

By Mr. McGee of Lynn, petition of SEIU Local 509, Thomas M. McGee, J. James Marzilli, Jr., and Mark V. Falzone for legislation to improve the retention and retirement rights of certain public employees. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand and One.

AN ACT IMPROVING RETENTION AND RETIREMENT OF PUBLIC 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 amended by chapter 114 of the acts of 2000, is  
3 hereby amended by inserting after paragraph (g<sup>1/2</sup>) the following  
4 paragraph:—

5 (g<sup>3/4</sup>) The period or periods prior to 1975 during which any  
6 member in service of the state employees' retirement system or a  
7 county, city or town contributory retirement system resigned for  
8 the purposes of maternity leave or was on unpaid leave of absence  
9 for such purposes from the governmental unit and had established  
10 membership in a Massachusetts contributory retirement system  
11 shall be allowed as creditable service, on a proportionate basis  
12 which the board shall determine according to rules and regulations  
13 adopted by the board and approved by the commission; provided,  
14 that no credit shall be allowed unless such member has paid into  
15 the Annuity Savings Fund of the system by December 31, 2002, in  
16 one sum or in installments, upon such terms and conditions as the  
17 board may prescribe, an amount equal to the deductions that  
18 would have been withheld had the member continued in service,  
19 as determined by the board, together with regular interest; pro-  
20 vided, further, that no credit shall be allowed and no payment  
21 shall be accepted under this paragraph until such member shall  
22 have completed ten or more years of membership service; pro-  
23 vided, further, that in the event any such member completes ten

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

1 SECTION 2. Section 5 of said chapter 32, as amended by  
2 section 2 of chapter 114 of the acts of 2000, is hereby further  
3 amended by adding the following subdivision:—

4 (4)(j) 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 state employees' retirement system or a  
8 county, city or town contributory retirement system who are clas-  
9 sified in Group 1 and Group 2 of paragraph (g) of subdivision (2)  
10 of section 3.

11 Participation in said program shall be mandatory for all  
12 employees hired on or after July 1, 2002.

13 Such members shall make contributions to the state employees'  
14 retirement system or a county, city or town contributory retire-  
15 ment system at the rate of 11 per cent on all regular compensation.  
16 Any member of the state employees' retirement system or a  
17 county, city or town contributory retirement system before July 1,  
18 2002 may elect to participate in the alternative superannuation  
19 retirement benefit program. Said election shall be made on or after  
20 January 1, 2002 and before July 1, 2002. Any member of a con-  
21 tributory retirement system who transfers into the state  
22 employees' retirement system or a county, city or town contribu-  
23 tory retirement system may elect to participate in the alternative  
24 superannuation retirement benefit program; provided, that said  
25 election shall occur within 180 days of establishing membership  
26 in state employees' retirement system or a county, city or town  
27 contributory retirement system. The election to participate in the  
28 alternative superannuation retirement benefit program shall be  
29 irrevocable. Any member who elects to so participate shall be  
30 required to make a minimum of five years of retirement contribu-  
31 tions at the rate of 11 per cent of regular compensation pursuant to  
32 section 22; provided, however, that if said member elects to retire  
33 before he has made said five years of contributions at 11 per cent,

34 said member shall pay, in one sum or in installments as the board  
35 may prescribe, an amount equal to that which would have been  
36 withheld as regular deductions at the rate of 11 per cent from his  
37 regular compensation for such five year period based on his last  
38 12 months of regular compensation less contributions made  
39 during said member's last five years of creditable service; pro-  
40 vided, further, that any inactive member who elects to retire  
41 before he has made said five years of contributions at 11 per cent,  
42 said member shall pay, in one sum or in installments as the board  
43 may prescribe, in amount equal to that which would have been  
44 withheld as regular deductions at the rate of 11 per cent from his  
45 regular compensation for such five-year period based on the last  
46 12 months of regular compensation which would have been paid  
47 to said inactive member had said member continued in the posi-  
48 tion from which he is currently inactive less contributions made  
49 during said member's last five years of creditable service. Any  
50 schedule permitting an acceleration of contributions shall be con-  
51 sistent with the plan qualification requirements of the Internal  
52 Revenue Code and shall, where necessary to meet the require-  
53 ments of the Internal Revenue Code, provide for an actuarial  
54 reduction of benefits by the actuary appointed by the commission  
55 in accordance with the provisions of section 21. Any member who  
56 elects to participate in the alternative supernannuation retirement  
57 benefit program and pays additional contributions pursuant to this  
58 section and does not complete 25 years of creditable service shall  
59 upon termination from membership in or retirement from the  
60 system be reimbursed such additional contributions, plus regular  
61 interest, as determined by the state retirement board.

62 (ii) The normal yearly amount of the retirement allowance for  
63 an eligible employee who has completed at least 25 years of cred-  
64 itable service and has paid the full amount of regular deductions  
65 on the total amount of regular deductions on the total amount of  
66 regular compensation as determined under paragraph (a) of subdi-  
67 vision (2) shall be based on the average annual rate of regular  
68 compensation as determined under said paragraph (a) and shall be  
69 computed according to the table contained in said paragraph (a)  
70 based on the age of such member and his number of years and full  
71 months of creditable service at the time of his retirement with the  
72 percentage of salary average in such computation to be increased

73 by 2 per cent per year for each full year of service in excess of 24  
74 years of creditable service. For any member who retires prior to  
75 age 55, his age factor shall be determined in accordance with sub-  
76 division (1) of section 10. For any member who retires before  
77 completing 25 years of service, such member shall receive a  
78 retirement allowance equal to the retirement allowance that the  
79 member would have been eligible for had he not participated in  
80 the alternative superannuation retirement benefit program.

