

# HOUSE . . . . . No. 3778

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Text of amendments recommended by the committee on Ways and Means to the Senate Bill providing for additional pension reform benefits and modernization (Senate, No. 2018).

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## The Commonwealth of Massachusetts

—  
In the Year Two Thousand Eleven  
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The Committee on Ways and Means recommends that the bill be amended by striking out all after the enacting clause and inserting in place thereof the following:-

1 SECTION 1. Clause Twenty-sixth of section 7 of chapter 4 of the General Laws, as appearing  
2 in the 2010 Official Edition, is hereby amended by adding the following subclause:-

3 (t) statements filed under section 20C of chapter 32.

4 SECTION 2. The second paragraph of section 50 of chapter 7 of the General Laws, as so  
5 appearing, is hereby amended by striking out clause (f).

6 SECTION 3. Clause (19) of subsection (b) of section 1 of chapter 30B of the General Laws, as  
7 so appearing, is hereby amended by adding the following words:- ; provided, however, that the  
8 procurements shall take place under section 23B of chapter 32.

9 SECTION 4. Section 1 of chapter 32, as so appearing, is hereby amended by striking out, in line  
10 306, the figure “55” and inserting in place thereof the following figure:- 65.

11 SECTION 5. Section 1 of said chapter 32, as so appearing, is hereby further amended by  
12 inserting after the word "firefighters", in line 607, the following words:- , correctional officers.

13 SECTION 6. Paragraph (b) of subdivision (8) of section 3 of said chapter 32, as so appearing, is  
14 hereby amended by inserting after the third sentence the following sentence:- Notwithstanding  
15 any provision of this chapter to the contrary, a member who is reinstated to, or re-enters the  
16 active service of, a governmental unit, or who is eligible to receive credit for other service under  
17 this section, and who does not, (i) pay into the annuity savings fund of the system make-up  
18 payments of an amount equal to the accumulated regular deductions withdrawn by the member,  
19 together with buyback interest; or (ii) make provision for the repayment in installments, upon  
20 such terms and conditions as the board may prescribe, to pay into the annuity savings fund of the  
21 system make-up payments of an amount equal to the accumulated regular deductions withdrawn  
22 by the member, together with buyback interest, within 1 year from the date of reinstatement or  
23 re-entry or within 1 year after July 1, 2012, whichever is later, shall pay actuarial assumed  
24 interest instead of buyback interest on all make-up payments to be entitled to creditable service  
25 resulting from the previous employment.

26 SECTION 7. Section 4 of said chapter 32, as so appearing, is hereby amended by inserting after  
27 the word “year”, in line 7, the following words:- ; and provided further, that in no event shall a  
28 member be credited with service performed on the member’s behalf by another individual

29 pursuant to a shift swap or similar arrangement unless the member has repaid the swap prior to  
30 retirement by working the same hours on behalf of the other individual if more than 4 shifts  
31 remain unrepaid.

32 SECTION 8. Subdivision (1) of said section 4 of said chapter 32, as so appearing, is hereby  
33 amended by inserting after paragraph (g<sup>1/2</sup>) the following paragraph:-

34 (g<sup>3/4</sup>) The period or periods before 1975 during which any retired member of the Teachers  
35 Retirement System or any retired member of the Boston Teachers Retirement System who (i) is  
36 living and retired before September 1, 2000, (ii) resigned for the purposes of maternity leave or  
37 was on unpaid leave of absence for such purposes from the governmental unit in which the  
38 member was employed as a teacher and (iii) had established membership in a Massachusetts  
39 contributory retirement system shall be allowed under this paragraph a maximum of creditable  
40 service not to exceed 4 years creditable service. No credit shall be allowed under this paragraph  
41 for any member who was not retired as of September 1, 2000. The credit allowed under this  
42 paragraph shall increase the retirement allowance payments made on or after July 1, 2012 only.

43 SECTION 9. Section 5 of said chapter 32, as so appearing, is hereby amended by striking out, in  
44 line 3, the words “in either Group 1 or Group 2 or Group 4 who has attained age fifty-five” and  
45 inserting in place thereof the following words:- : (i) in either Group 1 or Group 2 or Group 4  
46 who has attained age 55 or (ii) in Group 1 who became such a member on or after July 1, 2012  
47 who has attained age 57.

