

HOUSE No. 2328

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to limit public pensions to a level related to lifetime earnings.

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.”