

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Kevin G. Honan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to provide for appropriations by a city or town for a trust fund to provide for future liabilities of health insurance for retirees of such cities or towns.

PETITION OF:

NAME:

Kevin G. Honan

DISTRICT/ADDRESS:

17th Suffolk

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2568 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO PROVIDE FOR APPROPRIATIONS BY A CITY OR TOWN FOR A TRUST FUND TO PROVIDE FOR FUTURE LIABILITIES OF HEALTH INSURANCE FOR RETIREES OF SUCH CITIES OR TOWNS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 32B of the General Laws as so appearing, is hereby amended by inserting after section
2 3A a new section:—
3 In order to offset the anticipated cost of premium payments for or direct payments to retired
4 employees, and the eligible surviving spouse or dependents of deceased employees pursuant to
5 this chapter, cities, towns, counties, and districts may appropriate such sums as may be approved
6 by the appropriate legislative body. Such amounts shall be credited to a special fund to be known
7 as the post-retirement insurance liability fund. Any interest or other income shall be added to and
8 become part of such fund. The treasurer of the city, town, county or district shall be the custodian
9 of such fund. Notwithstanding any general or special law to the contrary, the city council in a
10 city, the selectman in a town, the town council or the district may assign responsibility for
11 investment of the monies in said fund to the retirement board of which the employees of the
12 participating unit are members, or the PRIT Fund. In any event, investment of said monies shall
13 take place in accordance with the standard set forth in subdivision (3) of section 23 of chapter 32.
14 Amounts may be appropriated to such fund for such purposes in a town at an annual town
15 meeting by a majority vote, and in a city by majority vote of the city council. Amounts may be
16 expended from such funds only in accordance with an actuarial schedule of payments developed
17 by the governmental unit's chief executive officer and approved by the actuary in the division of
18 insurance and designed to reduce to zero any unfunded liability attributable to the payment of
19 such premiums or direct payments. Such schedule shall be designed to maintain such premium
20 costs or direct payments as a fixed ration of the current and predicted future payroll of the

21 governmental unit or such other acceptable actuarial method that is approved by the actuary in
22 the division of insurance.

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