SENATE DOCKET, NO. 1132 FILED ON: 1/15/2025

# SENATE . . . . . No. 1836

## The Commonwealth of Massachusetts

PRESENTED BY:

***James B. Eldridge***

*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 non-Commonwealth entities within the state employees' retirement system.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|---|---|---|
| *James B. Eldridge* | *Middlesex and Worcester* | |
| *Margaret R. Scarsdale* | *1st Middlesex* | *4/18/2025* |
| *Robyn K. Kennedy* | *First Worcester* | *5/28/2025* |
| *Ryan C. Fattman* | *Worcester and Hampden* | *5/28/2025* |
| *John J. Cronin* | *Worcester and Middlesex* | *9/9/2025* |

SENATE DOCKET, NO. 1132 FILED ON: 1/15/2025

# SENATE . . . . . No. 1836

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 1836) of James B. Eldridge for legislation to determine the cost percentage of non-Commonwealth entities within the state employees' retirement system. Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *2611* OF 2023-2024.]

## The Commonwealth of Massachusetts

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

An Act relative to non-Commonwealth entities within the 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:*

SECTION 1. Subdivision 4 of section 28 of chapter 32 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out paragraph (c) and inserting in place thereof the following paragraph (c):-

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

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

SECTION 2. Subdivision 4 of section 28 of chapter 32 of the General Laws, as so appearing, is hereby further amended by adding the following paragraph:-

(d) The state retirement board upon terms and conditions it may establish, may require a participating employer governed by this sub-section, who fails to remit either its normal cost amount as determined in paragraph (c), or the contributions made on behalf of employees who are members of the Massachusetts State Employees' Retirement System as required by section 22 of Chapter 32, by the first day of the second month following the work month, to pay an additional amount equal to 10% of the total amount of delinquent contributions. The state retirement board shall have the right to commence an action in contract for payment of outstanding amounts determined to be due in accordance with the provisions of this chapter.

SECTION 3. Section 28 of chapter 32 of the General Laws, as so appearing, is hereby further amended by inserting at the end thereof the following subdivision:-

(9) For the purposes of this section, "non-commonwealth governmental unit" shall mean an employer as defined in section one of chapter 32 whose employees are not employees of the commonwealth or an agency thereof, employed in a position in the service of the

commonwealth, and whose regular compensation is not paid by the commonwealth, eligible for membership in the state employees' retirement system and the requirements in connection therewith.

SECTION 4. Reimbursements currently outstanding to the state retirement board under paragraph (c) of sub-section (4) of section 28 of chapter 32 for calendar years 2013, 2014, and 2015 shall not be required.

Reimbursements currently outstanding to the state retirement board under paragraph (c) of sub-section (4) of section 28 of chapter 32 for calendar years 2016 through 2024, inclusive, shall be required and remitted under terms and conditions as may be prescribed by the board.

SECTION 5. Sections 1 and 2 of this act shall take effect on July 1, 2025.