

# HOUSE . . . . . No. 5625

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## *The Commonwealth of Massachusetts*

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HOUSE OF REPRESENTATIVES, November 29, 1993.

The committee on Ways and Means, to whom was referred the Bill providing for an early retirement incentive program for employees of the Massachusetts Housing Finance Agency, (Senate, No. 1106, amended), reports that the same ought to pass with certain amendments by striking out all after the enacting clause and inserting in place thereof the text contained in House document numbered 5625.

For the committee,

THOMAS M. FINNERAN.

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Text of amendments recommended by the committee on Ways and Means to the Senate Bill providing for an early retirement incentive program for employees of the Massachusetts Housing Finance Agency (Senate, No. 1106, amended). November 29.

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## **The Commonwealth of Massachusetts**

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

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Striking out all after the enacting clause and inserting in place thereof the following:

1 "SECTION 1. Notwithstanding the provisions of chapter  
2 thirty-two of the General Laws or any other general or special  
3 law to the contrary, the Massachusetts Housing Finance Agency's  
4 employees' retirement system, established under the provisions of  
5 sections 1 to 28, inclusive, of chapter thirty-two of the General  
6 Laws, shall establish and implement a retirement incentive for  
7 public employees, hereinafter referred to as the retirement  
8 incentive program, in accordance with the provisions of this act;  
9 provided, that, in order to be deemed eligible by said board for  
10 any of the benefit options under said retirement incentive  
11 program, an employee (i) shall be an employee of the  
12 Massachusetts Housing Finance Agency on the effective date of  
13 this act or shall have been a member in active service of the  
14 Massachusetts Housing Finance Agency employees' retirement  
15 system on January first, nineteen hundred and ninety-three;  
16 (ii) shall be classified in Group 1 of said retirement system in  
17 accordance with the provisions of paragraph (g) of subdivision (2)  
18 of section three of said chapter thirty-two; (iii) shall be eligible  
19 to receive a superannuation retirement allowance in accordance  
20 with the provisions of subdivision (1) of section five of said chapter  
21 thirty-two or subdivision (1) of section ten of said chapter thirty-  
22 two upon the date of retirement requested in his written  
23 application for retirement with said board; and (iv) shall have filed  
24 such written application with said board in accordance with  
25 section two of this act.

26 The total number of Group 1 employees who shall be eligible  
27 to receive the benefit of the early retirement program shall be  
28 limited to fourteen, provided, that the retirement of employees  
29 with greater creditable service shall be approved before approval  
30 is given to employees with lesser creditable service. No employee  
31 shall be eligible for more than one of the incentives offered herein;  
32 and no employee shall become eligible for one incentive by making  
33 application for a different incentive.

34 For the purpose of this act, the words shall have the same  
35 meanings as in chapter thirty-two of the General Laws unless  
36 otherwise expressly provided or unless the context clearly requires  
37 otherwise. An employee of the Massachusetts Housing Finance  
38 Agency who retires and receives an additional benefit in  
39 accordance with the provisions of this act shall be deemed to be  
40 retired for the purposes of superannuation under the provisions  
41 of said chapter thirty-two and shall be subject to the provisions  
42 of said chapter.

1 SECTION 2. Notwithstanding the provisions of section five of  
2 said chapter thirty-two of the General Laws as they require a  
3 retirement date within four months of the filing of an application  
4 for superannuation retirement, in order to receive the retirement  
5 benefit provided herunder, an eligible employee, except as  
6 otherwise provided in this section, shall file his application for  
7 retirement with the Massachusetts Housing Finance Agency  
8 employees' retirement system after January first, nineteen  
9 hundred and ninety-four but no later than January thirty-first,  
10 nineteen hundred and ninety-four. Provided that the retirement  
11 date requested shall be February fifteenth, nineteen hundred and  
12 ninety-four or thirty days from the effective date of this act,  
13 whichever last occurs.

1 SECTION 3. An employee who is eligible for the retirement  
2 incentive program in accordance with the provisions of section  
3 one may request, in his application for retirement, that the  
4 Massachusetts Housing Finance Agency employees' retirement  
5 system credit him with an additional retirement benefit in  
6 accordance with the provisions of this section; provided, however,  
7 that each such employee shall request and receive five years of

8 creditable service or five years of age or a combination of years  
9 of creditable service and years of age, the sum of which shall not  
10 be greater than five years, for the purposes of determining his  
11 superannuation retirement allowance pursuant to the provisions  
12 of paragraph (a) of subdivision (2) of section five of chapter thirty-  
13 two of the General Laws. Notwithstanding such credit, the total  
14 normal yearly amount of the retirement allowance, as determined  
15 in accordance with the provisions of section five of chapter thirty-  
16 two, of an employee who retires and receives an additional  
17 retirement benefit provided herein shall not exceed four-fifths of  
18 the average annual rate of his regular compensation as determined  
19 in accordance with the provisions of said section five of said  
20 chapter thirty-two.

