

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Patricia D. Jehlen

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 relative to increasing the cost of living adjustment (cola) base.

PETITION OF:

NAME:

Patricia D. Jehlen

DISTRICT/ADDRESS:

Second Middlesex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S01515 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO INCREASING THE COST OF LIVING ADJUSTMENT (COLA) BASE.

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 22C of chapter 32 of the General Laws, as amended by
2 section 1 of chapter 377 of the acts of 2008, is hereby further amended by striking out, in the first
3 sentence of the second paragraph thereof, the words "June 30, 2025" and inserting in place thereof the
4 following words, June 30, 2028.

5

6 SECTION 2. Section 22D of said chapter 32, as appearing in the 2006 Official Edition, is amended by
7 inserting in line 29 after the word "approve" the following words: - provided further, however, that in
8 the event that a system has accepted the provisions of paragraph (j) of Section 103, the funding
9 schedule, and any updates thereto, shall be designed to reduce the unfunded actuarial liability of said
10 system to zero as of such year, that may be subsequent to June 30, 2028, as the commission shall
11 approve.

12

13 SECTION 3. Paragraph (c) of section 102 of said chapter 32, as appearing in the 2006 Official Edition,
14 is amended by striking out in lines 32, 36 and 43 the dollar amount "\$12,000" and inserting in place
15 thereof the following dollar amount: - \$16,000.

16

17 SECTION 4. Section 103 of said chapter 32 is amended by inserting the following new paragraph: -

18 (j) Notwithstanding the provisions of paragraph (a) to the contrary, the board of any system may, by
19 accepting the provisions of this paragraph as hereinafter provided, elect to pay a cost-of-living
20 adjustment on a base amount greater than \$12,000. Acceptance of this paragraph shall be by a majority
21 vote of the board of such system, subject to the approval of the legislative body. For the purpose of this
22 paragraph, "legislative body" shall mean, the city council in accordance with its charter, in the case of a
23 town, the town meeting, in the case of a county or region, the county or regional retirement board
24 advisory council, in the case of a district, the district members, and, in the case of an authority, the
25 governing body. Acceptance of this paragraph shall be deemed to have occurred upon the filing of the
26 certification of such vote with the commission. A decision to accept the provisions of this paragraph may
27 not be revoked. Notwithstanding the provisions of subdivision (6A) of Section 22 or Section 22D to the
28 contrary, for each system that has accepted the provisions of this paragraph, the board, in consultation
29 with the commission, shall prepare a funding schedule which shall reflect the costs and the actuarial
30 liabilities attributable to the cost of living allowance that may be paid in accordance with the provisions
31 of this paragraph and said schedule shall be designed to reduce the applicable retirement system's
32 pension liability to zero by such year, that may be subsequent to June 30, 2028, as approved by the
33 commission. The board shall file revised funding schedules triennially with the joint committee on public
34 service until such costs and liabilities are reduced to zero.

35

36 SECTION 5. The provisions of sections one and three of this act shall take effect for cost of living
37 adjustments to be made, in accordance with the provisions of section 102 of said chapter 32,
38 commencing July 1, 2009.