

By Mr. Blanchette of Lawrence, petition of the Retired State, County & Municipal Employees Association of Mass., Kevin P. Blanchette and J. Michael Ruane relative to annual determination of cost-of-living changes under the retirement law. Public Service.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Six.

AN ACT RELATIVE TO ANNUAL DETERMINATION OF COST-OF-LIVING CHANGES.

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 102 of chapter 32 of the General Laws is hereby
2 amended by striking out paragraph (a) and inserting in place
3 thereof the following paragraph: —

4 (a) The life actuary in the division of insurance shall annually in
5 the month of January determine the percentum of change in the
6 average cost-of-living for the previous year as shown by the United
7 States Consumer Price Index for such year, as compared with the
8 average as shown by said index for the year nineteen hundred and
9 seventy-three, or for the last previous year which was the basis for
10 an increase or decrease as provided herein, or in any case where a
11 retirement allowance, pension, or annuity became effective subse-
12 quent to the last previous year in which an increase or decrease as
13 provided herein became effective, for the year in which such
14 retirement allowance, pension, or annuity became effective and
15 shall submit such determination to the general court by filing a
16 report with the clerk of the house of representatives.

17 In the event that such comparison indicates an increase in the
18 cost-of-living, the retirement allowance, pension, or annuity of
19 every former employee of the commonwealth or of any county,

20 city, town, district, housing or redevelopment authority, or of the
21 Massachusetts Turnpike Authority, the Blue Hills Regional Voca-
22 tional School system, or the Greater Lawrence Sanitary District,
23 or of the spouse or other beneficiary of any such former employee
24 who is receiving a retirement allowance, pension, or annuity shall,
25 beginning July first of said year, be increased by such percentum as
26 the general court shall determine. In the event that such compari-
27 son indicates a decrease in the cost-of-living of at least three
28 percent, the retirement allowance, pension, or annuity of every
29 former employee of the commonwealth or of any county, city,
30 town, district, housing or redevelopment authority, or of the Mas-
31 sachusetts Turnpike Authority, or the Massachusetts Port Author-
32 ity, the Blue Hills Regional Vocational School system, or the
33 Greater Lawrence Sanitary District or of the spouse or other
34 beneficiary of any such former employee who is receiving a retire-
35 ment allowance, pension, or annuity shall be decreased by such
36 percentum; provided, that no decrease shall be made which would
37 reduce any retirement allowance, pension, or annuity to an
38 amount less than the amount fixed for such retirement allowance,
39 pension, annuity as of December thirty-first, nineteen hundred
40 and seventy-three. The sum of the dollar amount of each cost-of-
41 living increase or decrease together with the amount of retirement
42 allowance, pension, or annuity to which the cost-of-living percen-
43 tum factor is applied shall become the fixed retirement allowance,
44 pension, or annuity for all future purposes including the applica-
45 tion of subsequent cost-of-living adjustments in future years; pro-
46 vided, that whenever the amount of any pension, retirement allow-
47 ance or annuity is increased under any general or special law other
48 than through a cost-of-living adjustment pursuant to this section,
49 the fixed retirement allowance, pension, or annuity shall be deter-
50 mined by adding either the increase under any general or special
51 law, or the cost-of-living adjustment, whichever is greater, but not
52 both.