Sacco, Jr., relative to standardizing the rate of interest on amounts deducted from members salaries for retirement purposes. Public Service.

## The Commonwealth of Massachusetts

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

AN ACT PROVIDING THAT THE RATE OF REGULAR INTEREST OF MEMBER'S DEDUCTIONS BOTH BEFORE AND SUBSEQUENT TO JANUARY FIRST, NINETEEN HUNDRED AND FORTY-SIX BE STANDARDIZED.

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

1 Subsection 6 of section 22 of chapter 32 of the General Laws  
2 is hereby amended by striking out paragraph (c) and inserting in  
3 place thereof the following paragraph: —

4 (c) Regular interest credited on or after January first,  
5 nineteen hundred and forty-six, shall be compounded annually  
6 on December thirty-first of each year, and subject to the  
7 provisions of paragraph (d) of this subdivision shall be allowed  
8 upon the balance outstanding in each member's account as of the  
9 immediately preceding December thirty-first. No interest shall be  
10 allowed on regular deductions or on additional deductions for  
11 the year in which they are made; except, that in the case of any  
12 make-up payment of regular deductions paid in full in one sum  
13 for deposit in any member's account in the annuity savings fund  
14 of any system, or in the case of any amount transferred from his  
15 account any system, or in the case of any amount transferred  
16 from his account any system, or in the case of any amount  
17 transferred from his account in the annuity savings fund or in the  
18 special fund for military service credit of one system for deposit  
19 in his account in the corresponding fund of another system,  
20 regular interest shall be allowed upon such sum or amount from

21 the date of deposit if such date is the first day of a month,  
22 otherwise regular interest shall be allowed from the first day of  
23 the month immediately following such date of deposit. Upon the  
24 payment of transfer during any year of funds from any member's  
25 account in the annuity savings fund of any system, or upon the  
26 transfer during any year of funds from his account in the special  
27 fund for military service credit, regular interest shall, subject to  
28 the provisions of paragraph (d) of this subdivision, be allowed  
29 upon the balance outstanding in his account as of the  
30 immediately preceding December thirty-first, and also upon any  
31 deposit made for him during any year under the provisions set  
32 forth in the exception appearing in the preceding sentence of this  
33 paragraph, for the number of completed months which have  
34 elapsed between such December thirty-first or the date of such  
35 deposit, as the case may be, and the date of the payment or  
36 transfer of the funds from his account.