

HOUSE No. 2427

The Commonwealth of Massachusetts

PRESENTED BY:

James Arciero

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 cost of living adjustments for retired public employees of the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>James Arciero</i>	<i>2nd Middlesex</i>	<i>1/17/2023</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	<i>1/18/2023</i>
<i>Marilyn Frank</i>	<i>REAM (Retired Educators Association of Massachusetts), 6 Chamberlain Road, Westford, MA 01886</i>	<i>1/18/2023</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>1/20/2023</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>1/30/2023</i>

HOUSE No. 2427

By Representative Arciero of Westford, a petition (accompanied by bill, House, No. 2427) of James Arciero and others relative to cost of living adjustments for retired public employees of the Commonwealth. Public Service.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to cost of living adjustments for retired public employees of the Commonwealth.

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 22D of said Chapter 32, as appearing in the 2010 Official Edition,
2 is amended by inserting in line 32 after the word “approve” the following words:—provided
3 further, however, that in the event that a system has accepted the provisions of paragraph (j) of
4 Section 103, the funding schedule, and any updates thereto, shall be designed to reduce the
5 unfunded actuarial liability of said system to zero as of such year, that may be subsequent to June
6 30, 2028, as the commission shall approve.

7 SECTION 2. Paragraph (c) of Section 102 of said Chapter 32, is amended by striking out
8 in each instance the dollar amount “\$13,000” and inserting in place thereof the following dollar
9 amount:—\$16,000.

10 SECTION 3. Section 103 of said Chapter 32 is amended by inserting the following new
11 paragraph:—

12 (j) Notwithstanding the provisions of paragraph (a) to the contrary, the board of any
13 system may, by accepting the provisions of this paragraph as hereinafter provided, elect to pay a
14 cost-of-living adjustment on a base amount greater than \$16,000. Acceptance of this paragraph
15 shall be by a majority vote of the board of such system, subject to the approval of the legislative
16 body. For the purpose of this paragraph, “legislative body” shall mean, the city council in
17 accordance with its charter, in the case of a town, the town meeting, in the case of a county or
18 region, the county or regional retirement board advisory council, in the case of a district, the
19 district members, and, in the case of an authority, the governing body. Acceptance of this
20 paragraph shall be deemed to have occurred upon the filing of the certification of such vote with
21 the commission. A decision to accept the provisions of this paragraph may not be revoked.

22 SECTION 4: Subdivision (3) of section 21 of Chapter 32 is hereby amended by striking
23 out paragraph (f) and inserting in place thereof the following paragraph:

24 (f) the preparation and filing with the general court, of a report, annually, in the month of
25 January, on the computation of any increase in the United States Consumer Price Index and the
26 percentage thereof in the previous year by the Commissioner of Social Security, including a
27 statement that such increase in said Consumer Price Index during the last previous year requires
28 a cost of living increase in the retirement allowances, pensions or annuities of eligible members,
29 as defined in sections 102 and 103, equal to the percentage increase in the Consumer Price Index
30 or 3 per cent, whichever is greater.

31 SECTION 5: Section 102 of Chapter 32 is hereby amended by striking out paragraph (a)
32 and inserting in place thereof the following paragraph:

33 (a) The actuary in the commission shall annually in the month of January file with the
34 clerk of the house of representatives the report prepared in accordance with paragraph (f) of
35 subdivision (3) of section 21. The retirement allowance, pension or annuity of every member of
36 the state employees' system and the teachers' retirement system who has received a retirement
37 allowance, pension or annuity on June 30 of the preceding fiscal year, or of a spouse or other
38 beneficiary of such member who has received a retirement allowance, pension or annuity on
39 June 30 of the prior fiscal year, shall be increased by the percentage as determined by the
40 actuary's report; provided that notwithstanding the actuary's report the cost of living increase
41 shall be at least three percent. The cost of living adjustment shall be applied each July 1. Said
42 cost of living increase shall be funded from the investment income account of the state
43 employees' and state teachers' systems. The sum of the dollar amount of each cost of living
44 increase, together with the amount of retirement allowance, pension or annuity to which the cost
45 of living per cent factor is applied, shall become the fixed retirement allowance, pension or
46 annuity for all future purposes, including the application of subsequent cost of living adjustments
47 in future years.

48 SECTION 8. Section 102 of Chapter 32 is hereby amended by adding after paragraph (c)
49 the following clauses:

50 (i) In any case as of June 30, 2021 but prior to June 30, 2024 where such former
51 employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or
52 annuity which is eighty-five percent of the maximum social security benefit or more exclusive of
53 additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section
54 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying
55 the per centum of change determined pursuant to paragraph (a) to the sum of eighty-five percent

56 of the maximum social security benefit. Whenever a cost of living adjustment is granted pursuant
57 to said paragraph (a), the dollar amount of such increase as determined in said paragraph (a) shall
58 be added to each retirement allowance, pension or annuity which is in excess of said maximum
59 base amount. The sum of the dollar amount of such cost of living adjustments, together with the
60 amount of retirement allowance, pension or annuity to which the cost of living per centum factor
61 is applied and any amounts in excess of said eighty-five percent of the maximum social security
62 benefit shall become the fixed retirement allowance, pension or annuity for all future purposes
63 including the application of subsequent cost of living adjustments in future years; provided,
64 however, that the limitations of this paragraph shall continue to apply.

65 (ii) In any case as of June 30, 2024 but prior to June 30, 2028 where such former
66 employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or
67 annuity which is ninety-five percent of the maximum social security benefit or more exclusive of
68 additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section
69 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying
70 the per centum of change determined pursuant to paragraph (a) to the sum of ninety-five percent
71 of the maximum social security benefit. Whenever a cost of living adjustment is granted pursuant
72 to said paragraph (a), the dollar amount of such increase as determined in said paragraph (a) shall
73 be added to each retirement allowance, pension or annuity which is in excess of said maximum
74 base amount. The sum of the dollar amount of such cost of living adjustments, together with the
75 amount of retirement allowance, pension or annuity to which the cost of living per centum factor
76 is applied and any amounts in excess of said ninety-five percent of the maximum social security
77 benefit shall become the fixed retirement allowance, pension or annuity for all future purposes

78 including the application of subsequent cost of living adjustments in future years; provided,
79 however, that the limitations of this paragraph shall continue to apply.

80 (iii) In any case as of June 30, 2028 where such former employee, spouse, or other
81 beneficiary is receiving an annual retirement allowance, pension or annuity which is one hundred
82 percent of the maximum social security benefit or more exclusive of additional annuity obtained
83 by special purchase under paragraph (g) of subdivision (1) of section 22 or any similar law, the
84 cost of living adjustment shall be in an amount determined by applying the per centum of change
85 determined pursuant to paragraph (a) to the sum of one hundred percent of the maximum social
86 security benefit. Whenever a cost of living adjustment is granted pursuant to said paragraph (a),
87 the dollar amount of such increase as determined in said paragraph (a) shall be added to each
88 retirement allowance, pension or annuity which is in excess of said maximum base amount. The
89 sum of the dollar amount of such cost of living adjustments, together with the amount of
90 retirement allowance, pension or annuity to which the cost of living per centum factor is applied
91 and any amounts in excess of said one hundred percent of the maximum social security benefit
92 shall become the fixed retirement allowance, pension or annuity for all future purposes including
93 the application of subsequent cost of living adjustments in future years; provided, however, that
94 the limitations of this paragraph shall continue to apply.