HOUSE DOCKET, NO. 3828 FILED ON: 1/18/2019

HOUSE . . . . . No. 2214

The Commonwealth of Massachusetts

PRESENTED BY:

Mark J. Cusack

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 relative to public retiree COLA financing.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Mark J. Cusack	*5th Norfolk*	*1/18/2019*
Paul R. Feeney	*Bristol and Norfolk*	*1/31/2019*
Mathew J. Muratore	*1st Plymouth*	*1/31/2019*
Michael J. Finn	*6th Hampden*	*1/31/2019*
Frank A. Moran	*17th Essex*	*1/31/2019*
Harold P. Naughton, Jr.	*12th Worcester*	*1/31/2019*
Thomas M. Stanley	*9th Middlesex*	*1/31/2019*
Carlos González	*10th Hampden*	*1/31/2019*
Steven Ultrino	*33rd Middlesex*	*1/31/2019*
Tackey Chan	*2nd Norfolk*	*2/1/2019*
Daniel Cahill	*10th Essex*	*2/1/2019*
Joseph W. McGonagle, Jr.	*28th Middlesex*	*2/1/2019*
Stephan Hay	*3rd Worcester*	*2/1/2019*
Daniel R. Cullinane	*12th Suffolk*	*2/1/2019*
Patrick M. O'Connor	*Plymouth and Norfolk*	*2/1/2019*
Marjorie C. Decker	*25th Middlesex*	*2/1/2019*
Natalie M. Higgins	*4th Worcester*	*2/1/2019*
Michael D. Brady	*Second Plymouth and Bristol*	*2/1/2019*

Bud L. Williams	*11th Hampden*	*2/1/2019*
William J. Driscoll, Jr.	*7th Norfolk*	*2/1/2019*
Sean Garballey	*23rd Middlesex*	*2/1/2019*
Colleen M. Garry	*36th Middlesex*	*2/1/2019*
Jack Patrick Lewis	*7th Middlesex*	*2/1/2019*
Michael J. Soter	*8th Worcester*	*2/1/2019*
Paul W. Mark	*2nd Berkshire*	*2/1/2019*

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HOUSE . . . . . No. 2214

By Mr. Cusack of Braintree, a petition (accompanied by bill, House, No. 2214) of Mark J. Cusack and others relative to public retiree cost-of-living adjustment financing. Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *2526* OF 2017-2018.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court
(2019-2020)

An Act relative to public retiree COLA financing.

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 1 of chapter 32 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting after the definition of "Constitutional Officers" the following definition:-

"Cost of Living Reserve Fund", the fund established under the provisions of subdivision (6B) of section twenty-two to provide for the reservation of monies for future cost of living liabilities of the system.

SECTION 2. Section 1 of said chapter 32, as so appearing, is hereby further amended by inserting after the definition of "Employer" the following definition:-

"Excess investment income", the amount in any calendar year where all realized gains from invested funds of the system results in earnings greater than the investment return

assumption set in the system's most recent actuarial valuation. Such amount shall be based on the market rate of return during a calendar year on the balance of total assets of the system at the close of business on December thirty-first of the prior calendar year, less the amount required to be derived by the investment return assumption set in said valuation. The actuary shall certify the excess investment income of each system within 90 days after the filing of the financial statement of the system required under paragraph (5), subparagraph (h) of Section 20.

SECTION 3. Section 22 of said chapter 32, as so appearing, is hereby amended by inserting after clause (v) in paragraph (6) the following clause:-

(vi) In any calendar year where the excess investment income from the invested funds of the system, prior to making the transfers required for in clause (iii), a proportional amount of the excess investment income, equal to the percentage which the annuity savings and annuity reserve accounts balances at the close of business on December thirty-first of the prior calendar year, represented to the total funds of the system at such time, shall be transferred to the Cost of Living Reserve Fund.

SECTION 4. Section 22 of said Chapter 32 is hereby further amended by inserting after paragraph (6A) the following paragraph:-

(6B) Cost of Living Reserve Fund. - The Cost of Living Reserve Fund of each system shall be credited all amounts set aside by a system for the purpose of establishing a reserve to meet future cost of living liabilities as contained in sections one hundred and two and one hundred and three, including such amounts as may be set aside pursuant to a funding schedule established in accordance with section twenty-two C or twenty-two D. Such amounts shall

include without limitation the amount determined excess investment income as provided for in clause (vi) of paragraph (a) of subdivision (6).