SENATE DOCKET, NO. 1339 FILED ON: 1/16/2015

SENATE . . . . . No. 1413

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 improving the Massachusetts Port Authority Employees retirement system.

PETITION OF:

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

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SENATE . . . . . No. 1413

By Mr. Petruccelli, a petition (accompanied by bill, Senate, No. 1413) of Anthony W. Petruccelli for legislation to improve the Massachusetts Port Authority employees retirement system. Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1270* OF 2013-2014.]

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

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:

SECTION 1. Section 5 of Chapter 32 of the General Laws is hereby amended by adding the following new text at the end thereof:-

(5)(i) Notwithstanding the provisions of this chapter or any other general or special law to the contrary, there is hereby established an alternative superannuation retirement benefit program for current group 1 and group 2 contributing members of the Massachusetts Port Authority Employees Retirement System. Participation in said program shall be an alternative retirement option at time of hiring for all employees hired on or after July 1, 2013. Such group 1 and group 2 members shall make contributions to the Massachusetts Port Authority Employees Retirement System at the rate of 12 per cent on all regular compensation in place of the established member contribution rates, and the established 2 per cent cap rate under chapter 32. Any current member

of the Massachusetts Port Employees Retirement System contributing 5 per cent, 7 per cent, and 9 per cent along with the 2 per cent cap shall have their contribution rate adjusted upon election to participate in this program to 10 per cent. Those members not electing to participate shall remain at their present contribution rates as established under this Chapter. New members participating in this program shall do so at the rate of 10 per cent contribution. Any current group 1 and group 2 contributing member of the Massachusetts Port Authority Retirement System before July 1, 2013 may elect to participate in the alternative superannuation retirement benefit program. Said election shall be made on or after July 1, 2013 and before December 31, 2013. Any current group 1 and group 2 contributing member of a contributory retirement system who transfers into the Massachusetts Port Authority Employees Retirement System before July 1, 2013 may elect to participate in the alternative superannuation retirement benefit program; provided, that said election shall occur within 180 days of establishing membership in the Massachusetts Port Authority Employees Retirement System.

(5)(ii) Any member who elects to so participate shall be required to make a minimum of 5 years of contributions at 10 per cent from regular compensation pursuant to section 22; provided, however, that if said member elects to retire before he has made said 5 years of contributions at 10 per cent, said member shall pay, in one sum or in installments as the board may prescribe, an amount equal to that which would have been withheld as regular deductions at the rate of 10 per cent from his regular compensation for such 5 year period based on his last months of regular compensation less contributions made during said member's last 5 years of creditable service; provided, further, that any inactive member who elects to retire before he has made said 5 years of contributions at 10 per cent, said member shall pay, in one sum or in installments as the board may prescribe, an amount equal to that which would have been

withheld as regular deductions at the rate of 10 per cent from his regular compensation for such 5 year period based on the last 12 months of regular compensation which would have been paid to said inactive member had said member continued in the position from which he is currently inactive less contributions made during said member's last 5 years of creditable service. Any schedule permitting an acceleration of contributions shall be consistent with the plan qualification requirements of the Internal Revenue Code and shall, where necessary to meet the requirements of the Internal Revenue Code, provide for an actuarial reduction of benefits by the actuary appointed by the commission in accordance with the provisions of section 2. Any current group 1 and group 2 contributing member who elects to participate in the alternative superannuation retirement benefit program and pays additional contributions pursuant to this section and does not complete thirty (30) years of creditable service shall upon termination from membership in or retirement from the system be reimbursed such additional contributions, plus regular interest, as determined by the Massachusetts Port Authority Employees Retirement System.

(5)(iii) The normal yearly amount of retirement allowance for an eligible employee who has completed 30 years of creditable service and has paid the full amount of regular deductions on the total amount of regular compensation as determined under paragraph (a) of subsection (2), shall be based on the average annual rate of regular compensation as determined under said paragraph (a) and shall be computed according to the table contained in said paragraph (a) titled group 2, based on the age of such member and his number of years and full months of creditable service at the time of his retirement with the percentage of salary average in such computation to be increased by 2 per cent per year for each full year of service in excess of 24 years of creditable service; provided, however, that such member shall have served for not less than 25

years as an employee of the Massachusetts Port Authority in order to be eligible to receive the benefit provided under this subsection. For any member who retires prior to age 55, his age factor shall be determined in accordance with subdivision (1) of section 10. For any member who retires before completing 30 years of service, such member shall receive a retirement allowance equal to the retirement allowance that the member would have been eligible for had he not participated in the alternative superannuation retirement benefit program.

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