

## The Commonwealth of Massachusetts



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE  
STATE HOUSE, BOSTON 02133

WILLIAM F. WELD  
*Governor*

PETER NESSEN  
*Secretary*

### *To the Honorable Senate and House of Representatives:*

Today we are resubmitting a revised Early Retirement Incentive Program for state employees. This revised plan reflects a response to concerns raised in the review of previous legislation. It further recognizes the constraints of time as we are now well into the fiscal year. Appropriate revisions have been made to insure savings in FY92 and significant savings for FY93 and beyond.

The program contains four separate incentives:

- (1) Employees who are age 55 or older with 10 years of service or more will be granted the choice of either three years of service or three years of age for the purpose of calculating their benefit level.
- (2) Employees who are between the ages of 50 and 54 with twenty or more years of service will be given the choice of selecting three years of service or three years of age for the purpose of calculating their benefit level.
- (3) Employees with 20 to 29 years of service who are under age 50 shall be eligible for a revised retirement benefit ranging from 26% to 33% of pay subject to actual years of service.
- (4) Employees with 15 to 19 years of service who are under the age of 55 shall be eligible for a revised retirement benefit ranging from 21% to 25% of pay subject to actual years of service.

This program, scheduled to begin January 1, calls for a cap of 6,000 for eligible personnel within Groups 1 and 2. The Secretary of Administration and Finance may increase this number after filing appropriate notice with the Senate and House Ways and Means Committees.

We realize the need to strictly control rehire rates and have included appropriate authority to exercise such control. We have also made provisions to lessen the impact of this program on our direct care responsibilities, by limiting the number of employees who can retire from Group 2 within the overall cap. Specifically, provisions have been made to allow up to 1,200 members of Group 2 to be covered by this plan.

We are continuing to explore options for those employees who are paid through HRMS, Human Resources Management Information System, which primarily includes employees of the University of Massachusetts. This plan also precludes judges and employees paid from federal grants, trusts or capital accounts from participating in the plan.

Modest saving of approximately \$5 million for FY92 and substantial savings of as much as \$81 million for FY93 are anticipated, if all who are eligible within the proposed cap take advantage of the program. More importantly, we will be providing a humane, as well as businesslike, approach to our reduction-in-force program as we continue to downsize and restructure government.

Time remains of the essence in order to obtain the expected cost savings for FY92. We seek your approval and stand ready to implement this Early Retirement Plan.

Respectfully Submitted,

William F. Weld,  
*Governor.*

Argeo Paul Cellucci,  
*Lieutenant Governor.*

## The Commonwealth of Massachusetts

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

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AN ACT ESTABLISHING AN EARLY RETIREMENT INCENTIVE FOR STATE EMPLOYEES.

*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. Notwithstanding any provisions of chapter  
2 thirty-two or any other general or special law to the contrary, there  
3 shall be an early retirement incentive program administered by  
4 the State Board of Retirement which shall be subject to the  
5 constraints as set forth herein.

6 (a) The program shall apply to eligible active members of the  
7 state employees' retirement system who make application on or  
8 after the effective date of this act, provided that said application  
9 sets forth a retirement date on or before January one, nineteen  
10 hundred and ninety-two and provided further that members  
11 eligible for incentives under this act who are employed in facilities  
12 which the Secretary of Administration and Finance has  
13 designated for closing on or before July one, nineteen hundred  
14 ninety-two, may not retire under the provisions of this act prior  
15 to such facility closing or July one, nineteen hundred ninety-two  
16 whichever is earlier.

17 (b) The program shall apply only to active members of the state  
18 employees' retirement system whose salary is paid from state funds  
19 and who are classified in group one or group two as defined in  
20 section three of chapter thirty-two provided, however, judges,  
21 public works building police, permanent watershed guards and  
22 permanent park police, University of Massachusetts police,  
23 officials and employees of the department of public safety having  
24 police powers, employees of the Commonwealth whose regular  
25 and major duties require them to have the care, custody,  
26 instruction or other supervision of prisoners, and employees of  
27 the Commonwealth whose regular and major duties require them  
28 to have the care, custody, instruction or other supervision of

29 parolees shall not be eligible to participate and provided further  
30 that no member whose regular compensation is funded in whole  
31 or in part through the use of monies from a federal grant, trust  
32 fund or capital account shall be eligible to participate. In order  
33 to be eligible to participate an active member must have held a  
34 position which is eligible under this act on September one,  
35 nineteen hundred and ninety-one.

36 (c) Any active member of the state employees' retirement  
37 system who meets the eligibility requirements of paragraph (b) and  
38 who is paid on the Personnel Management Information System  
39 or the Commonwealth Automated Payroll System shall be eligible  
40 to participate.

41 (d) No employee shall receive a retirement allowance which  
42 provides for a sum equal to or greater than eighty per cent of  
43 average annual rate of compensation as determined pursuant to  
44 section five of chapter thirty-two. No such member may select  
45 more than one of the incentives established by this act and no such  
46 member may become eligible for one incentive by virtue of the  
47 application of a different incentive.