48 SECTION 10. Said section 5 of said chapter 32, as so appearing, is hereby further amended by  
49 inserting after the word “service”, in line 38, the following words:- , together with buyback  
50 interest, and shall satisfy the requirements for reinstatement under subsection (a) of section 105.

51 SECTION 11. Said section 5 of said chapter 32, as so appearing, is hereby further amended by  
52 inserting after the word “retirement”, in line 97, the following words:- ; provided, however, that  
53 for a member who became a member on or after June, 2012, the total amount of regular  
54 compensation shall be based on the average annual rate of regular compensation received by  
55 such member during any period of 5 consecutive years of creditable service for which such rate  
56 of compensation was the highest, or on the average annual rate of regular compensation received  
57 by such member during the period or periods, whether consecutive or not, constituting the  
58 member’s last 5 years of creditable service preceding retirement, whichever is the greater.

59 SECTION 12. Paragraph (a) of subdivision (2) of said section 5 of said chapter 32, as so  
60 appearing, is hereby further amended by inserting before the table the following 3 sentences:-  
61 Notwithstanding the previous sentence, if in the 5 years of creditable service immediately  
62 preceding retirement, the difference in the annual rate of regular compensation between any 2  
63 consecutive years exceeds 100 per cent, the normal yearly amount of the retirement allowance  
64 shall be based on the average annual rate of regular compensation received by the member  
65 during the period of 5 consecutive years preceding retirement. Any active member as of July 1,  
66 2012, who has served in more than 1 group may elect to receive a retirement allowance  
67 consisting of pro-rated benefits based upon the percentage of total years of service that the  
68 member rendered in each group; further, the retirement allowance for members who became

69 members on or after July 1, 2012, and who served in more than 1 group, shall receive a  
70 retirement allowance consisting of pro-rated benefits based upon the percentage of total years of  
71 service that member rendered in each group. The pro-rated benefits shall be calculated in a  
72 manner prescribed by the commission.

73 SECTION 13. The caption in said paragraph (a) of said subdivision (2) of said section 5 of said  
74 chapter 32, as so appearing, is hereby further amended by striking out the words, “Creditable  
75 Service” and inserting in place thereof the following words:- Creditable Service for individuals  
76 who became members before July 1, 2012.

77 SECTION 14. Said paragraph (a) of said subdivision (2) of said section 5 of said chapter 32, as  
78 so appearing, is hereby further amended by inserting after the table the following 2 tables and  
79 text:-

80 Table Showing Percentage of the Amount of Average Annual Rate of Regular Compensation to  
81 be multiplied by the Number of Years of Creditable Service for individuals who become  
82 members on or after July 1, 2012.

	Age Last Birthday At Date of Retirement		
	_____		
85 Per cent.	Group 1.	Group 2.	Group 4.
86	_____		



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106	2.5	.....	67 or over	62 or over	57 or over
107	2.375	.....	66	61	56
108	2.250	.....	65	60	55
109	2.125	.....	64	59	54
110	2.0	.....	63	58	53
111	1.875	.....	62	57	52
112	1.750	.....	61		51
113	1.625	.....	60		50
114	1.5	.....	59		49
115	1.375	.....	58		48
116	1.250	.....	57		47

117 If the retirement age for receiving Social Security retirement benefits is adjusted under federal  
118 law, the secretary of administration and finance, in consultation with the commission, shall  
119 evaluate the percentages in the above table and make a recommendation to the General Court as  
120 to whether the percentages should be adjusted by legislation.

121 SECTION 15. Paragraph (c) of said subdivision (2) of said section 5 of said chapter 32, as so  
122 appearing, is hereby amended by adding the following sentence:- The total normal yearly amount

123 of the retirement allowance of any member of Group 1 or Group 2 or Group 4, who becomes  
124 such a member on or after July 1, 2012, shall not exceed four-fifths of the average annual rate of  
125 such member's regular compensation received during any period of 5 consecutive years of  
126 creditable service for which such rate of compensation was the highest or on the average annual  
127 rate of regular compensation received by such member during the period or periods, whether or  
128 not consecutive, constituting such member's last 5 years of creditable service preceding  
129 retirement, whichever is the greater.

