

HOUSE No. 2214

The Commonwealth of Massachusetts

PRESENTED BY:

Carlo Basile

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act improving the Massachusetts Port Authority employees retirement system.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Carlo Basile</i>	<i>1st Suffolk</i>	<i>1/18/2013</i>

HOUSE No. 2214

By Mr. Basile of Boston, a petition (accompanied by bill, House, No. 2214) of Carlo Basile relative to the retirement system for employees of the Massachusetts Port Authority. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act improving the Massachusetts Port Authority employees retirement system.

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 5 of Chapter 32 of the General Laws is hereby amended by adding
2 the following new text at the end thereof:-

3 (5)(i) Notwithstanding the provisions of this chapter or any other general or special law
4 to the contrary, there is hereby established an alternative superannuation retirement benefit
5 program for current group 1 and group 2 contributing members of the Massachusetts Port
6 Authority Employees Retirement System. Participation in said program shall be an alternative
7 retirement option at time of hiring for all employees hired on or after July 1, 2013. Such group 1
8 and group 2 members shall make contributions to the Massachusetts Port Authority Employees
9 Retirement System at the rate of 12 per cent on all regular compensation in place of the
10 established member contribution rates, and the established 2 per cent cap rate under chapter 32.
11 Any current member of the Massport Employee Retirement System contributing 5 per cent, 7 per
12 cent, and 9 per cent along with the 2 per cent cap shall have their contribution rate adjusted upon
13 election to participate in this program to 10 per cent. Those members not electing to participate
14 shall remain at their present contribution rates as established under this Chapter. New members
15 participating in this program shall do so at the rate of 10 per cent contribution. Any current
16 group 1 and group 2 contributing member of the Massachusetts Port Authority Retirement
17 System before July 1, 2013 may elect to participate in the alternative superannuation retirement
18 benefit program. Said election shall be made on or after July 1, 2013 and before December 31,
19 2013. Any current group 1 and group 2 contributing member of a contributory retirement system
20 who transfers into the Massachusetts Port Authority Employees Retirement System before July
21 1, 2013 may elect to participate in the alternative superannuation retirement benefit program;

22 provided, that said election shall occur within 180 days of establishing membership in the
23 Massachusetts Port Authority Employees Retirement System.

24 (5)(ii) Any member who elects to so participate shall be required to make a minimum of
25 5 years of contributions at 10 per cent from regular compensation pursuant to section 22;
26 provided, however, that if said member elects to retire before he has made said 5 years of
27 contributions at 10 per cent, said member shall pay, in one sum or in installments as the board
28 may prescribe, an amount equal to that which would have been withheld as regular deductions at
29 the rate of 10 per cent from his regular compensation for such 5 year period based on his last
30 months of regular compensation less contributions made during said member's last 5 years of
31 creditable service; provided, further, that any inactive member who elects to retire before he has
32 made said 5 years of contributions at 10 per cent, said member shall pay, in one sum or in
33 installments as the board may prescribe, an amount equal to that which would have been
34 withheld as regular deductions at the rate of 10 per cent from his regular compensation for such 5
35 year period based on the last 12 months of regular compensation which would have been paid to
36 said inactive member had said member continued in the position from which he is currently
37 inactive less contributions made during said member's last 5 years of creditable service. Any
38 schedule permitting an acceleration of contributions shall be consistent with the plan
39 qualification requirements of the Internal Revenue Code and shall, where necessary to meet the
40 requirements of the Internal Revenue Code, provide for an actuarial reduction of benefits by the
41 actuary appointed by the commission in accordance with the provisions of section 2. Any
42 current group 1 and group 2 contributing member who elects to participate in the alternative
43 superannuation retirement benefit program and pays additional contributions pursuant to this
44 section and does not complete thirty (30) years of creditable service shall upon termination from
45 membership in or retirement from the system be reimbursed such additional contributions, plus
46 regular interest, as determined by the Massachusetts Port Authority Employees Retirement
47 System.

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49 (5)(iii) The normal yearly amount of retirement allowance for an eligible employee who
50 has completed 30 years of creditable service and has paid the full amount of regular deductions
51 on the total amount of regular compensation as determined under paragraph (a) of subsection (2),
52 shall be based on the average annual rate of regular compensation as determined under said
53 paragraph (a) and shall be computed according to the table contained in said paragraph (a) titled
54 group 2, based on the age of such member and his number of years and full months of creditable
55 service at the time of his retirement with the percentage of salary average in such computation to
56 be increased by 2 per cent per year for each full year of service in excess of 24 years of
57 creditable service; provided, however, that such member shall have served for not less than 25
58 years as an employee of the Massachusetts Port Authority in order to be eligible to receive the
59 benefit provided under this subsection. For any member who retires prior to age 55, his age
60 factor shall be determined in accordance with subdivision (1) of section 10. For any member who

61 retires before completing 30 years of service, such member shall receive a retirement allowance
62 equal to the retirement allowance that the member would have been eligible for had he not
63 participated in the alternative superannuation retirement benefit program.

64 (5)(iv) The total normal yearly amount of the retirement allowance, as determined in
65 accordance with the provisions of this subdivision, of any employee who retires and receives an
66 additional benefit under the alternative superannuation retirement benefit program shall not
67 exceed four-fifths of the average annual rate of his regular compensation received during any
68 period of three consecutive years of creditable service for which the rate of compensation was
69 the highest or of the average annual rate of his regular compensation received during the period
70 or periods, whether or not consecutive, constituting his last three years of creditable service
71 preceding retirement, whichever is greater.