

HOUSE No. 21

So much of the recommendations of the Public Employee Retirement Administration Commission (House, No. 18) as relates to Chapter 32 Section 8 and modifications of retirement allowances

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act relative to Chapter 32 Section 8 and modifications of retirement allowances.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Paragraph (a) of Subdivision (1) of Section 8 of Chapter 32, as most recently amended by
2 Section 69 of Chapter 140 of the Acts of 2024, is hereby amended by striking “ without a
3 medical or vocational rehabilitation program, or whether such member's return to his former or
4 similar job within the same department would likely be expedited by participation in a medical
5 or vocational rehabilitation program”.

6 Said Paragraph (a) is further amended by striking the 3rd and 4th paragraphs.

7 Paragraph (a) of Subdivision 2 of Section 8 is hereby amended by striking “if following
8 the completion of a rehabilitation program required under subdivision (1), a regional medical
9 pane so finds,”

10 Subdivision (3) of Section 8 of Chapter 32, is hereby amended by striking subdivision (3)
11 and inserting in its place:

12 (3) Modifications of retirement allowances. If as a result of such medical report by a
13 regional medical panel, as a result of the submission of earnings information under section
14 ninety-one A, the commission finds that such retired member is engaged in gainful occupation
15 and has excess earnings, for three or more consecutive years, which result in the repayment of
16 his or her entire retirement allowance pursuant to section 91A, said member's retirement
17 allowance shall be modified prospectively.

18 When a determination is made that a retirement allowance shall be modified, the retiree
19 and the appropriate Retirement Board will be notified, and the retiree will be given the
20 opportunity to be heard by the Commission or its designee. When the determination is final, the
21 retiree and the appropriate Retirement Board will be advised. The retiree may appeal the
22 Commission's determination to the Contributory Retirement Appeal Board pursuant to section
23 16. Such modification shall remain in effect, for at least one year, unless such medical report
24 finds that the mental or physical condition of such member has deteriorated. If the annual rate of
25 his earnings should later be changed, the yearly amount of his pension shall be further modified
26 by reinstating, increasing, reducing, or suspending it, as the case may be.

27 The applicable Retirement Board may pay over to a health insurance carrier that portion
28 of the allowance to maintain the disability retiree's health insurance coverage. A retiree whose
29 allowance is modified pursuant to this process will continue to be considered as a disability
30 retiree for purposes of chapter 32A, chapter 32B, chapter 34B, and section 100B of chapter 41.

31 The public employee retirement administration commission shall, subject to the
32 provisions of section fifty of chapter seven, promulgate regulations establishing, and providing a
33 system for annually adjusting for inflation and such other equitable factors as the commission

34 deems relevant, the fair amount of outside income that may be earned by a member retired
35 pursuant to section six or seven, and shall promulgate regulations for the determination of the
36 potential earnings of any such retired member based upon such member's functional capacity,
37 age, education, and experience.