130 SECTION 16. Said subdivision (2) of said section 5 of said chapter 32, as so appearing, as, is  
131 hereby further amended by inserting after paragraph (e) the following paragraph:-

132 (f) In calculating the average annual rate of regular compensation for purposes of this section,  
133 regular compensation in any year shall not include regular compensation that exceeds the  
134 average of regular compensation received in the 2 preceding years by more than 10 per cent.  
135 This paragraph shall not apply to an increase in the annual rate of regular compensation that  
136 results from an increase in hours of employment, from overtime wages, from a bona fide change  
137 in position, excluding a modification in the salary or salary schedule negotiated for bargaining  
138 unit members under chapter 150E, or in the case of a teacher, from the performance of any  
139 services set forth in the third sentence of the first paragraph of the definition of "regular  
140 compensation" in section 1. Any withholdings excluded from the calculation of a member's  
141 average annual rate of regular compensation under this paragraph, shall be returned to the  
142 member with interest at the assumed actuarial rate.

143 SECTION 17. Paragraph (b) of subdivision (3) of said section 5 of said chapter 32, as so  
144 appearing, is hereby amended by striking out the first sentence and inserting in place thereof the  
145 following sentence:- Any duly authorized leave or period of absence for which any member is  
146 allowed creditable service under sections 1 to 28, inclusive, and any such leave or period of  
147 absence not in excess of 1 year for which such member is not allowed creditable service, shall be  
148 included in any applicable 3-year or 5-year period to determine the average annual rate of such  
149 member's regular compensation therefor to the extent such leave or period of absence falls  
150 within such applicable 3-year or 5-year period, anything in such sections to the contrary  
151 notwithstanding.

152 SECTION 18. Paragraph (i) of subdivision (4) of said section 5 of said chapter 32, as so  
153 appearing, is hereby amended by inserting after the tenth sentence the following sentence:-

154 In the case of an employee who becomes a member on or after July 1, 2012, and has at least 30  
155 years of creditable service, the on-going rate of contribution under this paragraph shall be  
156 reduced by 3 per cent.

157 SECTION 19. Said subdivision (4) of said section 5 of said chapter 32, as so appearing, is hereby  
158 amended by adding the following paragraph:-

159 The total normal yearly amount of the retirement allowance, as determined under this  
160 subdivision of any employee who becomes such a member on or after July 1, 2012, and retires  
161 and receives an additional benefit under the alternative superannuation retirement benefit

162 program shall not exceed four-fifths of the average annual rate of such member's regular  
163 compensation received during any period of 5 consecutive years of creditable service for which  
164 the rate of compensation was the highest or of the average annual rate of such member's regular  
165 compensation received during the period or periods, whether or not consecutive, constituting the  
166 member's last 5 years of creditable service preceding retirement, whichever is greater.

167 SECTION 20. Subdivision (2) of section 6 of said chapter 32, as so appearing, is hereby  
168 amended by striking out paragraph (a) and inserting in place thereof the following paragraph:-

169 (a) The normal yearly amount of such allowance for any member classified in Group 1, Group 2  
170 or Group 4 other than a veteran as defined in section 1 shall be equal to that to which the member  
171 would be entitled under section 5 as prescribed for a member of the member's group, if the  
172 member were to be retired for superannuation upon the attainment of age 55, or for any member  
173 classified in Group 1 who became such a member on or after July 1, 2012, if such member were  
174 to be retired for superannuation upon the attainment of age 60, with an amount of creditable  
175 service equal to that with which the member is credited at the date of the member's actual  
176 retirement for ordinary disability; provided, however, that if the member has attained age 55, or  
177 for a member classified in Group 1 who became such a member on or after July 1, 2012, if the  
178 member has attained age 60, the normal yearly amount of such allowance shall in no event be  
179 less than that to which the member would be entitled if the member were to be retired for  
180 superannuation under section 5 as prescribed for a member in the member's group; and provided,  
181 further, that the normal yearly amount of such allowance for a member who became such a  
182 member before July 1, 2012, shall not exceed four-fifths of: (i) the average annual rate of the

183 member's regular compensation during any period of 3 consecutive years of creditable service  
184 for which such rate of compensation was the highest, and (ii) the average annual rate of regular  
185 compensation received by such member during the period or periods, whether or not  
186 consecutive, constituting the member's last 3 years of creditable service preceding retirement,  
187 whichever is greater; and provided, further, that for a member who became such a member on or  
188 after July 1, 2012, the normal yearly amount of such amount shall not exceed four-fifths of: (i)  
189 the average annual rate of the member's regular compensation during any period of 5  
190 consecutive years of creditable service for which such rate of compensation was the highest, and  
191 (ii) the average annual rate of regular compensation received by such member during the period  
192 or periods, whether or not consecutive, constituting the member's last 5 years of creditable  
193 service preceding retirement, whichever is greater.

