
By Ms. Menard, a petition (accompanied by bill, Senate, No. 1521) of Joan M. Menard, Michael A. Costello and Joyce A. Spiliotis for legislation relative to early retirement for state employees. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT RELATIVE TO EARLY RETIREMENT 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. Subdivision (1) of section 4 of chapter 32 of the
2 General Laws, as appearing in the 1998 Official Edition, is hereby
3 amended by inserting after paragraph (g) the following para-
4 graph:—

5 (g½) The period or periods before 1975 during which any
6 member in service of the Commonwealth of Massachusetts retire-
7 ment system resigned for the purposes of maternity leave or was
8 on unpaid leave of absence for such purposes from the govern-
9 mental unit in which the member was employed as an employee
10 of the Commonwealth and had established membership in a
11 Massachusetts contributory retirement system shall be allowed as
12 creditable service, on a proportionate basis which the board shall
13 determine according to rules and regulations adopted by the board
14 and approved by the commission; provided, that no credit shall be
15 allowed unless such member has paid into the Annuity Savings
16 Fund of the system by December 31, 2002, in one sum or in
17 installments, upon such terms and conditions as the board may
18 prescribe, an amount equal to the deductions that would have been
19 withheld had the member continued in service, as determined by
20 the board, together with regular interest. No credit shall be
21 allowed and no payment shall be accepted under this paragraph
22 until such member shall have completed ten or more years of
23 membership service, but if any such member completes ten years

24 of service after December 31, 2002, the member shall be per-
25 mitted to make payment under this paragraph within 18 months of
26 the date she has completed ten years of service. The maximum
27 creditable service allowable under this paragraph for any member
28 shall not exceed four years.

1 SECTION 2. Section 5 of said chapter 32, as amended by
2 section 12 of chapter 68 of the acts of 1999, is hereby further
3 amended by adding the following subdivision:—

4 (4)(i) Notwithstanding the provisions of this chapter or any
5 other general or special law to the contrary, there is hereby estab-
6 lished an alternative superannuation retirement benefit program
7 for members of the Commonwealth's retirement system. Partici-
8 pation in said program shall be mandatory for all employees hired
9 on or after July 1, 2002. Such members will make a contribution
10 to the State retirement system at the rate of 11 per cent on all reg-
11 ular compensation. Any member of the state retirement system
12 before July 1, 2002 may elect to participate in the alternative
13 superannuation retirement benefit program. Said election shall be
14 made on or after January 1, 2003 and before July 1, 2003. The
15 election to participate in the alternative superannuation retirement
16 benefit program shall be irrevocable. Any member who elects to
17 so participate shall be required to make a minimum of five years
18 of retirement contributions at the rate of 11 per cent of regular
19 compensation pursuant to section 22. If said member elects to
20 retire before he has made said five years of contributions at 11 per
21 cent, said member shall pay, in one sum or in installments as the
22 board may prescribe, an amount equal to that which would have
23 been withheld as regular deductions at the rate of 11 per cent from
24 his regular compensation for such five year period based on his
25 last 12 months of regular compensation less contributions made
26 during said member's last five years of creditable service. Any
27 inactive member who elects to retire before he has made said five
28 years of contributions at 11 per cent shall pay, in one sum or in
29 installments as the board may prescribe, an amount equal to that
30 which would have been withheld as regular deductions at the rate
31 of 11 per cent from his regular compensation for such five year
32 period based on the last 12 months of regular compensation which
33 would have been paid to said inactive member had said member

34 continued in the position from which he is currently inactive less
35 contributions made during said member's last five years of cred-
36 itable service. Any schedule permitting an acceleration of contri-
37 butions shall be consistent with the plan qualification
38 requirements of the Internal Revenue Code and shall, where nec-
39 essary to meet the requirements of the Internal Revenue Code,
40 provide for an actuarial reduction of benefits by the actuary
41 appointed by the commission in accordance with the provisions of
42 section 21. Any member who elects to participate in the alterna-
43 tive superannuation retirement benefit program and pays addi-
44 tional contributions pursuant to this section and does not complete
45 30 years of creditable service shall upon termination from mem-
46 bership in or retirement from the system be reimbursed such addi-
47 tional contributions, plus regular interest, as determined by the
48 State retirement board. (ii) The normal yearly amount of the
49 retirement allowance for an eligible employee who has completed
50 at least 30 years of creditable service and has paid the full amount
51 of regular deductions on the total amount of regular compensation
52 as determined under paragraph (a) of subdivision (2), shall be
53 based on the average annual rate of regular compensation as deter-
54 mined under said paragraph (a) and shall be computed according
55 to the table contained in said paragraph (a) based on the age of
56 such member and his number of years and full months of cred-
57 itable service at the time of his retirement with the percentage of
58 salary average in such computation to be increased by 2 per cent
59 per year for each full year of service in excess of 24 years of cred-
60 itable service. Such member shall have served for not less than 20
61 years as an employee of the Commonwealth in order to be eligible
62 to receive the benefit provided under this subdivision. For any
63 member who retires before age 55, his age factor shall be deter-
64 mined in accordance with subdivision (1) of section 10. Any
65 member who retires before completing 30 years of service shall
66 receive a retirement allowance equal to the retirement allowance
67 that the member would have been eligible for had he not partici-
68 pated in the alternative superannuation retirement benefit pro-
69 gram. The total normal yearly amount of the retirement
70 allowance, as determined in accordance with this subdivision of
71 any employee who retires and receives an additional benefit under
72 the alternative superannuation retirement benefit program shall

