

HOUSE No. 1441

By Mr. Brownsberger of Belmont, petition of William N. Brownsberger (by vote of the town) that the town of Belmont be authorized to establish a post-employment benefits trust fund for former employees of said town. Municipalities and Regional Government. [Local Approval Received].

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT AUTHORIZING THE TOWN OF BELMONT TO ESTABLISH ANOTHER
POSTEMPLOYMENT BENEFITS TRUST FUND.

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. As used in this act, the following words shall
2 have the following meanings:—

3 “GASB 43 and 45”, Statements 43 and 45 of the Governmental
4 Accounting Standards Board as amended from time to time and
5 their successors.

6 “Other Postemployment Benefits”, (OPEB) — Postemployment
7 benefits other than pensions as that term is defined in GASB 43
8 and 45 including postemployment healthcare benefits, regardless
9 of the type of plan that provides them, and all postemployment
10 benefits provided separately from a pension plan, excluding bene-
11 fits defined as termination offers and benefits.

1 SECTION 2. (a) There shall be in the Town of Belmont an
2 OPEB Trust Fund, which shall be under the supervision and man-
3 agement of the town's contributory retirement board established
4 under paragraph (b) of subdivision (4) of section 20 of chapter 32
5 of the General Laws. The town treasurer shall be the custodian of
6 the OPEB Trust Fund and may employ an outside custodial
7 service.

8 (b) Beginning in fiscal year 2008, the OPEB Trust Fund shall
9 be credited with all amounts appropriated or otherwise made

10 available by the town for the purposes of meeting the current and
11 future OPEB costs payable by the town. The OPEB Trust Fund
12 shall be credited with all amounts contributed or otherwise made
13 available by employees of the town for the purpose of meeting
14 future OPEB costs payable by the town. Amounts in the OPEB
15 Trust Fund, including any earnings or interest accruing from the
16 investment of these amounts, shall be expended only for the pay-
17 ment of the costs payable by the town for OPES in consultation
18 with the town's contributory retirement board. Subject in each
19 instance to the approval of the town's contributory retirement
20 board, the town treasurer shall invest and reinvest the amounts in
21 the OPEB Trust Fund not needed for current disbursement consis-
22 tent with the prudent person rule, but no funds may be invested
23 directly in mortgages or in collateral loans. The OPEB Trust Fund
24 shall be subject to the public employee retirement administration
25 commission's triennial audit.

26 (c) The board may employ any qualified bank, trust company,
27 corporation, firm or person to advise it on the investment of the
28 OPEB Trust Fund and may pay from the OPEB Trust Fund for
29 such advice and such other services determined by the town's con-
30 tributory retirement board. Procurement for these services shall be
31 subject to the procurement procedures and rules followed by the
32 town's contributory retirement board for services to the town's
33 contributory retirement system.

34 (d) If any civil action is brought against a member of the retire-
35 ment board, the defense or settlement of which action is made by
36 an attorney employed by the retirement board, the member shall
37 be indemnified for all expenses incurred in the defense of this
38 action and shall be indemnified for damages to the same extent as
39 provided for public employees in chapter 258 of the General Laws
40 if the claim arose out of acts performed by the member or mem-
41 bers while acting within the scope of his official duties, but no
42 member of a retirement board shall be indemnified for expenses
43 incurred in the defense of an action, or damages awarded in an
44 action, in which there is shown to be a breach of fiduciary duty, an
45 act of willful dishonesty or an intentional violation of law by the
46 member.

1 SECTION 3. (a) An actuary, who shall be a member of the
2 American Academy of Actuaries, shall perform an actuarial valua-
3 tion of the town's OPEB liabilities and funding schedule, as of
4 January 1, 2006, and no less frequently than every second year
5 thereafter. All such determinations shall be made in accordance
6 with generally accepted actuarial standards and shall conform to
7 the requirements of GASB 43 and 45 and the actuary shall make a
8 report of such determinations to the town meeting. The report
9 shall, without limitation, detail the demographic and economic
10 actuarial assumptions used in making such determinations, and
11 each such report after the first such report shall also include an
12 explanation of the changes, if any, in the demographic and eco-
13 nomic actuarial assumptions employed and the reasons for any
14 such changes.

15 (b) Beginning in fiscal year 2008, all payments for the purposes
16 of meeting the town's costs of OPEB under this act shall be made
17 from the OPEB Trust Fund. Funds in the OPEB Trust Fund must
18 be segregated from all other funds. Disbursements from the OPEB
19 Trust Fund including any earnings or interest accruing from the
20 investment of these amounts may only be made based on
21 sections 1 to 3 inclusive of this act.

1 SECTION 4. This act shall take effect upon its passage.