194 SECTION 21. Subdivision (1) of section 10 of said chapter 32, as so appearing, is hereby  
195 amended by adding the following sentence:-This subdivision shall not apply to any member who  
196 entered service on or after July 1, 2012.

197 SECTION 22. Subdivision (2) of said section 10 of said chapter 32, as so appearing, is hereby  
198 amended by adding the following sentence:- This subdivision shall not apply to any member who  
199 entered service on or after July 1, 2012.

200 SECTION 23. Said section 10 of said chapter 32, as so appearing, is hereby further amended by  
201 inserting after said subdivision (2) the following subdivision:-

202 (2a) Notwithstanding subdivisions (1) or (2), any member classified in Group 1, Group 2 or  
203 Group 4, who became a member on or after July 1, 2012, has completed 10 or more years of  
204 creditable service, and who (1) fails of reappointment; (2) is removed or discharged from the  
205 member's office or position without moral turpitude on the member's part;  
206 (3) accepts, during or prior to the expiration of a term for which the member was elected,  
207 appointment to an office or position the acceptance of which requires under the constitution of  
208 the commonwealth resignation from the general court; (4) whose office or position is abolished;  
209 or (5) who resigns or voluntarily terminates the member's service, who leaves the member's  
210 accumulated total deductions in the annuity savings fund of the system of which the member is a  
211 member, shall have the right upon attaining the minimum retirement age for the member's  
212 Group, or at any time thereafter, to apply for a superannuation retirement allowance to become  
213 effective under subdivision (3).

214 Such allowance shall be determined under section 5 or any other section governing  
215 superannuation retirement applicable to such member upon the basis of the member's age on the  
216 date when the retirement allowance becomes effective, with an amount of creditable service  
217 equal to that with which the member was credited on the date of the member's termination of  
218 service.

219 SECTION 24. Subdivision (3) of said section 10 of said chapter 32, as so appearing, is hereby  
220 amended by inserting after the figure "(2)", in line 113, the following words:- or (2a).

221 SECTION 25. Subdivision (2) of section 12 of said chapter 32, as so appearing, is hereby  
222 amended by striking out the ninth paragraph and inserting in place thereof the following  
223 paragraph:-

224 If such member dies before attaining age 55 and before being retired, such nominated eligible  
225 beneficiary shall receive the option (c) allowance to which such member would have been  
226 entitled had the member attained age 55 at the time of the member's death and had the member's  
227 retirement taken place on the date of the member's death. Notwithstanding the previous  
228 sentence, if a member of Group 1 who became such a member on or after July 1, 2012, dies  
229 before attaining age 60 and before being retired, such nominated eligible beneficiary shall  
230 receive the option (c) allowance to which such member would have been entitled had the  
231 member attained age 60 at the time of the member's death and had the member's retirement  
232 taken place on the date of the member's death.

233 SECTION 26. Said section 12 of said chapter 32, as so appearing, is hereby amended by striking  
234 out, in lines 211 and 212, the words "two hundred and fifty dollars," and inserting in place  
235 thereof the following words:- \$250 or \$500 a month, whichever is applicable to such spouse.

236 SECTION 27. Said section 12 of said chapter 32, as so appearing, is hereby amended by  
237 inserting after the seventeenth paragraph the following paragraph:-

238 Beginning July 1, 2012, the normal monthly member-survivor allowance provided for under this  
239 option to a spouse of a deceased member shall not be less than \$500 for members of the state

240 teachers' and state employees' retirement system. This paragraph shall take effect for the  
241 members of a retirement system of any other political subdivision by a majority vote of the board  
242 of such system and by the local legislative body. For the purpose of this paragraph, a vote of the  
243 legislative body shall take place in the following manner: in a city, by a vote the city council  
244 subject to its charter; in a town, by a vote at a town meeting; in a county, by a vote of the county  
245 retirement board advisory council; in a region, by a vote of the regional retirement board  
246 advisory council; in a district, by a vote of the district members; and for an authority, by a vote  
247 of its governing body. Acceptance shall be deemed to have occurred upon the filing of a  
248 certification of such vote with the commission.

