

HOUSE No. 2467

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to provide for appropriations by a city or town for a trust fund to provide for future liabilities of health insurance for retirees of such cities or towns..

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

1 Chapter 32B of the General Laws as so appearing, is hereby amended by inserting after
2 section 3A a new section:—In order to offset the anticipated cost of premium payments for or
3 direct payments to retired employees, and the eligible surviving spouse or dependents of
4 deceased employees pursuant to this chapter, cities, towns, counties, and districts may
5 appropriate such sums as may be approved by the appropriate legislative body. Such amounts
6 shall be credited to a special fund to be known as the post-retirement insurance liability fund.
7 Any interest or other income shall be added to and become part of such fund. The treasurer of the
8 city, town, county or district shall be the custodian of such fund. Notwithstanding any general or
9 special law to the contrary, the city council in a city, the selectman in a town, the town council or
10 the district may assign responsibility for investment of the monies in said fund to the retirement
11 board of which the employees of the participating unit are members, or the PRIT Fund. In any
12 event, investment of said monies shall take place in accordance with the standard set forth in
13 subdivision (3) of section 23 of chapter 32. Amounts may be appropriated to such fund for such
14 purposes in a town at an annual town meeting by a majority vote, and in a city by majority vote

15 of the city council. Amounts may be expended from such funds only in accordance with an
16 actuarial schedule of payments developed by the governmental unit's chief executive officer and
17 approved by the actuary in the division of insurance and designed to reduce to zero any unfunded
18 liability attributable to the payment of such premiums or direct payments. Such schedule shall be
19 designed to maintain such premium costs or direct payments as a fixed ration of the current and
20 predicted future payroll of the governmental unit or such other acceptable actuarial method that
21 is approved by the actuary in the division of insurance.