48 (e) Members eligible for incentives established in sections two,  
49 three and four of this act shall be allowed the benefits of this act  
50 in the order in which applications for retirement are received by  
51 the State Board of Retirement.

1 SECTION 2. Any active member of the state employees'  
2 retirement system who meets the eligibility requirements of  
3 section one may upon the effective date of this act make appli-  
4 cation for retirement and shall receive a retirement benefit  
5 computed according to the following table based on the number  
6 of years and full months of creditable service at the time of  
7 retirement provided such member has fifteen years of creditable  
8 service at the time he makes application for retirement:

<u>Number of Years of Creditable Service</u>	<u>Percentage of Amount of Average Annual Rate of Regular Compensation</u>
15	21%
16	22%
17	23%
18	24%
19	25%
20	26%
21	27%
22	28%
23	29%
24	30%
25	31%
26	32%
27	33%
28	33%
29	33%

9 The regular compensation on which the benefit is based shall be  
 10 determined in accordance with the provisions of paragraph (a) of  
 11 subdivision two of section five of chapter thirty-two. In addition  
 12 to the benefit outlined above, the retiree shall receive his annuity  
 13 as determined pursuant to the provisions of subdivision two of  
 14 section twelve of chapter thirty-two.

15 Not more than a total of three thousand members, including  
 16 not more than six hundred members classified in Group 2 shall  
 17 receive the benefit established by this section provided, however,  
 18 that the Secretary of Administration and Finance may increase  
 19 said numbers by filing notice thereof with the House and Senate  
 20 Committees on Ways and Means.

1 SECTION 3. Any active member of the state employees'  
 2 retirement system who meets the eligibility requirements of  
 3 section one and who is age fifty-five or older and has at least ten  
 4 years of creditable service at the time he makes application for  
 5 retirement, shall be credited with three years of additional service  
 6 or shall, at his option, have the calculation performed pursuant  
 7 to paragraph (a) of subdivision (2) of section (5) of chapter 32  
 8 and the table therein as if he were three years older than his actual

9 age on his last birthday at time of retirement. Not more than a  
10 total of two thousand six hundred members, including not more  
11 than five hundred twenty members classified in Group 2 shall  
12 receive the benefits provided by this section, provided, however,  
13 that the Secretary of Administration and Finance may increase  
14 that number by filing notice thereof with the House and Senate  
15 Committees on Ways and Means.

1 SECTION 4. Any active member of the state employees'  
2 retirement system who meets the eligibility requirements of section  
3 one and is age 50, 51, 52, 53 or 54 and has 20 or more years of  
4 creditable service shall be credited with three years of additional  
5 service or shall, at his option, have the calculation performed  
6 pursuant to paragraph (a) of subdivision (2) of section 5 of  
7 chapter 32 and the table therein as if he were three years older  
8 than his actual age on his last birthday at time of retirement. Not  
9 more than a total of four hundred members, including not more  
10 than eighty members classified in Group 2 shall receive the benefits  
11 provided by this section, provided, however, that the Secretary  
12 of Administration and Finance may increase that number by filing  
13 notice thereof with the House and Senate Committees on Ways  
14 and Means.

1 SECTION 5. No position made vacant by retirement pursuant  
2 to this act may be filled in fiscal year nineteen hundred and ninety-  
3 two if the position is in the Executive Branch, without the  
4 approval of the Secretary of Administration and Finance, if the  
5 position is in the Office of the Attorney General, without the  
6 approval of the Attorney General, if the position is in the Office  
7 of the State Treasurer, without the approval of the State  
8 Treasurer, if the position is in the Office of the Secretary of State,  
9 without the approval of the Secretary of State, if the position is  
10 in the Office of the State Auditor, without the approval of the  
11 State Auditor, if the position is in the State Senate, without the  
12 approval of the President of the Senate, or if the position is in  
13 the House of Representatives without the approval of the Speaker  
14 of the House. No position made vacant by retirement pursuant  
15 to this act which is not in the Executive Branch, Office of Attorney  
16 General, Office of Secretary of State, Office of State Treasurer,

17 Office of State Auditor, Senate or House of Representatives, may  
18 be filled in fiscal year nineteen hundred and ninety-two without  
19 the approval of the Secretary of Administration and Finance.

1 SECTION 6. Notwithstanding any general or special law to  
2 the contrary, the Secretary of Administration and Finance shall  
3 transfer from agency personnel accounts to an early retirement  
4 reserve account the amounts which have been appropriated for  
5 payroll purposes but which will not be expended in fiscal 1992  
6 due to retirements resulting from the early retirement program.  
7 Amounts in the early retirement reserve account may be  
8 transferred to the pension fund of the State Employees'  
9 Retirement System to pay the cost of retirement benefits owed  
10 to retirees who have retired pursuant to this act.

1 SECTION 7. This act shall take effect upon its passage.