249 SECTION 28. Section 15 of said chapter 32, as so appearing, is hereby further amended by  
250 adding the following subdivision:-

251 (6) If a member's conviction, continuance without a finding or civil violation results in a  
252 forfeiture of rights under this chapter, the member shall forfeit, and the board shall require the  
253 member to repay, all benefits received after the date of the offense for which the member was  
254 convicted.

255 SECTION 29. Paragraph (b) of subdivision (1) of section 16 of said chapter 32, as so appearing,  
256 is hereby amended by striking out the first sentence and inserting in place thereof the following:-

257 For any member in service who: (i) is classified in Group 1, Group 2 or Group 4 who has  
258 attained age 55 and completed 15 or more years of creditable service; (ii) is classified in Group

259 1, Group 2 or Group 4 who has not attained age 55 but who has completed 20 or more years of  
260 creditable service; (iii) entered such service on or after July 1, 2012, classified in Group 1 who  
261 has attained age 60 and completed 15 or more years of creditable service; or (iv) entered such  
262 service on or after July 1, 2012, classified in Group 1 who has not attained age 57 but who has  
263 completed 20 or more years of creditable service, and for whom an application for such  
264 member's retirement is filed by the head of such member's department under paragraph (a) of  
265 this subdivision, the member may, within 15 days of the receipt of such member's copy of such  
266 application, file with the board a written request for a private or public hearing upon such  
267 application.

268 SECTION 30. Section 20 of said chapter 32, as so appearing, is hereby amended by inserting  
269 after subdivision (4 7/8D) the following subdivision:-

270 (4 7/8E) No employee, contractor, vendor or person receiving remuneration, financial benefit or  
271 consideration of any kind, other than a retirement benefit or the statutory stipend for serving on  
272 the retirement board, from a retirement board or from a person doing business with a retirement  
273 board shall be eligible to serve on a retirement board; provided, however, that an employee of a  
274 retirement board may serve on a retirement board other than the retirement board by which the  
275 person is employed; and provided further, this subdivision shall apply only to individuals who  
276 first become members of a retirement board on or after July 1, 2012.

277 SECTION 31. Subdivision (6) of said section 20 of said chapter 32, as so appearing, is hereby  
278 amended by striking out paragraph (a) and inserting in place thereof the following paragraph:-

279 The elected and appointed members of a city, town, county, regional, district or authority  
280 retirement board upon the acceptance of the appropriate legislative body shall receive a stipend;  
281 provided, however, that the stipend shall not be less than \$3,000 per year and not more than  
282 \$4,500 per year; provided further, that the stipend shall be paid from funds under the control of  
283 the board as shall be determined by the commission; and, provided further, that an ex-officio  
284 member of a city, town, county, district or authority retirement board upon the acceptance of the  
285 appropriate legislative body shall receive a stipend of not more than \$4,500 per year in the  
286 aggregate for services rendered in the active administration of the retirement system.

287 SECTION 32. Said section 20 of said chapter 32, as so appearing, is hereby amended by adding  
288 the following subdivision:-

289 (7) During each full term of service retirement board members shall undertake 18 hours of  
290 training; provided, however, that not less than 3 hours of such training shall take place each year  
291 and not more than 9 hours may take place in any single year; provided, however, that nothing in  
292 this subdivision shall prohibit such retirement board members from undertaking more than 18  
293 hours of training.

294 Such training shall consist of 9 hours sponsored by the commission, which shall include, at a  
295 minimum, the topics of fiduciary responsibility, ethical conduct and conflict of interest and 9  
296 hours of training on topics prescribed by the commission provided by the Massachusetts  
297 Association of Contributory Retirement Systems or other local, state, regional and national

298 organizations recognized by the commission as having expertise in retirement issues of  
299 importance to retirement board members or other entities, as the commission may determine.

300 The commission shall arrange for at least 18 sessions during each year for members to complete  
301 this requirement. In addition, the commission shall schedule additional sessions or otherwise  
302 make accommodations to ensure that members are afforded the maximum opportunity to  
303 complete this requirement.

