

SENATE NO. 1679

AN ACT RELATIVE TO THE COST OF LIVING ADJUSTMENT FOR PUBLIC RETIREES

*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. Section 22C of chapter 32 of the General Laws, as appearing in the 2004 Official
2 Edition, is amended by striking out in line 29 the number “23” and inserting in place thereof the
3 following number: - 26.

4 SECTION 2. Section 22D of said chapter 32, as appearing in the 2004 Official
5 Edition, is amended by inserting in line 29 after the word “approve” the following
6 words: - provided further, however, that in the event that a system has accepted
7 the provisions of paragraph (j) of Section 102, the funding schedule, and any
8 updates thereto, shall be designed to reduce the unfunded actuarial liability of
9 said system to zero as of such year, that may be subsequent to June 30, 2028,
10 as the commission shall approve.

11 SECTION 3. Paragraph (c) of section 102 of said chapter 32, as appearing in the
12 2004 Official Edition, is amended by striking out in lines 32, 36 and 43 the dollar
13 amount “\$12,000” and inserting in place thereof the following dollar amount: -
14 \$16,000.

15 SECTION 4. Section 103 of said chapter 32 is amended by inserting the following new
16 paragraph: -

17 (j) Notwithstanding the provisions of paragraph (a) to the contrary, the board of any
18 system may, by accepting the provisions of this paragraph as hereinafter provided, elect to pay a
19 cost-of-living adjustment on a base amount greater than \$12,000. Acceptance of this paragraph
20 shall be by a majority vote of the board of such system, subject to the approval of the legislative
21 body. For the purpose of this paragraph, "legislative body" shall mean, the city council in
22 accordance with its charter, in the
23 case of a town, the town meeting, in the case of a county or region, the county or regional
24 retirement board advisory council, in the case of a district, the district members,
25 and, in the case of an authority, the governing body. Acceptance of this paragraph
26 shall be deemed to have occurred upon the filing of the certification of such vote
27 with the commission. A decision to accept the provisions of this paragraph may not be revoked.

28 Notwithstanding the provisions of subdivision (6A) of Section 22 or
29 Section 22D to the contrary, for each system that has accepted the provisions of
30 this paragraph, the board, in consultation with the commission, shall prepare a
31 funding schedule which shall reflect the costs and the actuarial liabilities attributable
32 to the cost of living allowance that may be paid in accordance with the provisions
33 of this paragraph and said schedule shall be designed to reduce the applicable
34 retirement system's pension liability to zero by such year, that may be subsequent
35 to June 30, 2028, as approved by the commission. The board shall file revised
36 funding schedules triennially with the joint committee on public service until such
37 costs and liabilities are reduced to zero.

38 SECTION 5. The provisions of sections one and three of this act shall take effect
39 for cost of living adjustments to be made, in accordance with the provisions of
40 section 102 of said chapter 32, commencing July 1, 2007.