

HOUSE No. 614

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act authorizing the City of Medford to provide for an early incentive retirement for its workforce..

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

1 AN ACT, providing for the workforce reduction of the City of Medford through an early
2 retirement incentive program for certain employees. Whereas, The deferred operation of this act
3 would tend to defeat its purpose, which is to provide forthwith for a fair and orderly manner in
4 which the number of employees of the City of Medford can be reduced in order to meet fiscal
5 limitations, therefore it is hereby declared to be an emergency law, necessary for the immediate
6 preservation of the public convenience.

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

9 Section 1.

10 The following definitions and provisions contained therein are applicable for the
11 purposes of this Act.

Eligible Employee- shall mean an active member of the retirement system of the City of Medford who meets all of the following criteria:

has been an active member in the retirement system for at least twenty (20) years and is eligible to receive a superannuation retirement allowance in accordance with subdivision (1) of section 5 of said chapter 32 or subdivision (1) of section 10 of said chapter 32 upon the effective retirement date specified in his written application to the retirement system ;

is not a member of the State Teachers' Retirement system;

shall have filed a Notice of Incentive Participation with the City of Medford retirement system in accordance with section (3) herein;

shall be classified in Group 1, Group 2 or Group 4 in accordance with clause (g) of subdivision (2) of section 3 of said chapter 32.

Shall have waived any longevity payment due him from the City of Medford for the period commencing at the Start Date, as defined herein, and ending on his Retirement Date.

Shall have waived any annual sick leave incentive payment or unused accrued vacation, personal days or sick time due him from the City of Medford that would have been payable upon his Retirement Date.

Shall not have used more sick days than he has accrued in each year during that part of the Incentive Participation Period that includes the period between January 1, 2009 and ends on his Retirement Date unless the additional sick days have been approved by a physician or other medical professional chosen by the Executive Authority.

Incentive Participation Period- shall mean the period of January 1, 2008 through January, 15, 2012.

Election Period: shall mean the period of June 15, 2009 through December 31, 2009.

Executive Authority- shall mean the Mayor of the City of Medford.

Notice of Incentive Participation- shall mean a written application for use by Eligible Employees to indicate their participation in the Early Incentive Retirement Program herein which shall be filed during the Election Period and shall include the Start Date chosen by the Eligible Employee.

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Retirement Date- shall mean the effective date, no later than January 15, 2012, on which an Eligible Employee shall retire. This date shall be set forth on the Notice of Incentive Participation.

Retirement Increase- shall mean an increase in the age of an Eligible Employee or his number of years and full months of creditable service. The amount of increase for an Eligible Employee who is classified in Group 1 shall be either by adding up to 4 years of age or by adding up to 4 years of creditable service or by a combination of additional years of age and service the sum of which shall not be greater than 4. The amount of increase for an Eligible Employee who is classified in Group 2 or Group 4 shall be either by adding up to 2 years of age or by adding up to 2 years of creditable service or by a combination of additional years of age and service the sum of which shall not be greater than 2. In addition, the increase shall not exceed the number of weeks during the Incentive Participation Period during which the Eligible

Employee has had an additional amount of four percent (4%) withheld from his regular compensation as set forth in Section 3 of this Act and any Retroactive Benefit which the Eligible Employee may have purchased.

Retroactive Benefit- shall mean the ability of an Eligible Employee to pay an amount equivalent to four percent (4%) of his annual compensation for the period of January 1, 2008 through December 31, 2008 and, in exchange, to have the calculation of his age or his number of years and full months of creditable service at the time of his retirement increased either by adding up 1 year of age or by adding 1 year of creditable service or by a combination of additional age and service the sum of which shall not be greater than one [1] year. An Eligible Employee may pay said amount in one lump sum or by way of incremental payments at such times and in such amounts as may be approved by the City Treasurer. However, in any event, such payment shall be made before the Eligible Employee's Retirement Date.

Start Date- shall mean the date on which an Eligible Employee begins to have an additional contribution of four percent (4%) withheld from his regular compensation to be credited toward his superannuation retirement benefit in excess of the regular amount which is withheld as his contribution to his superannuation retirement. This date shall be set forth on the Notice of Incentive Participation.

Section 2

Notwithstanding chapter 32 of the General Laws or any other general or special law to the

contrary, this section shall apply to an "Eligible Employee" as defined herein.

Notwithstanding this section or any general or special law to the contrary, the Executive Authority of the City of Medford may designate the municipal departments to which the early retirement incentive program shall apply and the time periods when it shall apply.

Section 3

During the Election Period an Eligible Employee may file with the Administrator of the Medford Retirement Board a Notice of Incentive Participation indicating a Start Date on which the Eligible Employee chooses to have an additional amount of four percent (4%) withheld from his regular compensation to be credited toward his superannuation retirement benefit. The Administrator of the Medford Retirement Board shall forward a copy of the Notice of Incentive Participation to the Medford City Treasurer with the instruction to the Treasurer to withhold on each pay day beginning with the Start Date and for every pay day following thereafter up to the Eligible Employee's Retirement Date four percent (4%) of the regular compensation of the Eligible Employee to be credited toward his superannuation retirement benefit in addition to any amounts already being withheld for this purpose.

The

Eligible Employee's Start Date and Retirement Date must occur within the Incentive

94 Retirement Period.

95
96 In addition, an Eligible Employee may purchase a Retroactive Benefit by paying
97 an amount equivalent to four percent (4%) of his annual compensation for the
98 period of January 1, 2008 through December 31, 2008 and, in exchange, to have
99 the calculation of his age or his number of years and full months of creditable
100 service at the time of his retirement increased either by adding 1 year of age or by
101 adding 1 years of creditable service or by a combination of additional age and
102 service the sum of which shall not be greater than one [1] year. An Eligible
103 Employee may pay said amount in one lump sum or by way of incremental
104 payments at such times and in such amounts as may be approved by the City
105 Treasurer. However, in any event, such payment shall be made before the Eligible
106 Employee's Retirement Date.

