

JOINT COMMITTEE ON PUBLIC SERVICE
2025-2026 (194th) BILL SUMMARY

Bill Number: H.2871
Title: *An Act relative to certain option b and option c retirees*
Sponsor(s): Rep. Vanna Howard (*Lowell*)
Hearing Date: June 25, 2025
Reporting Deadline: August 24, 2025

Prior History:

2023-24 (H.2560): Reported favorably; Accompanied H.2475; Referred to HWM

Similar Matters: H.2787 (Chan – Identical)

CURRENT LAW:

Option (c) of subdivision (2) of section 12 of chapter 32 is the joint survivor allowance option. The member receives a lesser retirement allowance that is payable during their lifetime and upon their death, the designated beneficiary will receive a monthly payment that equals two-thirds of the allowance the member was paid at the time of their death. If the designated beneficiary predeceases the member, the member will receive a retirement allowance equal to what it would have been if they selected option (a).

Option (b) of subdivision (2) of section 12 of chapter 32 is the cash refund annuity option. A lesser retirement allowance will be paid to the member, and a beneficiary will receive a benefit after the member's death. The yearly amount of cash refund life annuity will calculate so that the value of the annuity on the effective date of the allowance will be the actuarial equivalent of the value of the member's accumulated total deductions, if any. The member will also receive a pension as specified in clause (ii) of option (a).

SUMMARY:

This bill directs that a member of a contributory retirement system who retired before July 1, 2004 and is receiving a lesser retirement allowance in accordance with the terms of Option (b) or Option (c) shall have the member's retirement allowance, exclusive of any cost of living adjustments, increased by 4% for Option (b) allowances and 12% for Option (c) allowances. Any retirement system may accept the provisions of this act by a majority vote of the board of each such system, subject to the approval of the legislative body. For purposes of this act, the state

teachers' and state employees' retirement systems shall be deemed to have accepted the provisions of this act.

The provisions of this act shall be prospective from the effective date of this act and shall not entitle any member or spouse of a deceased member to any retroactive benefits.