

SENATE NO. 1539

AN ACT TO EVALUATE THE COST OF MODIFYING PENSION BENEFITS FOR POLICE OFFICERS

*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. The Public Employee Retirement Administration Commission in consultation
2 with the state retirement board shall analyze, study, and evaluate the cost and actuarial
3 liabilities attributable to modifying the retirement benefit for police officers in group 4. The
4 study shall include the cost and the actuarial liability associated in modifying the retirement
5 benefit to extend a 75% calculated benefit for 25 years of service for police officers in group 4.
6 In order to effectuate the funding for this change, the commission shall prepare supplementary
7 pension funding schedules, which shall be designed to reduce the actuarial unfunded liability
8 attributed to this change to 0 on or before June 30, 2028 and shall provide 3 alternative
9 schedules, providing the option of reducing the unfunded liability to 0 by June 30, 2034, June
10 30, 2038 and June 30, 2048,

11 respectfully; provided, that in preparing such schedules the commission shall consider the
12 actuarial value and the market value of the systems assets and liabilities, the long-term

13 investment rate of return on the systems assets and the system's unfunded actuarial liability.
14 The commission shall file a study together with its recommendations and proposed funding
15 schedule to the House and Senate Committee on Ways and Means along with the Joint
16 Committee on Public Service on December 31, 2005. The commission shall provided
17 assistance in developing funding schedules for the purpose of modifying the retirement benefit
18 to extend a 75% calculated benefit for 25 years of service for police officers in group 4 to city,
19 town, county, regional, district and authority retirement systems at the request of the
20 appropriate retirement board.