

**SENATE . . . . . No. 1270**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Anthony W. Petrucci***

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*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.

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PETITION OF:

NAME:

*Anthony W. Petrucci*

DISTRICT/ADDRESS:

*First Suffolk and Middlesex*

**SENATE . . . . . No. 1270**

By Mr. Petruccelli, a petition (accompanied by bill, Senate, No. 1270) of Anthony W. Petruccelli for legislation to improve the Massachusetts Port Authority employees retirement system. 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 to  
4 the contrary, there is hereby established an alternative superannuation retirement benefit program  
5 for current group 1 and group 2 contributing members of the Massachusetts Port Authority  
6 Employees Retirement System. Participation in said program shall be an alternative retirement  
7 option at time of hiring for all employees hired on or after July 1, 2013. Such group 1 and group  
8 2 members shall make contributions to the Massachusetts Port Authority Employees Retirement  
9 System at the rate of 12 per cent on all regular compensation in place of the established member  
10 contribution rates, and the established 2 per cent cap rate under chapter 32. Any current member  
11 of the Massachusetts Port Employees Retirement System contributing 5 per cent, 7 per cent, and  
12 9 per cent along with the 2 per cent cap shall have their contribution rate adjusted upon election  
13 to participate in this program to 10 per cent. Those members not electing to participate shall  
14 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.

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

61 retirement allowance equal to the retirement allowance that the member would have been  
62 eligible for had he not participated in the alternative superannuation retirement benefit program.

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