

The Commonwealth of Massachusetts



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE DEPARTMENT
STATE HOUSE • BOSTON 02133

WILLIAM F. WELD
GOVERNOR

ARGEO PAUL CELLUCCI
LIEUTENANT-GOVERNOR

October 28, 1991

To the Honorable Senate and House of Representatives:

Today we are filing emergency legislation that provides for a retirement plan for certain employees who are not members of a public retirement system, and/or Social Security. This is required because of a new federal mandate of the Internal Revenue Service that became effective July 1, 1991.

A plan must be in place by January 1, 1992 or the Commonwealth will incur significant costs as we would have to join the Social Security system for these employees.

The Secretary of Administration and Finance convened a task force in July 1991 that has met through the summer and fall pursuing the most cost-effective option that meets federal requirements.

The task force was made up of staff from Administration and Finance, Comptroller's, OMIS, PERA and the State Treasurer. They have recommended that we offer our current Deferred Compensation Plan to those employees currently not having coverage.

This will not require any additional appropriation and is the most cost-effective solution. As the Internal Revenue Service regulations became effective this summer and require implementation by January 1, 1992, an expeditious resolution is critical.

Respectfully submitted,

William F. Weld

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Governor

Argeo Paul Cellucci
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Lieutenant Governor

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO PARTICIPATION IN A DEFERRED COMPENSATION PLAN BY PERSONS WHO ARE RECEIVING COMPENSATION FROM THE COMMONWEALTH AND BY PERSONS WHO ARE RECEIVING COMPENSATION FROM ANY POLITICAL SUBDIVISION, BODY POLITIC AND CORPORATE, OR PUBLIC INSTRUMENTALITY CREATED BY THE COMMONWEALTH OR ANY COUNTY, CITY OR TOWN OR GROUP THEREOF FOR SERVICES AND WHO DO NOT CURRENTLY BELONG TO AN APPLICABLE CONTRIBUTORY RETIREMENT SYSTEM.

1 *Whereas*, The deferred operation of this act would tend to
2 defeat its purpose, which is to provide for participation in a
3 deferred compensation plan that will meet the requirements of
4 regulations promulgated by the Internal Revenue Service,
5 therefore it is hereby declared to be an emergency law, necessary
6 for the immediate preservation of the public convenience.

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. Section 64 of chapter 29 of the General Laws, as
2 appearing in the 1990 Official Edition, is hereby amended by
3 adding the following paragraphs:

4 The state treasurer, on behalf of the commonwealth, shall
5 contract with every person, who is receiving compensation from
6 the commonwealth for services performed for the commonwealth
7 and who is not eligible for membership or has exercised an option
8 not to participate in the state retirement system set forth in
9 chapter 32 of the General Laws, to defer a portion of that person's
10 compensation, and shall invest the deferred portion of that
11 person's income in a deferred compensation program established
12 in accordance with the U.S. Internal Revenue Code. For persons
13 holding positions which would have rendered the holder of the
14 position eligible for participation in the commonwealth's deferred
15 compensation program on November 5, 1990, the state treasurer

16 shall contract for plan years prior to January 1, 1993, to defer 6
17 per cent of that person's regular compensation (as defined in
18 chapter 32, section 1 of the General Laws for the period
19 subsequent to December 31, 1945), but no greater than the
20 maximum deferral allowable for that person pursuant to the
21 provisions of the U.S. Internal Revenue Code for government
22 deferred compensation programs. For persons holding positions
23 which would not have rendered the holder of the position eligible
24 for participation in the commonwealth's deferred compensation
25 program on November 5, 1990, the state treasurer shall contract
26 to defer 7.5 per cent of that person's regular compensation (as
27 defined in chapter 32, section 1 of the General Laws for the period
28 subsequent to December 31, 1945), but no greater than the
29 maximum deferral allowable for that person pursuant to the
30 provisions of the U.S. Internal Revenue Code for government
31 deferred compensation programs.

32 Notwithstanding the provisions of this section, the state
33 treasurer need not contract with any part-time, seasonal or
34 temporary employee not required by the U.S. Internal Revenue
35 Code to participate in a public retirement system. All contracts
36 formed with part-time, seasonal or temporary employees pursuant
37 to the provisions of the previous paragraph shall entitle the
38 employee to a single-sum distribution of the employee's deferrals
39 plus reasonable interest.

40 Nothing in this section shall be construed to create or grant any
41 rights not previously enjoyed under chapters 32A or 150E of the
42 General Laws.

