

**HOUSE . . . . . No. 2644**

By Mr. Linsky of Natick, petition of David Paul Linsky and others that cities and towns be authorized to establish post-retirement insurance liability funds. Public Service.

**The Commonwealth of Massachusetts**

PETITION OF:

David Paul Linsky	Alice Hanlon Peisch
Gale D. Candaras	Richard T. Moore
Jennifer L. Flanagan	John W. Scibak
Bruce E. Tarr	Bradley H. Jones, Jr.
J. James Marzilli, Jr.	Cory Atkins
James E. Timilty	Patricia D. Jehlen
Michael E. Festa	John V. Fernandes

In the Year Two Thousand and Seven.

AN ACT AUTHORIZING THE CITIES AND TOWNS OF THE COMMONWEALTH TO ESTABLISH A POST RETIREMENT INSURANCE LIABILITY 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 Any city or town which accepts the provisions of this act may  
2 appropriate funds in order to offset the anticipated cost of premium  
3 payments for or direct payments to retired employees and the eli-  
4 gible surviving spouses or dependents of deceased employees. Such  
5 amounts shall be credited to a special fund to be known as the Post  
6 Retirement Insurance Liability Fund. Any interest or other income  
7 earned by the fund shall be added to and become part of the fund  
8 The treasurer of the city or town shall be the custodian of the fund  
9 and may deposit the proceeds in national banks or invest the pro-  
10 ceeds by deposit in savings banks, cooperative banks or trust compa-  
11 nies organized under the laws of the Commonwealth or in federal  
12 savings and loan associations situated in the Commonwealth or  
13 invest in securities as provided for in Chapter 32 of the General  
14 Laws. Amounts shall be appropriated to or expended from such fund  
15 only in accordance with an actuarial schedule developed by the city  
16 or town. Such schedule shall be designed to reduce to zero any

17 unfunded liability attributable to the payment of such premiums or  
18 direct payments. Such schedule shall also be designed to maintain  
19 appropriations as a fixed ratio of the current and predicted future  
20 payroll of the city or town. The treasurer of a city or town may  
21 employ any qualified bank, trust company, corporation, firm or  
22 person for advice on the investment of the fund and to prepare an  
23 actuarial study and may pay for such advice and service from the  
24 fund.