SENATE DOCKET, NO. 2082 FILED ON: 5/30/2014

SENATE . . . . . No.

The Commonwealth of Massachusetts

PRESENTED BY:

Anthony W. Petruccelli

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 to promote the independence of the Massachusetts Port Authority employees' retirement system.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Anthony W. Petruccelli	*First Suffolk and Middlesex*

SENATE DOCKET, NO. 2082 FILED ON: 5/30/2014

SENATE . . . . . No.

By Mr. Petruccelli, a petition (subject to Joint Rule 12) of Anthony W. Petruccelli for legislation to promote the independence of the Massachusetts Port Authority employees' retirement system. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act to promote the independence of 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:

SECTION 1. Subdivision (4 7/8) of section 20 of chapter 32 of the General Laws as appearing in the 2012 Official Edition is hereby amended by striking out subsection (b) and inserting in place thereof the following subsection:-

(b) Said system shall be managed by a retirement board which shall have the general powers and duties set forth in subdivision (5). Said board shall consist of seven (7) members as follows: the secretary-treasurer of the Authority who shall be a member ex officio, a second and third member appointed by the appointing authority of the Authority for a term of three (3) years, a fourth, fifth and sixth member who shall be elected by the members in or retired from service of such system from among their number and in such manner and for such term, not exceeding three (3) years, and a seventh member who shall not be an employee, retiree or official of the Authority and who shall be appointed by the other six members for a term of three (3) years. This vote must be in accordance with section (g) within.

Every appointed member must have at least ten (10) years of relevant, principal employment experience in at least one of the following areas: accounting, finance, banking, health care, and/or law. At no given point shall there be more than three (3) active employees of the Authority on the board at the same time. No two (2) board members shall be active or former affiliates of the same bargaining unit of a union.

Any elected member shall be eligible for re-election for three (3) additional terms, whether consecutive with or separate from his or her first elective term. Future elections of the

fourth, fifth and sixth members shall be held under the supervision of such retirement board and the term of those members shall be so arranged so as not to expire in the year of the expiration of the term of the seventh member.

If the seventh member is not chosen by the other six (6) members within thirty (30) days of all six (6) members having either been appointed or elected to their board positions, the Public Employee Retirement Administration Commission ("PERAC") shall be charged with appointing the seventh member and shall do so within forty-five (45) days of the expiration of the thirty (30) day period.

Upon the expiration of the term of office of any elected or appointed member, or in case of a vacancy in either of said offices, his or her successor shall be elected or appointed as aforesaid for a term not to exceed a three (3) year term or for the unexpired portion thereof, as the case may be, except that in no event shall the term of the fourth, fifth and sixth member expire in the same year as the term of the seventh member.

SECTION 2. Subdivision (4 7/8) of section 20 of chapter 32 of the General Laws subsection (c) is hereby amended by adding the following sentence at the end of the paragraph:-

(c) This section shall be interpreted harmoniously with, and will not exceed the amounts set forth in, subdivision (6) of section 20 of chapter 32.

SECTION 3. Subdivision (4 7/8) of section 20 of chapter 32 of the General Laws subsection (d) is hereby amended by striking out subsection (d) and inserting in place thereof the following subsection:-

(d) The board, by majority vote, shall elect one of its members to serve as chair. The term of the chair shall be two (2) years. No individual shall serve as chair for more than three (3) terms, whether consecutive with or separate from their first elective term. The board, by majority vote, shall appoint a secretary who may be, but not need be, one of its members. The board shall employ such clerical staff and other assistants as may be required to transact the business of the system. All costs associated with such clerical staff and other assistants shall be paid from the expense fund of the system.

SECTION 4. Subdivision (4 7/8) of section 20 of chapter 32 of the General Laws subsection (e) is hereby amended by striking out subsections (e) and inserting in place thereof the following:-

(e) The board shall employ legal counsel, who shall not be an employee of the board, to act as its exclusive legal advisor in all legal matters. All expenses for such legal services shall be paid from the expenses of the fund. The board shall comply with all requirements set forth in section 23B of chapter 32.

SECTION 5. Subdivision (4 7/8) of section 20 of chapter 32 of the General Laws subsection (f) is hereby amended by adding the following sentence at the end of the paragraph:-

(f) This section shall be interpreted harmoniously with, and will not exceed the amounts set forth in, subdivision (6) of section 20 of chapter 32.

SECTION 6. Subdivision (4 7/8) of section 20 of chapter 32 of the General Laws is hereby amended by adding subsections (g) through (i) after subsection (f):-

(g) For any motion to be carried, at least two (2) of the elected members and at least two (2) of the appointed members must vote in the affirmative. The secretary-treasurer is considered an appointed member for voting purposes. The seventh member, whether selected by the board or appointed by PERAC, shall be considered independent for any motion.

(h) Each sitting member of the retirement board, as of the day this legislation is enacted, shall be grandfathered onto the retirement board for the remainder of his or her set term or December 31, 2014, whichever is first occurring. Their previous service will be calculated in accordance with the instant legislation, and will be credited with respect to any eligibility to continue to serve on the retirement board. All future appointments, elections, and votes must comply with this legislation as written.

(i) Notwithstanding any provision of law to the contrary, all applicable actuarial exhibits shall be prepared in accordance with the entry age normal actuarial cost method with entry age established as the actual entry age for all plan members unless there are compelling reasons of an actuarial nature for the use of an alternative actuarial cost method.

SECTION 7. Sections 1 to 7, inclusive, shall take effect on January 1, 2015.