304 The commission shall annually provide retirement boards with a statement of completion of  
305 education form on or before December 31. The board shall provide the forms to their members.  
306 The form shall set forth the training as required by this subdivision the member has undertaken  
307 during that year. Board members shall submit the completed form to the commission by January  
308 31 of the year following. The commission shall annually provide the member with a summary of  
309 the member's status regarding the completion of this requirement by March 1.

310 Failure to successfully complete the requirements of this subdivision shall prohibit a board  
311 member from serving beyond the conclusion of the term in which the failure took place. If the  
312 non-complying member is an ex-officio member or a second member, of a board the appointing  
313 authority for the second member shall appoint a different individual to serve on the board;  
314 provided, however, that the replacement of an ex-officio member shall be an individual  
315 experienced in the field of finance or auditing; and provided further, that in a regional retirement  
316 system non-complying members shall be replaced in the same manner as is set forth for the  
317 selection of the members.

318 Each retirement board shall notify all board members and prospective board members of the  
319 requirement to complete education requirements at the time of receiving information about  
320 seeking election to a retirement board or prior to being appointed to a retirement board.

321 The commission shall annually notify board members of the requirement to complete continuing  
322 education.

323 SECTION 33. Said chapter 32 is hereby amended by inserting after section 20B the following  
324 section:-

325 Section 20C. (a) Every member of a retirement board shall file a statement of financial interests  
326 for the preceding calendar year with the commission: (i) within 30 days of becoming a member  
327 of a retirement board; (ii) by May 1 of each year thereafter that the person is a member of a  
328 retirement board; and (iii) by May 1 of the year after the person ceases to be a member of a  
329 retirement board.

330 (b) The commission shall, upon receipt of a statement of financial interests under this section,  
331 issue to the person filing the statement a receipt verifying the fact that a statement of financial  
332 interests has been filed and a receipted copy of the statement.

333 (c) No member of a retirement board may continue in the member's duties unless the member  
334 has filed a statement of financial interests with the commission as required by this section.

335 (d) The statement of financial interests filed under this section shall be on a form prescribed by  
336 the commission and shall be signed under penalty of perjury by the reporting person.

337 (e) A reporting person shall disclose, to the best of the person's knowledge, the following  
338 information for the preceding calendar year, or as of the last day of the year with respect to the  
339 information required by clauses (2), (3) and (6); provided, however, that the person shall also  
340 disclose the same information with respect to the person's immediate family; and provided  
341 further, that no amount need be given for the information about the reporting person's immediate  
342 family:

343 (1) the name and address of, the nature of association with, the share of equity in, if applicable,  
344 each business with which the person is associated;

345 (2) the identity of all securities and other investments with a fair market value of greater than  
346 \$1,000 which were beneficially-owned, not otherwise reportable hereunder;

347 (3) the name and address of each creditor to whom more than \$1,000 was owed; provided,  
348 however, that obligations arising out of retail installment transactions, educational loans, medical  
349 and dental expenses, debts incurred in the ordinary course of business and any obligation to  
350 make alimony or support payments, shall not be reported; and provided further, that such  
351 information need not be reported if the creditor is a relative of the reporting person within the  
352 third degree of consanguinity or affinity;

353 (4) the name and address of the source and the cash value of any reimbursement for expenses  
354 aggregating more than \$100 in the calendar year if the recipient is a member of a retirement  
355 board and the source of the reimbursement is a person having a direct interest in a matter before  
356 the retirement board of which the recipient is a member;

357 (5) the name and address of the donor and the fair market value, if determinable, of any gifts  
358 aggregating more than \$100 in the calendar year, if the recipient is a member of a retirement  
359 board and the source of the gift is a person having a direct interest in a matter before the  
360 retirement board of which the recipient is a member;

361 (6) the name and address of the source and the fair market value of any honoraria aggregating  
362 more than \$100 if the recipient is a member of a retirement board and the source of such  
363 honoraria is a person having a direct interest in a matter before a retirement board;

364 (7) the name and address of any creditor who has forgiven an indebtedness of over \$1,000 and  
365 the amount forgiven if the creditor is a person having a direct interest in a matter before a  
366 retirement board; provided, however, that no such information need be reported if the creditor is  
367 a relative within the third degree of consanguinity or affinity of the reporting person, or the  
368 spouse of such a relative; and

369 (8) the name and address of any business from which the reporting person is taking a leave of  
370 absence.

