

HOUSE No. 2583

The Commonwealth of Massachusetts

PRESENTED BY:

David Henry Argosky LeBoeuf

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 the Massachusetts State Employees Retirement System.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>1/18/2023</i>
<i>Deborah B. Goldberg</i>	<i>Treasurer, Office of the State Treasurer and Receiver General</i>	<i>1/23/2023</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>2/9/2023</i>
<i>Margaret R. Scarsdale</i>	<i>1st Middlesex</i>	<i>4/6/2023</i>
<i>Michael P. Kushmerek</i>	<i>3rd Worcester</i>	<i>5/2/2023</i>

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By Representative LeBoeuf of Worcester, a petition (accompanied by bill, House, No. 2583) of David Henry Argosky LeBoeuf, Deborah B. Goldberg (Treasurer and Receiver General) and Lindsay N. Sabadosa relative to further regulating the state employees retirement system. Public Service.

The Commonwealth of Massachusetts

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

An Act relative to the Massachusetts State 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:

1 SECTION 1. Subdivision 6 of section 22 of chapter 32 of the General Laws, as appearing
2 in the 2020 Official Edition, is hereby amended in paragraph (b) by inserting after the final
3 sentence the following two sentences:- For each calendar year beginning subsequent to
4 December thirty-first, two thousand and twenty-three, "regular interest" shall mean interest
5 credited at a rate established by the commission, equal to the increase of the most recent
6 Consumer Price Index for New England issued by the United States Bureau of Labor Statistics.
7 The rate established by the commission shall be taken to the nearest tenth of one per cent;
8 provided that the rate established by the commission shall not exceed two per cent.

9 SECTION 2. Subdivision 4 of section 28 of chapter 32 of the General Laws, as appearing
10 in the 2020 Official Edition, is hereby amended by striking out paragraph (c) and inserting in
11 place thereof the following paragraph (c):-

12 (c) Notwithstanding any general or special law to the contrary, each district, non-
13 commonwealth governmental unit, or educational collaborative as authorized by the provisions
14 of section four E of chapter forty, the employees of which have become, or which become
15 members of the state employees retirement system under the provisions of this subdivision or
16 any other previous act, shall remit to the state board of retirement as the employer's normal cost
17 as determined by the actuary, of benefits earned during each year by such employees who are
18 members of the state employees' retirement system.

19 The actuary shall determine such cost as a percentage of the payroll of the district, non-
20 commonwealth entity and collaborative for such employees based upon the most recent actuarial
21 valuation of the state retirement system. The actuary may consider factors including types of
22 governmental unit, employee demographic information, and employee group classification to
23 help in the determination of said percentage. Said cost shall be paid monthly and deposited in
24 the pension reserve fund of the state employees' retirement system. The actuary shall review the
25 percentage determined in this paragraph at least every three years.

26 SECTION 3. Subdivision 4 of section 28 of chapter 32 of the General Laws, as so
27 appearing, is hereby further amended by adding the following paragraph:-

28 (d) The state retirement board upon terms and conditions it may establish, may require a
29 participating employer governed by this sub-section, who fails to remit either its normal cost
30 amount as determined in paragraph e, or the contributions made on behalf of employees who are
31 members of the Massachusetts State Employees Retirement System as required by section 22 of
32 Chapter 32, by the first day of the second month following the work month, to pay an additional
33 amount equal to 10% of the total amount of delinquent contributions. The state retirement board

34 shall have the right to commence an action in contract for payment of outstanding amounts
35 determined to be due in accordance with the provisions of this chapter.

36 SECTION 4. Section 28 of chapter 32 of the General Laws, as so appearing, is hereby
37 further amended by inserting at the end thereof the following subdivision:-

38 (9) For the purposes of this section, “non-commonwealth governmental unit” shall mean
39 an employer as defined in section one of chapter 32 whose employees are not employees of the
40 commonwealth or an agency thereof, employed in a position in the service of the
41 commonwealth, and whose regular compensation is not paid by the commonwealth, eligible for
42 membership in the state employees retirement system and the requirements in connection
43 therewith.