1 SECTION 4. For a married employee who retires and receives  
2 an additional benefit under the provisions of this act, an election  
3 of a retirement option under the provisions of section twelve of  
4 said chapter thirty-two shall not be valid unless (i) it is  
5 accompanied by the signature of the member's spouse indicating  
6 the member's spouse's knowledge and understanding of the  
7 retirement option selected, or (ii) a certification by the  
8 Massachusetts Housing Finance Agency employees' retirement  
9 system that such spouse has received notice of such election as  
10 hereinafter provided. If any member who is married files an  
11 election which is not so signed by his spouse, the Massachusetts  
12 Housing Finance Agency employee's retirement system shall,  
13 within fifteen days, notify the member's spouse by registered mail  
14 of the option election; provided however that such option election  
15 shall not take effect until thirty days following the date on which  
16 such notification is sent; and provided further that such election  
17 may be changed by the member at any time within thirty days  
18 or any other time permitted under said chapter thirty-two.  
19 Nothing in this section shall be deemed to affect the effective date  
20 of any retirement allowance but, in the event of an election having  
21 been filed which is not so accompanied, the payment of any  
22 allowance so elected shall not be commenced earlier than thirty  
23 days after the sending by the Massachusetts Housing Finance  
24 Agency employees' retirement system of the notice required  
25 hereunder.

1 SECTION 5. The Massachusetts Housing Finance Agency  
2 employee's retirement system shall provide retirement counseling  
3 to employees who choose to consider retiring or who choose to  
4 retire under the retirement incentive program established by this  
5 act. Such counseling shall include, but not be limited to, the  
6 following: (i) a full explanation of the retirement benefits provided  
7 by this act; (ii) a comparison of the expected lifetime retirement  
8 benefits payable to such employee under the retirement incentive  
9 program and under the existing provisions of chapter thirty-two  
10 of the General Laws; (iii) the election of a retirement option under  
11 the provisions of section twelve of said chapter thirty-two; (iv) the  
12 restrictions on employment after retirement; (v) the provision of  
13 health care benefits under the provisions of chapter thirty-two A  
14 of the General Laws; (vi) the provisions of law relative to the  
15 payment of cost of living adjustments to the retirement allowance,  
16 in years in which there is such an adjustment; and (vii) the effect  
17 of federal and state taxation on retirement income. Each such  
18 employee shall sign a statement that he has received such  
19 counseling or that he does not want to receive such counseling  
20 prior to the approval by the Massachusetts Housing Finance  
21 Agency employees' retirement system of such employee's  
22 application for superannuation benefits and the additional benefit  
23 provided by this act.

1 SECTION 6. The executive secretary of the Massachusetts  
2 Housing Finance Agency employees' retirement system shall  
3 analyze, study, and value the costs and actuarial liabilities  
4 attributable to the additional benefits payable in accordance with  
5 the provisions of section three of the retirement incentive program  
6 established by this act; provided that said executive secretary shall  
7 file a report with the board of directors of the Massachusetts  
8 Housing Finance Agency on or before December thirty-first,  
9 nineteen hundred and ninety-three, or within six months of the  
10 passage of this act, whichever last occurs.

1 SECTION 7. The executive secretary of the Massachusetts  
2 Housing Finance Agency employees' retirement system shall  
3 prepare a funding schedule which shall reflect the costs and  
4 actuarial liabilities attributable to the additional benefits

5 including any ancillary costs including but not limited to the  
6 payment of accrued vacation, unused sick leave or any other  
7 severance payment payable under the retirement incentive  
8 program in accordance with the provisions of section three and  
9 said schedule shall be designed to reduce the Massachusetts  
10 Housing Finance Agency's additional pension liability attributa-  
11 ble to such costs and liabilities to zero on or before June thirtieth,  
12 two thousand and eight. Said executive secretary shall file such  
13 funding schedule with the Massachusetts Housing Finance  
14 Agency's board of directors on or before March first, nineteen  
15 hundred and ninety-four, and shall file updates thereto annually  
16 on or before March first of each year; provided that, if within  
17 forty-five days of each such filing, the board of directors of the  
18 Massachusetts Housing Finance Agency shall not have taken  
19 action to disapprove such schedule or update thereto, such  
20 schedule or update thereto shall be deemed to be approved and  
21 provided further, that if such schedule or update thereto is not  
22 so approved, said executive secretary shall review any comments  
23 made by such board and prepare and submit for approval in like  
24 manner another schedule. In each of the fiscal years until the  
25 actuarial liability determined under this section and section six  
26 shall be reduced to zero, it shall be deemed an obligation of the  
27 Massachusetts Housing Finance Agency to fund such liability and  
28 the Massachusetts Housing Finance Agency shall appropriate to  
29 the pension reserve investment trust fund in each such fiscal year  
30 the amount required by the funding schedule and the updates  
31 thereto approved under the provisions of this section."



