SENATE DOCKET, NO. 2112 FILED ON: 10/5/2011

SENATE . . . . . No. 2030

[LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Therese Murray

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:

An Act authorizing the town of Plymouth to establish an other post-employment benefits fund.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Therese Murray	
	☐ *[District]*
	☐

SENATE DOCKET, NO. 2112 FILED ON: 10/5/2011

SENATE . . . . . No. 2030

By Ms. Murray, a petition (accompanied by bill, Senate, No. 2030) of Therese Murray for legislation to authorize the town of Plymouth to establish an other post-employment benefits fund. [Local Approval Received.] Public Service.

The Commonwealth of Massachusetts

An Act authorizing the town of Plymouth to establish an other post-employment benefits fund.

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

SECTION 1: As used in this act, the following words shall have the following meanings:

"GASB 43 and 45", Statements 43 and 45 of the Governmental Accounting Standards Board as amended from time to time and their successors.

"Other Post-Employment Benefits", (OPEB) - Post-employment benefits other than pensions as that term is defined in GASB 43 and 45 including post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

SECTION II: (a).There shall be in the Town of Plymouth an OPEB Trust Fund, which shall be under the supervision and management of the Town's Contributory Retirement Board established under paragraph (b) of subdivision (4) of section 20 of Chapter 32 of the General Laws. The Town Treasurer shall be the custodian of the OPEB Trust Fund and may employ an outside custodial service.

(b) Beginning in fiscal year 2012, the OPEB Trust Fund shall be credited with all amounts, appropriated or otherwise made available by the Town for the purposes of meeting the current and future OPEB costs payable by the Town. The OPEB Trust Fund shall be credited with all amounts contributed or otherwise made available by employees of the Town, for the purpose of meeting future OPEB costs payable by the Town. Amounts in the OPEB Trust Fund, including any earnings or interest accruing from the investment of these amounts, shall be expended only for the payment of the costs payable by the Town for OPEB in consultation with the Town's Contributory Retirement Board. Subject in each instance to the approval of the Town's Contributory Retirement Board, the Town Treasurer shall invest and reinvest the amounts in the OPEB Trust Fund not needed for current disbursement consistent with the

prudent person rule, but no funds may be invested directly in mortgages or in collateral loans. The OPEB Trust Fund shall be subject to the Public Employee Retirement Administration Commission's triennial audit.

(c) The Board may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB Trust Fund and may pay from the OPEB Trust Fund for this advice and other services determined by the Town's Contributory Retirement Board. Procurement for these services shall be subject to the procurement procedures and rules followed by the Town's Contributory Retirement Board for services to the Town's Contributory Retirement System.

(d) If any civil action is brought against a member of the Retirement Board, the defense or settlement of which action is made by an attorney employed by the Retirement Board, the member shall be indemnified for all expenses incurred in the defense of this action and shall be indemnified for damages to the same extent as provided for public employees in Chapter 25B of the General Laws if the claim arose out of acts performed

by the member or members while acting within the scope of his official duties, but no member of a retirement board shall be indemnified for expenses incurred in the defense of an action or damages awarded in an action in which there is shown to be a breach of fiduciary duty, an act of willful dishonesty or an intentional violation of law by the member.

• SECTION III: (a) An actuary, who shall be a member of the American Academy of Actuaries, shall perform an actuarial valuation of the Town's OPEB liabilities and funding schedule, as of January 1, 2011, and no less frequently than every second year thereafter. All these determinations shall be made in accordance with generally accepted actuarial standards and shall conform to the requirements of GASB 43 and 45 and the actuary shall make a report of such determinations to the Town Meeting. The report shall, without limitation, detail the demographic and economic actuarial assumptions used in making these determinations, and each such report after the first report shall also include an explanation of the changes, if any, in the demographic and economic actuarial assumptions employed and the reasons for any changes.

(b) Beginning in fiscal year 2012, all payments for the purposes of meeting the Town's costs of OPEB under this act shall be made from the OPEB Trust Fund. Funds in the OPEB Trust Fund must be segregated from all other funds. Disbursements from the OPEB Trust Fund including any earnings or interest accruing from the investment of these amounts may only be based on sections 1 to 3, inclusive, of this act.

57 SECTION IV: Any federal reimbursements, that a political subdivision receives, as a
58 participant in the Retiree Drug Subsidy Program created under the Medicare Prescription Drug
59 Improvement and Modernization Act of 2003 (Pub. L. No. 108-173), may, but is not required to,
60 be added to and become part of said fund.

61 SECTION V: This act shall take effect upon its passage.