

By Mr. Lozzi of Lynn, petition of the Mass. Federation of Teachers and Vincent J. Lozzi for legislation to establish a local option retirement incentive plan for teachers. Public Service.

The Commonwealth of Massachusetts

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

AN ACT TO ESTABLISH A LOCAL OPTION RETIREMENT INCENTIVE PLAN.

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

1 An employer may establish a retirement option plan for its
2 employees who are members of the teachers retirement system.
3 The plan shall provide for purchase by the employer of creditable
4 service, not to exceed five years, for eligible employees who choose
5 to participate in the plan and for payment by the employer of the
6 entire cost of such service credit. A plan established under this
7 section shall remain in effect until terminated by the employer,
8 except that, once established, the plan must remain in effect for
9 at least one year.

10 An employee who is a member of the teachers retirement system
11 shall be eligible to participate in a retirement incentive plan if he
12 has attained age fifty and he agrees to retire and retires under the
13 provisions of this Chapter effective within ninety days after receiv-
14 ing notice from the teachers retirement system that creditable
15 service has been purchased for him under this section.

16 Participation in the plan shall be available to all eligible employ-
17 ees except that the employer may limit the number of persons for
18 whom it purchases credit in any calendar year to a specified
19 percentage of its employees who are members of the teachers
20 retirement system on the first day of January of that year. The
21 percentage shall not be less than five percent of such employees.
22 If participation is limited, employees with a greater length of
23 service with the employer have the right to elect to have credit

24 purchased before employees with a lesser length of service with
25 the employer.

26 For each year of service credit purchased under this section,
27 the employer shall pay an amount specified by the teachers
28 retirement board equal to the additional liability resulting from
29 the purchase of that year of service credit as determined by an
30 actuary employed by the board. Payments shall be made in
31 accordance with rules adopted by the board, and the board shall
32 notify each member when he is credited with service purchased
33 under this section.