

**HOUSE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Bradley H. Jones, Jr.**

*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 Reforming State Pension.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Viriato Manuel deMacedo	1st Plymouth
Bradley H. Jones, Jr.	20th Middlesex
George N. Peterson, Jr.	9th Worcester
Elizabeth Poirier	14th Bristol

# The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine  
\_\_\_\_\_

## AN ACT REFORMING STATE PENSION.

*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. Section 1 of Chapter 32 of the General Laws, as most recently amended by Section  
2 15 of Chapter 130 of the Acts of 2008, is hereby amended by inserting after the words “forty-  
3 five” in line 399, the following words:- and up to and including January 1, 2010.

4 SECTION 2. Said section 1 is hereby amended by inserting in the definition of “regular  
5 compensation” after the first paragraph the following new paragraph: -

6 “Regular compensation,” during any period subsequent to January 1, 2010, shall mean the full  
7 salary, wages or other compensation in whatever form, lawfully determined for the individual  
8 service of the employee by the employing authority, not including bonus, overtime, allowances  
9 for housing, transportation, travel, insurance premiums, dependent care assistance, tuition, any  
10 and all employment related expense reimbursements, severance pay for any and all unused sick  
11 leave, or any other payments made as a result of giving notice of retirement, and any other such  
12 compensation in excess of salary or wages or as reasonably determined by the board.

13 SECTION 3. Section 1 of chapter 32 of the General Laws, as so appearing, is hereby amended  
14 by inserting following the definition of the words “Annuity savings fund” the following: -  
15 “Average annual rate of regular compensation”, shall be the average of the rate of regular  
16 compensation for any qualifying year of credible service received during each pay period during  
17 the qualifying year.

18 SECTION 4. Paragraph (b) of subdivision (1) of section 5 of chapter 32, of the General Laws, as  
19 appearing in the 2006 Official Edition, is hereby amended at the end thereof by adding  
20 following: - In the event that eighty per cent or greater of his regular compensation is in payment  
21 for duties in the group having the higher maximum age limit, such member shall not be  
22 considered to have achieved the maximum age for superannuation until he has attained the  
23 maximum age limit in the group having the higher maximum age limit, said member shall be  
24 limited to the performance of such later duties as prescribed in this paragraph.

25 SECTION 5. Subdivision (2) of section 5 of chapter 32, of the General Laws, as appearing in  
26 the 2006 Official Edition, is hereby amended at the end thereof by adding the following  
27 sentences: - Provided that in any given year, no retirement allowance, as provided for by this  
28 chapter, shall exceed four hundred per cent of the average retirement allowance in the  
29 Commonwealth. The board shall determine the average retirement allowance in the  
30 Commonwealth as of January 1 of each year.

31 SECTION 6. Section 5 of said chapter 32, as so appearing, is hereby amended by adding the  
32 following subdivisions:-

33 (5) In the event a member chooses to base his average annual rate of regular compensation on the  
34 last 3 years of creditable service, the maximum amount of allowable regular compensation  
35 increase for retirement purposes shall be no more than the regular compensation earned in the  
36 third year prior to retirement plus 20%. A member's actual regular compensation may be greater  
37 than this amount but for retirement purposes the retirement regular compensation shall be capped  
38 at the above figure. In the event a member has made overpayment to the retirement system board  
39 based on actual regular compensation versus allowable regular compensation for retirement  
40 purposes, those amounts shall be refunded together with the actuarial assumed rate of interest for  
41 that 3 year period.

42 (6) Notwithstanding any general or special law to the contrary, all calculations of years of  
43 creditable service shall be based on actual full calendar years and pro-rated amounts worked. No  
44 credit shall be given for anticipated work not actually performed. However, the provisions of this  
45 paragraph shall not apply to any elected official first elected prior to January 1, 2010.

46 SECTION 7. Subsection 2 of section 6 of said chapter 32, as so appearing, is hereby amended by  
47 striking out, in line 66 the word "and" and inserting in place thereof the word:- or

48 SECTION 8. Paragraph (a) of subsection 2 of section 10 of chapter 32 of the General Laws, as  
49 appearing in the 2006 Official Edition, is hereby amended by striking out, in lines 50 and 51, the  
50 words "fails of nomination or re-election, or".

52 SECTION 9. Said paragraph (a) of said subsection (2) of said section 10 of said chapter 32, as so  
53 appearing, is further amended, by striking out lines 73-77, and inserting in place thereof the  
54 following words:-

55 the following circumstances applies: (1) that the employee has failed of re-appointment, (2) that  
56 the employee's office or position has been abolished, or (3) that the employee has been removed  
57 or discharged from his position without moral turpitude on his part.

58 SECTION 10. Section 11 of said chapter 32, as so appearing, is hereby amended by striking out,  
59 in line 13, the word "zero" and inserting in place thereof the following words:- one-half the  
60 actuarial assumed interest rate of the member's retirement system

61 SECTION 11. Said section 11 of said chapter 32, as so appearing, is hereby further amended by  
62 striking out, in line 18, the words "fifty percent of the rate of regular interest otherwise payable"  
63 and inserting in place thereof the following words:- one-half the actuarial assumed interest rate  
64 of the member's retirement system.

65 SECTION 12. Paragraph (b<sup>1/2</sup>) of subdivision (1) of section 22 of said chapter 32, as most  
66 recently amended by chapter 68 of the acts of 2007, is hereby amended by striking out, in line  
67 95, the words "thirty-thousand dollars" and inserting in place thereof the following figure:-  
68 "50,000.

69 SECTION 13. Said paragraph (b<sup>1/2</sup>) of said subdivision (1) of said section 22 of said chapter 32,  
70 as so appearing, is further amended by adding the following sentence:- The provisions of this  
71 paragraph shall expire June 30, 2013.

72 SECTION 14. Section 50 of chapter 367 of the acts of 1978 shall expire June 30, 2013.