371 Nothing in this section shall be construed to require the disclosure of information, which is  
372 privileged by law.

373 Failure of a reporting person to file a statement of financial interests within 30 days of receipt of  
374 the notice in writing from the commission which states in detail the deficiency and the penalties  
375 for failure to file a statement of financial interests or the filing of an incomplete statement of  
376 financial interests after receipt of a notice shall result in the removal of the reporting person from  
377 the board and the reporting person shall not serve on a retirement board established under this  
378 chapter, under chapter 34B or the retirement board of the Massachusetts Water Resources  
379 Authority; provided, however, that, if the reporting person has filed an incomplete statement of  
380 financial interests the removal shall be stayed upon the filing of an appeal under subdivision (4)  
381 of section 16. If the non-complying member is an ex-officio member, the member's appointing  
382 authority shall appoint a different individual to serve on the board or if the member is directly  
383 elected by the people, a different individual shall be appointed to serve on the board by the  
384 mayor, county commissioners or board of selectman as the case may be.

385 SECTION 34. Paragraph (a) of subsection 1 of section 21 of said chapter 32, as so appearing, is  
386 hereby amended by inserting after the fourth sentence the following sentence:-

387 Each board shall maintain a copy of all collective bargaining agreements which cover the  
388 system's members and shall make the agreements available to the commission for review at such  
389 time as the commission shall specify.

390 SECTION 35. Said chapter 32 is hereby amended by inserting after section 21 the following  
391 section:-

392 Section 21A. (a) As used in this section the following words shall, unless the context requires  
393 otherwise, have the following meanings:-

394 "Affiliates", entities which are affiliates of each other when, either directly or indirectly, one  
395 concern or individual controls or has the power to control another or when a third party controls  
396 or has the power to control both.

397 "Contract", a contract for the furnishing of supplies or services to a retirement board.

398 "Debarment", an exclusion from contracting or subcontracting with a retirement board for a  
399 reasonable and specified period of time commensurate with the seriousness of the offense.

400 "Person", a natural person, business, partnership, corporation, union, committee, club or other  
401 organization, entity or group of individuals.

402 "Retirement board", a board established under chapter 32, chapter 34B or the retirement board of  
403 the Massachusetts Water Resources Authority, excluding the pension reserves investment  
404 management board.

405 "Suspension", the temporary disqualification of a vendor who is suspected upon adequate  
406 evidence of engaging or having engaged in conduct which constitutes grounds for debarment.

407 "Vendor", a person that has furnished or seeks to furnish supplies or services under a contract  
408 with a retirement board.

409 (b) The commission shall establish and maintain a consolidated list of vendors to whom contracts  
410 shall not be awarded and from whom offers, bids or proposals shall not be solicited. The list shall  
411 show at a minimum the following information:

412 (1) the names of those persons debarred or suspended in alphabetical order with appropriate  
413 cross reference where more than 1 name is involved in a single debarment or suspension;  
414 (2) the basis of authority for each debarment or suspension; (3) the extent of restrictions  
415 imposed; (4) the termination date of each debarment or suspension; and (5) in the case of a  
416 suspension, the hearing date, if and when set, for debarment proceedings.

417 The commission shall cause the list to be kept current by the issuance of notices of additions and  
418 deletions. The list shall be published on a periodic basis, together with notices of additions and  
419 deletions, in the goods and services bulletin and the central register published by the state  
420 secretary and in other publications as the commission shall designate. The commission shall also  
421 forward the list to the inspector general, the attorney general and the state auditor.

422 (c) Debarment may be imposed for the following causes:-

423 (1) conviction or continuance without a finding by a court of competent jurisdiction or a civil  
424 violation by an administrative agency or other governmental body of any of the following  
425 offenses: (i) a criminal offense incident to obtaining or attempting to obtain a public or private  
426 contract or subcontract, or in the performance of such contract or subcontract; (ii) a criminal  
427 offense involving embezzlement, theft, forgery, bribery, falsification or destruction of records,  
428 receiving stolen property or any other offense indicating a lack of business integrity or business  
429 honesty which seriously and directly affects the vendor's present responsibility as a public  
430 contractor; (iii) a violation of state or federal antitrust laws arising out of the submission of bids  
431 or proposals; (iv) a violation of chapter 268A; or (v) a violation of this chapter.

