

SENATE No. 1172

By Mr. Havern, a petition (accompanied by bill, Senate, No. 1172) of Robert A. Havern for legislation to provide an early retirement incentive for teachers. Public Service.

The Commonwealth of Massachusetts

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

AN ACT TO PROVIDE AN EARLY RETIREMENT INCENTIVE FOR TEACHERS.

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. Subdivision 2 of section 5 of chapter 32 of the
2 General Laws, as appearing in the 1992 Official Edition, is
3 amended by adding thereto the following paragraph (e):

4 (e)(i) Notwithstanding any other provision of this chapter, or
5 any other general or special law to the contrary, any city, town,
6 regional school committee, independent vocational school, county
7 agricultural school, or educational collaborative which accepts the
8 applicable provisions of this act, shall, in cooperation with and
9 upon the prescribed notification to the teachers' retirement board,
10 establish and early retirement incentive program for members of
11 the teachers' retirement system or teachers employed by the city
12 of Boston to be implemented not more than once every five years.
13 The program shall be deemed to have been accepted by a city or
14 town upon recommendation by the school committee and approval
15 by the legislative and executive authorities of the city or town.
16 The program shall be deemed to have been accepted by a regional
17 school district, independent vocational school, county agricultural
18 school or educational collaborative upon the approval of its school
19 committee or other governing body.

20 For the purposes of this section, the legislative authority shall
21 mean a town meeting in a town, the city council in a city; and the
22 executive authority shall mean the board of selectmen in a town,
23 the mayor in a city.

24 (ii) In order to be deemed eligible for any of the benefit options
25 under such a program, a teacher (aa) shall be employed by an
26 entity which has accepted the provisions of this act; (bb) shall
27 have attained the age of fifty-five years by the date of his or her
28 retirement requested in the written application with the teachers'
29 retirement board; (cc) shall have, on such date, twenty years of
30 creditable service as defined in section four of this chapter,
31 including, if applicable, creditable service purchased by the
32 teacher based on previous service in another state, in non-public
33 schools, or any other situation in which the teacher was permitted
34 to purchase creditable service; and (dd) shall have filed a written
35 application with the teachers' retirement board.

36 (iii) For the purpose of this section, words shall have the same
37 meaning as elsewhere in this chapter, unless otherwise expressly
38 provided or unless the context clearly requires otherwise. Any
39 teacher employed by any entity who retires under the provisions
40 of an early retirement incentive program for teachers shall be
41 deemed to be retired for superannuation and shall be subject to
42 any and all provisions of this chapter applicable to such super-
43 annuation retirement.

44 (iv) Notwithstanding any provisions of this chapter to the
45 contrary, the normal yearly amount of the retirement allowance
46 for any eligible teacher who is employed by an entity which
47 accepts this section and who has paid the full amount of regular
48 compensation as determined under paragraph (a) of subdivision
49 (2) of section 5, shall be based on the average annual rate of
50 regular compensation as determined under paragraph (a) and shall
51 be computed according to the table contained in said paragraph (a)
52 based on the age of such member and his or her number of years
53 and full months of creditable service at the time of retirement
54 increased by up to five years of age or by up to five years of
55 creditable service or by a combination of additional years of age
56 and service not exceeding five, provided, however, that the city,
57 town, regional school committee or other governing entity may
58 limit the amount of additional credit for service or age or a combi-
59 nation of service or age offered and the number of such teachers
60 for whom it will approve a retirement calculated under the
61 provisions of this section; provided further that if participation is
62 limited, the retirement of teachers with greater creditable service

63 shall be approved before approval is given to teachers with less
64 creditable service. For the purpose of calculating seniority under
65 this section, creditable service purchased by the teacher based on
66 previous service in another state, in non-public schools, or any
67 other situation in which the teacher was permitted to purchase
68 creditable service is to be treated identically to regularly earned
69 creditable service.

70 (v) The commissioner of the public employee retirement
71 administration shall analyze, study, and value the costs attri-
72 butable to the additional pension payable in accordance with the
73 provisions of this paragraph of any retirement incentive program
74 for each entity that accepts the provisions of this paragraph;
75 provided that said commissioner shall annually file a report in
76 writing of his findings to said entity on or before said December
77 thirty-first; provided that said reports shall be filed annually with
78 the joint committee on public service and the teachers' retirement
79 board and the commissioner of the department of revenue on or
before said December thirty-first.

1

2 SECTION 2. Section 22 of chapter 32 of the General Laws, as
3 appearing in the 1992 Official Edition, is hereby amended by
4 adding the following subdivision:

5 (11) The teachers' retirement board shall prepare a funding
6 schedule for each entity to reflect fifty percent of the cost attri-
7 butable to the additional pension payable under the retirement
8 incentive program in accordance with the provisions of paragraph
9 (e) of subdivision 2 of section 5 which shall be designed to reduce
10 the entity's share of the retirement system's additional pension
11 cost to zero on or before any date selected by the city, town,
12 regional school district or other entity but no later than fifteen
13 years after a teacher retires under a retirement incentive program;
14 provided that in preparing such schedule, said retirement board
15 shall consider the analysis of the commissioner of public
16 employee retirement administration filed in accordance with the
17 provisions further that said retirement board shall triennially
18 update such schedule; provided further that said funding schedule
19 and updates shall be subject to the approval of the secretary of
20 administration and finance. In each of the fiscal years until the
21 costs determined under this section shall be reduced to zero, it

22 shall be deemed an obligation of any entity which has accepted
23 the provisions of paragraph (e) of subdivision 2 of section 5 to
24 annually appropriate an amount sufficient to meet fifty percent of
25 the additional costs attributable to the additional pension payable
26 under the retirement incentive program and said entity shall pay
27 the same to the Commonwealth Pension Liability Fund annually;
28 provided that if any such governmental unit or entity fails to make
29 said payment the commissioner of the department of revenue shall
30 deduct such liability from the annual additional assistance of
31 chapter 70 school assistance distribution of said entity; provided
32 further, that such costs deducted shall be appropriated to the
33 Commonwealth Pension Liability Fund. The remainder of the cost
34 attributable to the additional pension payable under the retirement
35 incentive program in accordance with the provisions of paragraph
36 (e) of subdivision 2 of section 5 shall be paid from excess
37 earnings, so-called, of the teachers' retirement system.