

HOUSE No. 3938

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to pension reform..

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 1. Section 10 of chapter 32 of the General Las, as appearing in the 2006
2 Official Edition, is hereby amended by striking out in line 4 the words “or fails of nomination or
3 re-election”.

4 SECTION 2. Said chapter 32 is hereby further amended by inserting after section 22 the
5 following section:-

6 Section 23. The provisions of this chapter relating to defined benefit plans shall not
7 apply to any employee hired after October 1, 2009. They shall be covered by 401 (K) coverage
8 with the state, county, city or town providing a 7 per cent match. Any employee not vested as of
9 October 2, 3009 may elect to participate in 401 (K) coverage and associated accrued defined
10 benefits may be transferred to 401 (K) coverage with state, county, city, or municipal 7 per cent
11 match. Disability pensions shall continue for such employees who sustain job related injuries
12 that prohibit them from performing work in any gainful capacity. Disability pensions shall be
13 based on the regular salary of the employee and not that of any employee he is filling in for. All
14 pension funds shall be managed by the PRIM board.

15 SECTION 3. Said chapter 32 is hereby further amended by adding the following 2
16 sections:-

17 Section 106. Any person who knowingly provides false information to obtain pension
18 benefits or accepts unearned benefits shall be punished by imprisonment in a prison for not more
19 than 5 years.

20 Section 107. Employees shall not automatically be allowed to inflate their pensions with
21 raises and additional compensation during their final year of service.