

SENATE No. 1107

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to evaluate the cost of modifying pension benefits for police officers..

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. The Public Employee Retirement Administration Commission in
2 consultation with the state retirement board shall analyze, study, and evaluate the cost and
3 actuarial liabilities attributable to modifying the retirement benefit for police officers in group 4.
4 The study shall include the cost and the actuarial liability associated in modifying the retirement
5 benefit to extend a 75% calculated benefit for 25 years of service for police officers in group 4.
6 In order to effectuate the funding for this change, the commission shall prepare supplementary
7 pension funding schedules, which shall be designed to reduce the actuarial unfunded liability
8 attributed to this change to 0 on or before June 30, 2028 and shall provide 3 alternative
9 schedules, providing the option of reducing the unfunded liability to 0 by June 30, 2034, June 30,
10 2038 and June 30, 2048, respectfully; provided, that in preparing such schedules the commission
11 shall consider the actuarial value and the market value of the systems assets and liabilities, the
12 long-term investment rate of return on the systems assets and the system's unfunded actuarial
13 liability. The commission shall file a study together with its recommendations and proposed
14 funding schedule to the House and Senate Committee on Ways and Means along with the Joint

15 Committee on Public Service on October 1, 2009. The commission shall provided assistance in
16 developing funding schedules for the purpose of modifying the retirement benefit to extend a
17 75% calculated benefit for 25 years of service for police officers in group 4 to city, town, county,
18 regional, district and authority retirement systems at the request of the appropriate retirement
19 board.