

SENATE No. 1934

The Commonwealth of Massachusetts

PRESENTED BY:

John F. Keenan

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 conduct a study of the Massachusetts Bay Transportation Authority retirement fund.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|------------------------|-----------------------------|-----------------|
| <i>John F. Keenan</i> | <i>Norfolk and Plymouth</i> | |
| <i>James M. Murphy</i> | <i>4th Norfolk</i> | <i>2/2/2017</i> |
| <i>Carlos González</i> | <i>10th Hampden</i> | <i>2/3/2017</i> |

SENATE No. 1934

By Mr. Keenan, a petition (accompanied by bill, Senate, No. 1934) of John F. Keenan, James M. Murphy and Carlos Gonzalez for legislation to conduct a study of the Massachusetts Bay Transportation Authority retirement fund. Transportation.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act to conduct a study of the Massachusetts Bay Transportation Authority retirement fund.

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. There shall be a special commission to study the Massachusetts Bay
2 Transportation Authority Retirement Fund. The commission shall consist of the secretary of
3 transportation or designee; the state treasurer or designee; the executive director of the public
4 employee retirement administration commission or designee; the executive director of the state
5 retirement board or designee; the executive director of the Massachusetts Bay Transportation
6 Authority Retirement Fund; 3 members of the house of representatives, 1 of whom shall be
7 appointed by the house minority leader; 3 members of the senate, 1 of whom shall be appointed
8 by the senate minority leader; and 6 members to be appointed by the governor, 1 of whom shall
9 be a private citizen who shall serve as chair of the commission and shall not be a member of any
10 of the 106 contributory retirement systems or MBTA Retirement Fund, 1 of whom shall have
11 professional experience as an attorney in public employee retirement benefits, 1 of whom shall
12 have professional experience in actuarial science, 1 of whom shall be an expert on public
13 employee pensions from a Massachusetts college or university, 1 of whom shall be selected from

14 a list of 3 candidates submitted by an officer of the collective bargaining representative of the
15 majority of participants of the MBTA Retirement Fund and 1 of whom shall be a participant in
16 the MBTA Retirement Fund. The commission shall convene its first official meeting not later
17 than 60 days after the effective date of this act.

18 The commission shall make a comprehensive study of the Massachusetts Bay
19 Transportation Authority Retirement Fund. The study shall be confined to: whether the MBTA
20 Retirement Fund's overall cost as a percentage of total compensation and funding ratio are
21 substantially different from those of comparable mass transit systems and other Massachusetts
22 Public Employee retirement plans; whether the MBTA Retirement Fund's costs of
23 administration, including staff and services for fund and investment management, are
24 comparable to those of other Massachusetts Public Employee retirement funds; and whether the
25 annual rates of return (net of administrative costs) on overall investments of the MBTA
26 Retirement Plan during the most recent five-year period are comparable to the annual rates of
27 return for other Massachusetts public employee retirement funds for the same period of time.
28 The study shall include whether current law permits the MBTA retirement investment fund to be
29 administered by the Public Retirement Investment Management agency and, if not, what changes
30 in law would be required to permit such administration.

31 The commission shall prepare a report of its findings and recommendations, together
32 with its analyses and any recommendations for legislation, if any, to implement said
33 recommendations by filing the same with the clerks of the senate and house of representatives,
34 the chairs of the house and senate committee on ways and means, and the senate and house
35 chairs of the joint committee on public service not later than 5 months after the committee's first
36 meeting.