107 Any additional contributions paid by an Eligible Employee pursuant to the provisions of
108 this
109 Act will be contributed on an "after tax basis". It is the intent of this Act that all
110 contributions
111 herein are "after tax dollars".

An Eligible Employee's decision to participate in the Early Incentive Retirement
provided by

this Act shall be irrevocable.

Section 4

Notwithstanding said chapter 32 to the contrary, the normal yearly amount of the
retirement allowance for an Eligible Employee shall be based on the average annual rate of
regular compensation as determined under paragraph (a) of subdivision (2) of section 5 of
said chapter 32 and shall be computed according to the table contained in said paragraph (a)
based on the age of such member and his number of years and full months of creditable service
at the time of his retirement increased, for an Eligible Employee who is classified in Group 1,
either by adding up to 4 years of age or by adding up to 4 years of creditable service or by a
combination of additional years of age and service the sum of which shall not be greater than 4
and for an Eligible Employee who is classified in Group 2 or in Group 4, either by adding up to
2 years of age or by adding up to 2 years of creditable service or by a combination of additional
years of age and service the sum of which shall not be greater than 2. In addition, the amount of
additional age or creditable service shall not exceed the number of weeks during the Incentive
Participation Period during which the Eligible Employee has had an additional amount of four
percent (4%) withheld from his regular

compensation as set forth in Section 3 of this act along with any Retroactive Benefit
purchased by the Eligible Employee.

Section 5

133 The Executive Authority of the City of Medford may limit the amount of additional credit
134 for service or age or a combination of service or age offered. The Executive Authority of the
135 City of Medford may limit the total number of employees for whom it will approve a retirement
136 calculated under this section or the total number of employees within each group classification
137 for whom he will approve a retirement calculated under this section and, if participation is
138 limited, the retirement of employees with greater years of creditable service shall be approved
139 before approval shall be given to employees with fewer years of creditable service.

140 Section 6

141 The total normal yearly amount of the retirement allowance, as determined in accordance
142 with section 5 of said chapter 32, of an Eligible Employee who retires and receives an additional
143 benefit under the early retirement incentive program in accordance with this Act shall not
144 exceed 80 percent of the average annual rate of his regular compensation received during any
145 period of 3 consecutive years of creditable service for which the rate of compensation was the
146 highest or of the average annual rate of his regular compensation received during the periods,
147 whether or not consecutive, constituting his last 3 years of creditable service preceding
148 retirement, whichever is greater.

149 Section 7

150 Nothing in this Act shall prohibit an Eligible Employee from making his payment for the
151 Retirement Increase or Retroactive Benefit by way of a lump sum payment.

152 Section 8

The executive director of the Public Employee Retirement Administration Commission shall analyze, study and value the costs and the actuarial liabilities attributable to the additional benefits payable in accordance with the early retirement incentive program established by this Act for the retirement system of the City of Medford. The executive director shall file a report of his findings to the board, in writing, on or before December 31, 2009, together with copies thereof to the Mayor of the City of Medford.

Section 9

In accordance with section 22D of said chapter 32, the retirement board of the City of Medford shall revise its retirement funding schedule to reflect the costs and the actuarial liabilities attributable to the additional benefits payable under the retirement incentive program in accordance with this section. In each of the fiscal years until the actuarial liability determined under this section shall be reduced to zero, it shall be an obligation of the City of Medford to fund such liability and there shall be appropriated to the applicable pension reserve fund in each such fiscal year the amount required by the funding schedule and the updates thereto.

Section 10

The Legislature of the Commonwealth of Massachusetts may reasonably vary the form and substance of the requested legislation within the scope of the general public objectives of this petition.

Section 11

All payments made by an Eligible Employee under this Section 3 of this Act and any

173 amounts of money waived by an Eligible Employee for any longevity payment due him
174 from

175 the City of Medford in the final before his Retirement Date or any amounts of money
176 waived

177 by the Eligible Employee representing annual sick leave incentive payment or unused
178 accrued vacation, personal days or sick time due him from the City of Medford that
179 would

180 have been payable upon his Retirement Date shall be forthwith paid to the Medford
181 Retirement system.

182 Section 12

183 This act shall take effect upon its passage

184 Respectfully Submitted,

185 Mayor Michael J. McGlynn,

186 The members of the Medford City Council voting approval for the Home Rule Petition
187 entitled, "AN ACT AUTHORIZING THE CITY OF MEDFORD TO PROVIDE FOR AN
188 EARLY INCENTIVE RETIREMENT FOR ITS WORKFORCE", are as follows, each of whom
189 has affixed her or his signature to this Petition which consists of eight (8) pages in its entirety.

190 _____

191 President Breanna Lungo-Koehn

192 _____

193 Vice President Michael Marks Stephanie Muccini Burke

194 _____

195 Paul A. Camuso Frederick N. Dello Russo

196 _____

197 _____

198 Robert A. Maiocco Robert M. Penta

199 Commonwealth of Massachusetts

200 Middlesex, ss February 10, 2009

201 I, Edward P. Finn, hereby certify that I am the duly appointed City Clerk of the City of
202 Medford and I certify and attest that the document herein is a true copy of the Home Rule
203 Petition passed by the City Council of the City of Medford on February 10, 2009 by a vote of of
204 _____ in favor and _____ in the negative.

205 Attest: _____

206 Edward P. Finn

207 (City Seal)