81 The total normal yearly amount of the retirement allowance, as  
82 determined in accordance with the provisions of this subdivision,  
83 of any employee who retires and receives an additional benefit  
84 under the alternative superannuation retirement benefit program  
85 shall not exceed four-fifths of the average annual rate of his reg-  
86 ular compensation received during any period of three consecutive  
87 years of creditable service for which the rate of compensation was  
88 the highest or of the average annual rate of his regular compensa-  
89 tion received during the period or periods, whether or not consec-  
90 utive, constituting his last three years of creditable service  
91 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 (h) In consultation with the state board of retirement, or the  
5 board appropriated county, city or town contributory retirement  
6 system, review and analysis of information required under subdivi-  
7 sion (4) of section 5 and the valuation of the annual costs and  
8 actuarial liabilities attributable to the additional benefits payable  
9 under said subdivision (4). Said analysis shall focus on the contri-  
10 butions made by members and the normal cost of benefits, plus  
11 any other liabilities determined by the actuary to be a result of  
12 such benefit changes under said subdivision (4). Said analysis  
13 shall also compare the total costs and actuarial liabilities attribut-  
14 able to those members who retire under the provisions of subdivi-  
15 sion (4) with the members classified in Group 1 and Group 2 of  
16 paragraph (g) of subdivision (2) of section 3 who do not retire  
17 under the provisions of said subdivision (4). Beginning January 1,  
18 2003, and every year thereafter, the actuary shall forward such  
19 analysis to state board of retirement, or the board appropriated

20 county, city or town contributory retirement system, the clerks of  
21 the house of representatives and the senate, the house and senate  
22 committees on ways and means and the joint committee on public  
23 service.

1 SECTION 4. Subdivision (1) of section 22 of said chapter 32,  
2 as amended by chapter 114 of the acts of 2000, is hereby amended  
3 by striking out paragraph (b) and inserting in place thereof the  
4 following paragraph:—

5 (b) The treasurer or other disbursing officer in charge of payroll  
6 in any governmental unit to which a system pertains, and the trea-  
7 surer or other disbursing officer in charge of payrolls in any free  
8 public library the employees of which are eligible for membership  
9 in a system, shall, upon written notice from the board, withhold on  
10 each pay day 5 per cent of the regular compensation of each  
11 employee who is a member in service of the system, which is  
12 received on the day by the member on account of service rendered  
13 by him on or after January 1, 1946, and not later than the date of  
14 his attaining the maximum age for his group, in the case of an  
15 employee who entered the service of the commonwealth or a  
16 political subdivision thereof prior to January 1, 1975; withhold on  
17 each pay day 7 per cent of the regular compensation of each  
18 employee who is a member in service of the system, which is  
19 received on the day by the member on account of service rendered  
20 by him on or after January 1, 1975, and not later than the date of  
21 his attaining the maximum age for his group, in the case of an  
22 employee who entered the service of the commonwealth or a  
23 political subdivision thereof on or after January 1, 1975, but prior  
24 to January 1, 1984; and withhold on each pay day 8 per cent of the  
25 regular compensation of each employee who is a member in  
26 service of the system, which is received on the day by the member  
27 on account of service rendered by him on or after January 1, 1984,  
28 and not later than the date of his attaining the maximum age for  
29 his group in the case of an employee who entered the service of  
30 the commonwealth or a political subdivision thereof on or after  
31 January 1, 1984, but before July 1, 1996; and withhold on each  
32 pay day 9 per cent of the regular compensation of each employee  
33 who is a member in service of the system, which is received on  
34 the day by the member on account of service rendered by him on

35 or after July 1, 1996, and not later than the date of his attaining  
36 the maximum age for his group, in the case of an employee who  
37 entered the service of the commonwealth or a political subdivision  
38 thereof on or after July 1, 1996; and withhold on each pay day 12  
39 per cent of the regular compensation of each employee who is a  
40 member of the state police appointed pursuant to section 10 of  
41 chapter 22C, and is a member in service of the system, which is  
42 received on the day by the member on account of service rendered  
43 by him on or after July 1, 1996, and not later than the date of his  
44 attaining the maximum age for his group, in the case of an  
45 employee who entered the service of the state police on or after  
46 July 1, 1996; and withhold on each pay day 11 per cent of the reg-  
47 ular compensation of each employee who participates in the alter-  
48 native superannuation retirement benefit program established  
49 under subdivision (4)(j) of section 5 on account of such service  
50 rendered by him on or after July 1, 2002; and withhold on each  
51 pay day 11 per cent of the regular compensation of each employee  
52 who participates in the alternative superannuation retirement ben-  
53 efit program established under subdivision (4)(i) of section 5 on  
54 account of such service rendered by him on or after July 1, 2001;  
55 provided, however, that in the case of any teacher the withholding  
56 shall be made upon written notice from the school committee or  
57 board of trustees or other employing authority, to the treasurer or  
58 other disbursing officer of the political subdivision by which such  
59 teacher is employed;.

1 SECTION 5. Paragraph (b½) of said subdivision (1) of said  
2 section 22 of said chapter 32, as amended by chapter 114 of the  
3 acts of 2000, is hereby deleted and amended by inserting the  
4 following sentence:— The additional contributions required under  
5 this paragraph shall not apply to any employee who participates in  
6 the alternative superannuation retirement benefit programs estab-  
7 lished 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)(j) of  
3 section 5 of said chapter 32 of the General Laws before July 1,  
4 2002.

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