

SENATE No. 2021

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act providing for the work force reduction of the city of Worcester through an early retirement incentive program for certain employees..

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. Notwithstanding the provisions of Chapter 32 as appearing in the 2008
2 Official Edition of the General Laws, or any other general or special law to the contrary, the
3 provisions of this act providing for an early retirement incentive program shall apply to an
4 eligible employee who: (i) shall be an employee of the City of Worcester and an active member
5 in service of the City of Worcester retirement system; (ii) shall be eligible to receive a
6 superannuation retirement allowance in accordance with subdivision (1) of section 5 or
7 subdivision (1) of section 10 of said Chapter 32 upon the effective retirement date specified in
8 his or her written application to the retirement system; (iii) shall have filed a written application
9 with said retirement system in accordance with the seventh paragraph of this section; and (iv)
10 shall be classified in Group 1 (exclusive of Public School personnel) or Group 2 in accordance
11 with clause (9) of subdivision (2) of section 3 of said Chapter 32.

12 For the purposes of this Act, “legislative authority” shall mean the City Council of the
13 City of Worcester and “executive authority” shall mean the City Manager of the City of

14 Worcester. The early retirement incentive program shall be administered by the City of
15 Worcester retirement board which shall promulgate regulations to implement this program.

16 Notwithstanding said Chapter 32 to the contrary, the normal yearly amount of the
17 retirement allowance for an eligible employee shall be based on the average annual rate of
18 regular compensation as determined under paragraph (a) of subdivision (2) of section 5 of said
19 Chapter 32 and shall be computed according to the table contained in said paragraph (a) based on
20 the age of such member and his or her number of years and full months of creditable service at
21 the time of his or her retirement, increased either by adding up to 5 years of age or by adding up
22 to 5 years of creditable service or by a combination of additional years of age and service the
23 sum of which shall not be greater than 5.

24 The executive authority may limit the total number of employees for whom he will
25 approve a retirement calculated under this Act or the total number of employees within each
26 group classification for whom he will approve a retirement calculated under this Act; provided
27 further, that if participation is limited, the retirement of employees with greater years of
28 creditable service shall be approved before approval shall be given to employees with lesser
29 years of creditable service.

Words used in this Act shall
30 have the same meaning as they are used in said Chapter 32 unless otherwise expressly provided
31 or unless the context clearly requires otherwise. An eligible employee who retires and receives
32 an additional benefit in accordance with this section shall be deemed to be retired for
33 superannuation under said Chapter 32 and shall be subject to all of said Chapter 32; provided,
34 however, that for the purposes of this section and notwithstanding subdivision (1) of section 10
35 of said Chapter 32 requiring a member classified in Group 2 to have attained age 55 on the date
36 of his or her termination of service in order to receive a Group 2 benefit, any employee eligible

37 pursuant to the criteria established in this section who is classified in Group 2 and who is at least
38 50 years of age but not yet 55 years of age shall be eligible for a retirement allowance equal to
39 that prescribed for a member classified in Group 2 upon the application for the additional benefit
40 in accordance with this section.

41 The total normal yearly amount of the retirement allowance, as determined in accordance
42 with section 5 of said Chapter 32, of an eligible employee who retires and receives an additional
43 benefit under the early retirement incentive program in accordance with this section shall not
44 exceed 80 percent of the average annual rate of his or her regular compensation received during
45 any period of 3 consecutive years of creditable service for which the rate of compensation was
46 the highest, or of the average annual rate of his or her regular compensation received during the
47 periods, whether or not consecutive, constituting his or her last 3 years of creditable service
48 preceding retirement, whichever is greater.

49 Notwithstanding any provision of section 5 of said Chapter 32 that requires a retirement
50 date within 4 months of the filing of an application for superannuation retirement in order to
51 receive the retirement benefit provided by this section, an eligible employee shall file his or her
52 application for retirement not later than a date determined by the executive authority, which shall
53 be no later than March 31, 2009. The retirement date for eligible employees shall be determined
54 by the executive authority and shall not be earlier than the effective date of this Act and shall be
55 no later than April 30, 2009, provided, however, that notwithstanding section 2 of this Act, the
56 date of retirement for employees of the City of Worcester retirement board shall be 30 days after
57 the retirement date determined by the executive authority.

58 The executive director of the public employee retirement administration commission
59 shall analyze, study and value the costs and the actuarial liabilities attributable to the additional
60 benefits payable in accordance with the early retirement incentive program established by this
61 section. The executive director shall file a report of his findings to the board, in writing, on or
62 before December 31, 2009, together with copies thereof to the Worcester City Council.

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

70 SECTION 2. The City of Worcester shall provide to employees of the retirement board
71 of the City's retirement system the same rights and privileges of the early retirement incentive
72 program as provided in the above Section 1 under the same terms and conditions of that
73 retirement program.

74 SECTION 3. This Act shall take effect upon passage.