

HOUSE No. 2694

By Mr. Petruccelli of Boston, petition of Anthony Petruccelli relative to the Massachusetts Port Authority employees retirement system. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT TO IMPROVE THE SEMI PRIVATE, FINANCIALLY INDEPENDENT, FULLY FUNDED CHAPTER 32 GOVERNED MASSACHUSETTS PORT AUTHORITY 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:

1 Adding the following subdivision, as amended by Section 12 of
2 Chapter 68 of the acts of 1999, hereby further amends Section 5 of
3 said Chapter 32:—

4 (5a) Notwithstanding the provisions of this chapter or any other
5 general or special law to the contrary, there is hereby established a
6 voluntary alternative superannuation retirement benefit program for
7 members of the Financially Independent, Fully Funded Massachu-
8 setts Port Authority Employees Retirement System.

9 Participation in said program shall be offered as an alternative
10 retirement option at time of hiring for all group 1 and group 2
11 employees hired on or after July 1, 2007. Such members' opting to
12 join shall make contributions to the Massachusetts Port Authority
13 Employees Retirement System at the rate of 12 per cent on all reg-
14 ular compensation.

15 Any current contributing Group 1 and Group 2 member of the
16 Massachusetts Port Authority Retirement System hired before July
17 1, 2007 may elect to participate in the alternative superannuation
18 retirement benefit program. Said election shall be made on or after
19 July 1, 2007 and on or before December 31, 2007.

20 Any current contributing group 1 or group 2 member of a Chapter
21 32 contributory retirement system who transfers into the Massachu-

22 setts Port Authority Employees Retirement System before July 1,
23 2007 may elect to participate in the alternative superannuation retire-
24 ment benefit program; provided, that said election shall occur within
25 180 days of establishing membership in the Massachusetts Port
26 Authority Employees Retirement System.

27 (5b) Any current contributing Group 1 and Group 2 member who
28 elects to so participate shall be required to make contributions to the
29 Massachusetts Port Authority Employees Retirement System at the
30 rate of 10% from regular compensation in place of established
31 member contribution rates, and the established 2% cap rate under
32 Chapter 32, thereby any current contributing member presently con-
33 tributing 5%, 7%, 9% along with the 2% cap would then have there
34 contributions adjusted to 10% during the life of their membership in
35 the Massachusetts Port Authority Employees Retirement System.

36 Current contributing group 1 and group 2 members hired before
37 January 1st 1975 that will have 30 years of service, and would
38 qualify to retire on or after their 55th birthday but would not have
39 the 5 year minimum contribution requirement full filled shall be
40 allowed to have contributions made from their 50th to their 55th
41 birthday credited towards their 5 year minimum criteria, and shall be
42 obligated to make additional contributions in conjunction with the
43 credited amount that shall equal the 5 year at 10% minimum contri-
44 bution criteria.

45 Current contributing members' that elect not to join this alterna-
46 tive program shall remain at their present classification and contribu-
47 tion rates established under Chapter 32.

48 Current contributing members' participating in this program are
49 required to make a minimum of five years of contributions at 10 per
50 cent from of regular compensation pursuant to Section 22; provided,
51 however, that if said member elects to retire before he has made said
52 five years of contributions at 10 percent, said member shall pay, in
53 one sum or in installments as the board may prescribe, an amount
54 equal to that which would have been withheld as regular deductions
55 at the rate of 10 percent from his regular compensation for such five
56 year period based on his last 12 months of regular compensation less
57 contributions made during said member's last five years of cred-
58 itable service; provided, further, that any inactive member who
59 elects to retire before he has made said five years of contributions at
60 10 percent, said member shall pay, in one sum or in installments as

61 the board may prescribe, an amount equal to that which would have
62 been withheld as regular deductions at the rate of 10 percent from
63 his regular compensation for such five-year period based on the last
64 12 months of regular compensation which would have been paid to
65 said inactive member had said member continued in the position
66 from which he is currently inactive less contributions made during
67 said member's last five years of creditable service. Any schedule
68 permitting an acceleration of contributions shall be consistent with
69 the plan qualification requirements of the Internal Revenue Code
70 and shall, where necessary to meet the requirements of the Internal
71 Revenue Code, provide for an actuarial reduction of benefits by the
72 actuary appointed by the commission in accordance with the provi-
73 sions of Section 21.

74 Any current contributing Group 1 and Group 2 member who
75 elects to participate in the alternative superannuation retirement
76 benefit program and pays additional contributions pursuant to this
77 section and does not complete 30 years of creditable service shall
78 upon termination from membership in or retirement from the system
79 shall be reimbursed such additional contributions, plus regular
80 interest, as determined by the Massachusetts Port Authority
81 Employees Retirement System and shall be reclassified back into the
82 Chapter 32 group in which he/she was participating in before
83 employee voluntarily joined the alternative program and at the rate
84 of contribution such employee would have been obligated to pay if
85 the member had remained in the primary Chapter 32 program.

86 (5c) The normal yearly amount of retirement allowance for an eli-
87 gible employee who has completed 30 years of creditable service
88 and has paid the full amount of regular deductions on the total
89 amount of regular compensation as determined under subsection 5
90 Chapter 32, shall be based on the average annual rate of regular
91 compensation as determined under said paragraph (a) and shall be
92 computed according to the table contained in said paragraph (a)
93 titled group 2, based on the age of such member and his number of
94 years and full months of creditable service at the time of his retire-
95 ment with the percentage of salary average in such computation to
96 be increased by 1 percent per year for each full year of service in
97 excess of 24 years of creditable service; provided, however, that
98 such member shall have served for not less than 25 years as an
99 employee of the Massachusetts Port Authority in order to be eligible

100 to receive the benefit provided under this subsection. For any
101 member who retires prior to age 55, his age factor shall be deter-
102 mined in accordance with subdivision (1) of Section 10. For any
103 member who retires before completing 30 years of service, such
104 member shall receive a retirement allowance equal to the retirement
105 allowance that the member would have been eligible for had he not
106 participated in the alternative superannuation retirement benefit pro-
107 gram.

108 (5 d) The total normal yearly amount of the retirement allowance,
109 as determined in accordance with the provisions of this subdivision,
110 of any employee who retires and receives an additional benefit under
111 the alternative superannuation retirement benefit program shall not
112 exceed four-fifths of the average annual rate of his regular compen-
113 sation received during any period of three consecutive years of cred-
114 itable service for which the rate of compensation was the highest or
115 of the average annual rate of his regular compensation received
116 during the period or periods, whether or not consecutive, consti-
117 tuting his last three years of creditable service preceding retirement,
118 whichever is greater.

119 (5e) The Massachusetts Port Authority Employees' Retirement
120 System Board shall have full responsibility implementing this alter-
121 native program on behalf of it's current group 1 and group 2 mem-
122 bers and shall notify all members within 90 days after this program
123 becomes active of said members eligibility and information to aide
124 in members decision to join the alternative program or remain in the
125 primary program.

126 Eligibility criteria's to participate in this alternative program shall
127 be met by the member if at the date in which the member retires; (a)
128 members' must be a minimum age of 55, (b) members' must have a
129 minimum of 30 years of service in a Chapter 32 retirement system,
130 (c) members' must have a minimum of 25 years with the Massachu-
131 setts Port Authority, (d) members' agree to increase their contribu-
132 tion rate as required under Section (5a – 5b) for the full term in
133 which the member participates in this program.