44 SECTION 5. Section 8 of chapter 32A of the General Laws, as so, is hereby amended by
45 inserting after the fourth paragraph the following sentence:- All amounts withheld under the
46 provisions of section 19 and section 19A of chapter 32 forwarded by the state retirement board to
47 the commission as provided by this section from pensions or retirement allowances issued in the
48 month of the death of any retiree, survivor or beneficiary shall be returned to the state retirement
49 board by the commission.

50 SECTION 6. Chapter 25 of the Acts of 2009 is hereby amended by striking section 139
51 in its entirety and inserting in place thereof the following section:-

52 Section 139. Notwithstanding the provisions of any general or special law to the contrary,
53 employees of the Massachusetts Department of Transportation as defined in Section 8 of this Act
54 who are hired after the effective date of this act shall become members of the Massachusetts
55 State Employees’ retirement system, and notwithstanding the provisions of any general or

56 special law to the contrary including, but not limited to, paragraph (c) of subdivision (8) of
57 section 3 of chapter 32 of the General Laws, said system shall be responsible for all liability
58 attributable to said service of such employees. The liabilities attributable to any other service of
59 such employees shall be recoverable by the commonwealth pursuant to the terms of paragraph
60 (c) of subdivision (8) of section 3 of chapter 32 of the General Laws.”

61 SECTION 7. Said chapter 25 of the Acts of 2009 is hereby amended by striking section
62 159 in its entirety and inserting in place thereof the following section:-

63 Section 159. (a) Effective upon the date of dissolution of the Massachusetts Turnpike
64 Authority: (1) the Massachusetts Turnpike Authority Employees' Retirement System shall be
65 dissolved ; (2) all members of the Massachusetts Turnpike Authority Employees' Retirement
66 System shall become members of the Massachusetts State Employees' Retirement System; (3)
67 the management of benefits of the dissolved Massachusetts Turnpike Authority employees'
68 retirement system shall be transferred to the state board of retirement in section 18 of chapter 10
69 of the General Laws which board shall have with respect thereto the general powers and duties
70 set forth in subdivision (5) of section 20 of said chapter 32, including the reimbursement for
71 liabilities attributable to the service of such members with other governmental units recoverable
72 pursuant to the terms of paragraph (c) of subdivision (8) of section 3 of chapter 32 of the General
73 Laws; (4) all data, files, papers and records and other materials of the Massachusetts Turnpike
74 Authority retirement board provided for in paragraph (b) of subdivision (41/2) of said section 20
75 of said chapter 32 shall be transferred to and held by the state board of retirement; (5) ownership
76 and control of all the assets of the dissolved Massachusetts Turnpike Authority Employees'
77 Retirement System in the custody of the secretary-treasurer of the authority shall be transferred
78 to the Pension Reserves Investment Management Board and be made assets of the Massachusetts

79 State Employees' Retirement System; and (6) the Massachusetts Turnpike Authority retirement
80 board in said paragraph (b) of subdivision (4 1/2) of said section 20 of said chapter 43 shall be
81 abolished; provided, however, that the members and officers thereof shall be authorized to do all
82 such things and take all such action as may be necessary or desirable to be done or taken by them
83 to effectuate the transfers to be made pursuant to this section.

84 (b) Effective upon the date of dissolution of the Massachusetts Turnpike Authority, the
85 payment of all annuities, pensions, retirement allowances and refunds of accumulated total
86 deductions and of any other benefits granted under the sections 1 to 28, inclusive, of said chapter
87 32 are hereby made obligations of the commonwealth.

88 SECTION 8. Notwithstanding any general or special law to the contrary, reimbursements
89 currently outstanding to the state retirement board under paragraph € of sub-section (4) of section
90 28 of chapter 32 for calendar years 2013, 2014, and 2015 shall not be required.

91 SECTION 9. Notwithstanding any general or special law to the contrary, reimbursements
92 currently outstanding to the state retirement board under paragraph (c) of sub-section (4) of
93 section 28 of chapter 32 for calendar years 2016 and after shall be required and remitted under
94 terms and conditions as may be prescribed by the board.

95 SECTION 10. Sections 1 and 2 of this act shall take effect on July 1, 2024.

96 SECTION 11. Section 6 shall take effect on January 1, 2010.

97 SECTION 12. Section 7 shall take effect on July 1, 2009.