73 not exceed four-fifths of the average annual rate of his regular
74 compensation received during any period of three consecutive
75 years of creditable service for which the rate of compensation was
76 the highest or of the average annual rate of his regular compensa-
77 tion received during the period or periods, whether or not consec-
78 utive, constituting his last three years of creditable service
79 preceding retirement, whichever is greater.

1 SECTION 3. Subdivision (3) of section 21 of said chapter 32,
2 as so appearing, is hereby amended by adding the following para-
3 graph:—

4 (g) In consultation with the State retirement board, review and
5 analysis of information required under subdivision (4) of
6 section 5 and the valuation of the annual costs and actuarial liabil-
7 ities attributable to the additional benefits payable under said sub-
8 division (4). The analysis shall focus on the contributions made
9 by members and the normal cost of benefits, plus any other liabil-
10 ities determined by the actuary to be a result of such benefit
11 changes under said subdivision (4). The analysis shall also com-
12 pare the total costs and actuarial liabilities attributable to those
13 members who retire under the provisions of said subdivision (4)
14 with the members classified in Group 1 of paragraph (g) of subdivi-
15 sion (2) of section 3 who do not retire under the provisions of
16 said subdivision (4). Beginning January 1, 2003, and every year
17 thereafter, the actuary shall forward such analysis to the state
18 retirement board, the clerks of the house of representatives and
19 the senate, the house and senate committees on ways and means
20 and the joint committee on public service.

1 SECTION 4. Subdivision (1) of section 22 of said chapter 32,
2 as so appearing, is hereby amended by striking out paragraph (b)
3 and inserting in place thereof the following paragraph:—

4 (b) The treasurer or other disbursing officer in charge of pay-
5 roll in any governmental unit to which a system pertains, and the
6 treasurer or other disbursing officer in charge of payrolls in any
7 free public library the employees of which are eligible for mem-
8 bership in a system, shall, upon written notice from the board:
9 (i) withhold on each pay day 5 per cent of the regular compensa-
10 tion of each employee who is a member in service of the system,

11 which is received on the day by the member on account of service
12 rendered to him on or after January 1, 1946, and not later than the
13 date of his attaining the maximum age for his group, in the case of
14 an employee who entered the service of the commonwealth or a
15 political subdivision thereof before January 1, 1975; (ii) withhold
16 on each pay day 7 per cent of the regular compensation of each
17 employee who is a member in service of the system, which is
18 received on the day by the member on account of service rendered
19 by him on or after January 1, 1975, and not later than the date of
20 his attaining the maximum age for his group, in the case of an
21 employee who entered the service of the commonwealth or a
22 political subdivision thereof on or after January 1, 1975, but
23 before January 1, 1984; (iii) withhold on each pay day 8 per cent
24 of the regular compensation of each employee who is a member in
25 service of the system, which is received on the day by the member
26 on account of service rendered by him on or after January 1, 1984,
27 and not later than the date of his attaining the maximum age for
28 his group in the case of an employee who entered the service of
29 the commonwealth or a political subdivision thereof on or after
30 January 1, 1984, but before July 1, 1996; (iv) withhold on each
31 pay day 9 per cent of the regular compensation of each employee
32 who is a member in service of the system, which is received on
33 the day by the member on account of service rendered by him on
34 or after July 1, 1996, and not later than the date of his attaining
35 the maximum age for his group in the case of an employee who
36 entered the service of the commonwealth or a political subdivision
37 thereof on or after July 1, 1996; (v) withhold on each pay day 12
38 per cent of the regular compensation of each employee who is a
39 member of the state police appointed pursuant to section 10 of
40 chapter 22C, and is a member in service of the system, which is
41 received on the day by the member on account of service rendered
42 by him on or after July 1, 1996, and not later than the date of his
43 attaining the maximum age for his group in the case of an
44 employee who entered the service of the state police on or after
45 July 1, 1996; and (vi) withhold on each pay day 11 per cent of the
46 regular compensation of each employee who participates in the
47 alternative superannuation retirement benefit program established
48 under subdivision (4) of section 5 on account of such service ren-
49 dered by him on or after July 1, 2001.

1 SECTION 5. Paragraph (b¹/₂) of said subdivision (1) of said
2 section 22 of said chapter 32, as so appearing, is hereby amended
3 by adding the following sentence:— The additional contributions
4 required under this paragraph shall not apply to any employee
5 who participates in the alternative superannuation retirement ben-
6 efit program established in subdivision (4) of section 5.

1 SECTION 6. No employee shall be retired under the alternative
2 retirement benefit program established under subdivision (4) of
3 section 5 of chapter 32 of the General Laws before July 1, 2003.

