

HOUSE No. 2327

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to limit public pensions to three times the social security payment that a private worker would receive with the same contribution history.

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 ONE: Section One of Chapter Thirty-Two of the General Laws of
2 Massachusetts is hereby amended by at the end the following new paragraphs:

3 “Inflation adjustment reference month”, the calendar month including the date ninety
4 days before the member’s retirement date

5 “Monthly inflation-adjusted regular compensation”, regular compensation multiplied by a
6 fraction, the numerator of which is the Bureau of Labor Statistics Consumer Price Index for All
7 Urban Consumers in the United States (“CPI-U”) for the inflation adjustment reference month,
8 and the denominator of which is the CPI-U for the compensation month; provided that for
9 months or part-months after the inflation-reference month, the fraction shall be one.

10 “Monthly average inflation-adjusted regular compensation”, the sum of the inflation-
11 adjusted regular compensation for each month for which the member claims creditable service
12 divided by the number of said months.

13 “Annualized average inflation-adjusted regular compensation”, the monthly average
14 inflation-adjusted regular compensation multiplied by twelve.

15 “Seniority adjusted real compensation baseline”, annualized average inflation-adjusted
16 regular compensation multiplied by a sum, the sum being one plus a product, the product being
17 three one hundredths times the member’s years of creditable service.

18 SECTION TWO: Section Five of Chapter Thirty-Two of the General Laws of
19 Massachusetts by inserting before the period at the end of subsection (c) by inserting the
20 following words: “nor shall it exceed four-fifths of the seniority-adjusted real compensation
21 baseline.”