HOUSE DOCKET, NO. 1496 FILED ON: 1/15/2015

HOUSE . . . . . No. 2350

The Commonwealth of Massachusetts

PRESENTED BY:

Jay R. Kaufman

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 adoption of the accompanying bill:

An Act relative to retiree health benefits.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Jay R. Kaufman	*15th Middlesex*

HOUSE DOCKET, NO. 1496 FILED ON: 1/15/2015

HOUSE . . . . . No. 2350

By Mr. Kaufman of Lexington, a petition (accompanied by bill, House, No. 2350) of Jay R. Kaufman relative to public employee retiree health benefits. Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *2367* OF 2013-2014.]

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act relative to retiree health benefits.

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

SECTION 13. Section 8 of chapter 32A of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking out, in line 4, the words " and retired employees" and inserting in place thereof the following words:- employees and retired employees who have received at least 35 years of creditable service.

SECTION 14. Said section 8 of chapter 32A, as so appearing, is hereby further amended by inserting after the first paragraph the following paragraph:-

The commonwealth's share of the group insurance premium for state employees who have retired before July 1, 1994, shall be 90 per cent. The commonwealth's share of the group insurance premium for state employees who have retired on or after July 1, 1994 and who filed an application for retirement on or before October 1, 2009, for a retirement date not later than

11 January 31, 2010, shall be 85 per cent. The commonwealth's share of the group insurance
12 premium for active state employees who file an application for retirement after October 1, 2009
13 and before July 1, 2010, shall be 80 per cent. The commonwealth's share of the group insurance
14 premium for active state employees who file an application for retirement after October 1, 2009,
15 and have received at least 25 years of creditable service shall be 80 per cent until a different
16 contribution rate is established under this section. For state employees who have not vested in
17 the state retirement system prior to July 1, 2016 and who subsequently file an application for
18 retirement on or after July 1, 2016, the following adjustments to contribution rates shall apply:
19 (a) For a retired employee with 10 years of creditable service, the commonwealth shall
20 contribute 25 per cent of the contribution rate that the retired employee would have received if
21 the employee retired with at least 35 years of creditable service. (b) For each year of a retiree's
22 creditable service between 10 and 35 years, the commonwealth shall add an additional 3
23 percentage points to its rate of contribution under the previous sentence. (c) For retirees
24 receiving an ordinary disability retirement allowance under section 6 of chapter 32, the rate of
25 contribution under this paragraph shall be determined as if the retiree had continued in active
26 service until the maximum retirement age for the retiree's group as specified in the table in
27 subsection (a) of subdivision (2) of section 5 of chapter 32. (d) For retirees receiving an
28 accidental disability retirement allowance under section 7 of chapter 32, the rate of contribution
29 shall be the rate of contribution to retired employees who have received at least 25 years of
30 creditable service. Each retirement board with members affected by this section shall provide
31 the commission annually with the years of creditable service of its retirees, the group of which
32 each retiree is a member, the type of retirement for each employee and any other information
33 required by the commission. All savings that result from the difference between (i) the payments

34 that would have been made without pro-rating of contributions and (ii) the payments made under
35 this section, as determined by the commission, shall be appropriated to the State Retiree Benefits
36 Trust Fund established under section 24.