

# HOUSE . . . . . No. 2695

By Ms. Polito of Shrewsbury, petition of Karyn E. Polito for legislation to direct the Teachers' Retirement Board to make an investigation and study relative to purchasing power protection for retiree benefits. Public Service.

## The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO THE PURCHASING POWER PROTECTION FOR RETIREE BENEFITS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 The teachers' retirement board is hereby authorized and  
2 directed to analyze, study and evaluate the costs and the actuarial  
3 liabilities attributable to providing seventy-five percent pur-  
4 chasing power protection for annuitants of the teachers' retire-  
5 ment system. The teachers' retirement board shall also make  
6 recommendations on implementing said purchasing power protec-  
7 tion incrementally in order to secure seventy-five percent pur-  
8 chasing power protection for annuitants of the teachers'  
9 retirement system. In order to effectuate the funding for the  
10 change in benefits for the annuitants of the teachers' retirement  
11 system, the board shall prepare a supplemental pension funding  
12 schedule which shall be designed to reduce the actuarial pension  
13 liability attributed to the seventy-five percent purchasing power  
14 protection to zero on or before June thirtieth, two thousand and  
15 seven; provided that in preparing such schedule the board shall  
16 consider the actuarial value and the market value of the systems  
17 assets and liabilities, the long term investment rate of return on  
18 the systems assets and the systems unfunded actuarial liability,  
19 and provided further, that the board shall triennially update such  
20 supplemental schedule until said June thirtieth, two thousand and  
21 seven. The teachers' retirement board shall file said report  
22 together with its recommendations and draft legislation necessary

23 to carry out such recommendations into effect by filing the same  
24 with the clerk of the House of Representatives, the joint com-  
25 mittee on public service and the house and senate committees on  
26 ways and means on or before December 31, 2008.