1 SECTION 2. Chapter 29 of the General Laws, as appearing in
2 the 1990 Official Edition, is hereby amended by inserting after
3 section 64C, the following section: —

4 Section 64D. Any government body (as defined in section 64B
5 of this chapter) may require any person, who is receiving
6 compensation from the governmental body for services performed
7 and who is not a member of a retirement system as provided under
8 chapter 32 of the General Laws or any other retirement system
9 which meets the requirements of Section 3121 (b)(7)(F) of the
10 Internal Revenue Code and the regulations promulgated
11 thereunder, to participate in the deferred compensation program

12 established with regard to the governmental body, or tax sheltered
13 annuity or any other defined contribution plan. The treasurer, or
14 if there is no treasurer, the chief financial officer by whatever name
15 that person is called, on behalf of a governmental body which has
16 accepted the provisions of this section shall contract with any
17 person, who is receiving compensation from the governmental
18 body for services performed for the governmental body and who
19 is not eligible for membership in the retirement system set forth
20 in chapter 32 of the General Laws that pertains to the
21 governmental body, to withhold from that person's compensation
22 at least such amounts as are necessary to provide the minimum
23 level of benefits required to qualify said deferred compensation
24 program, tax sheltered annuity or other defined contribution plan
25 as a retirement system for said person as defined under said
26 Section 3121 (b)(7)(F) of the Internal Revenue Code and the
27 regulations promulgated thereunder but no greater than permitted
28 under other provisions of the Internal Revenue Code.

29 All contracts formed with part-time, seasonal or temporary
30 employees pursuant to the provisions of the previous paragraph
31 shall entitle the employee to a single-sum distribution of the
32 employee's deferrals plus reasonable interest.

33 A governmental body may accept the provisions of this section
34 by a majority vote of the selectmen for a town, the city council
35 for a city, the county council for a county, the district members
36 in a district, the members of the authority in an authority, and
37 the governing body, by whatever name and in whatever form
38 composed, in any other political subdivision, body politic and
39 corporate, or public instrumentality created by the
40 commonwealth.

41 Any governmental body already requiring, on the effective date
42 of this act, participation in a public retirement system for persons
43 who are receiving compensation from the governmental body for
44 services performed and who are not members of a retirement
45 system as provided under chapter 32 of the General Laws, shall
46 be grandfathered and shall be deemed to have accepted the
47 provisions of this section without the requirement of a majority
48 vote of the selectmen for a town, the city council for a city, the
49 county council for a county, the district members in a district, the
50 members of the authority in an authority, and the governing body,

51 by whatever name and in whatever form composed, in any other
52 political subdivision, body politic and corporate, or public
53 instrumentality created by the commonwealth.

1 SECTION 3. Chapter 32 of the General Laws, as appearing in
2 the 1990 Official Edition, is hereby amended by inserting after
3 section 3, the following section: —

4 Section 3A. Notwithstanding any general or special law to the
5 contrary, a person receiving compensation from the common-
6 wealth for services performed for the commonwealth who is not
7 eligible for membership in the state retirement system shall be
8 subject to the provisions of section 64 of chapter 29.

The first part of the report is devoted to a general description of the country and its resources. It is found that the country is well adapted for agriculture and stock raising. The soil is fertile and the climate is healthy. There is a great abundance of timber and other natural resources. The population is increasing rapidly and the country is becoming more and more settled.

The second part of the report is devoted to a description of the different branches of industry and commerce. It is found that the principal occupations of the people are agriculture and stock raising. There is also a considerable amount of manufacturing and commerce. The principal articles of export are wool, hides, and tallow. The principal articles of import are sugar, coffee, and other commodities.

The third part of the report is devoted to a description of the different branches of education and science. It is found that there is a great amount of education and science. The principal branches of education are agriculture, stock raising, and commerce. There is also a considerable amount of scientific research and discovery.

The fourth part of the report is devoted to a description of the different branches of government and politics. It is found that there is a great amount of government and politics. The principal branches of government are agriculture, stock raising, and commerce. There is also a considerable amount of political activity and discussion.

The fifth part of the report is devoted to a description of the different branches of religion and morality. It is found that there is a great amount of religion and morality. The principal branches of religion are agriculture, stock raising, and commerce. There is also a considerable amount of moral activity and discussion.

The sixth part of the report is devoted to a description of the different branches of art and literature. It is found that there is a great amount of art and literature. The principal branches of art and literature are agriculture, stock raising, and commerce. There is also a considerable amount of artistic and literary activity and discussion.

The seventh part of the report is devoted to a description of the different branches of history and geography. It is found that there is a great amount of history and geography. The principal branches of history and geography are agriculture, stock raising, and commerce. There is also a considerable amount of historical and geographical activity and discussion.

The eighth part of the report is devoted to a description of the different branches of law and justice. It is found that there is a great amount of law and justice. The principal branches of law and justice are agriculture, stock raising, and commerce. There is also a considerable amount of legal activity and discussion.

The ninth part of the report is devoted to a description of the different branches of medicine and health. It is found that there is a great amount of medicine and health. The principal branches of medicine and health are agriculture, stock raising, and commerce. There is also a considerable amount of medical activity and discussion.

The tenth part of the report is devoted to a description of the different branches of music and drama. It is found that there is a great amount of music and drama. The principal branches of music and drama are agriculture, stock raising, and commerce. There is also a considerable amount of musical and dramatic activity and discussion.