432 (2) substantial evidence, as determined by the commission, of any of the following acts:-

433 (i) willfully supplying materially-false information incident to obtaining or attempting to obtain  
434 or performing any public contract or subcontract; (ii) willful failure to comply with record-  
435 keeping and accounting requirements prescribed by law or regulation; (iii) a record of failure to  
436 perform or of unsatisfactory performance under the terms of 1 or more public contracts;  
437 provided, however, that the failure to perform or unsatisfactory performance has occurred within  
438 a reasonable period of time preceding the determination to debar; and provided, further, that the  
439 failure to perform or unsatisfactory performance was not caused by factors beyond the vendor's  
440 control; (iv) the submission to the board or the commission of an inaccurate disclosure statement;  
441 (v) the failure to disclose to the board and the commission compensation provided to a person in  
442 regards to attempting to obtain or the performance of a public contract or subcontract, including,

443 but not limited to, compensation provided by third parties retained by the vendor to another  
444 person; or (vi) any other cause affecting the responsibility of a vendor which the commission  
445 determines to be of a serious and compelling nature as to warrant debarment.

446 (d) No vendor may be suspended unless the commission has first informed the vendor by written  
447 notice of the proposed suspension mailed by registered or certified mail to the vendor's last  
448 known address, except when the commission determines that immediate suspension is necessary  
449 to prevent serious harm to the retirement system, in which case the suspension shall take effect  
450 immediately upon signing by the executive director of the commission of an order of suspension  
451 and notice shall be mailed to the vendor as soon as possible. The notice shall inform the vendor  
452 of the reasons for the proposed suspension and shall state that the vendor may, within 14 days,  
453 respond in writing and may in the response request a hearing. The commission may extend the  
454 period for response at the request of the vendor. The commission shall determine whether to  
455 impose the suspension or, in the case of an emergency suspension imposed prior to notice to the  
456 vendor, whether to continue the suspension after reviewing the vendor's response, if any, and  
457 making an investigation as the commission determines is necessary and appropriate. An  
458 indictment, or any information or other filing by a public agency charging a criminal offense, for  
459 any of the offenses listed in paragraph (1) of subsection (c) shall constitute adequate evidence to  
460 support a suspension.

461 If the vendor requests a hearing and the suspension is not based on an indictment, the  
462 commission shall conduct a hearing according to the rules for the conduct of adjudicatory  
463 hearings established by the secretary of administration under chapter 30A. The hearing shall be

464 initiated within 30 days of the imposition of the suspension, unless the vendor requests that the  
465 hearing be delayed. Officers and employees of the commission and records of the commission  
466 shall not be subject to subpoena for such hearing, if in the opinion of the commission production  
467 of records or testimony would prejudice any pending investigation by the commission.

468 A suspension shall not exceed 12 months unless a pending administrative or judicial proceeding  
469 in which the vendor is a party may result in a conviction, continuance without a finding or civil  
470 violation of an offense listed in paragraph (1) of subsection (c).

471 (e) No vendor may be debarred under this section unless the commission has first informed the  
472 vendor of the proposed debarment by written notice mailed by registered or certified mail to the  
473 vendor's last known address. The notice shall inform the vendor of the reasons for the debarment  
474 and shall state that the vendor will have an opportunity for a hearing if the vendor so requests  
475 within 14 days of receipt of the notice. A hearing requested under this paragraph shall be  
476 conducted by the commission within 60 days of receipt of the request, unless the commission  
477 grants additional time at the request of the vendor. The hearing shall be conducted according to  
478 the rules for the conduct of adjudicatory hearings established by the secretary of administration  
479 under chapter 30A. A debarment shall not be imposed until (i) 14 days after receipt by the  
480 vendor of notice of the proposed debarment if no hearing is requested; or (ii) the issuance of a  
481 written decision by the commission which makes specific findings that there is sufficient  
482 evidence to support the debarment and that debarment for the period specified in the decision is  
483 required to protect the integrity of the public contracting process. A vendor shall be notified  
484 forthwith by registered or certified mail of the decision and of the vendor's right to judicial

485 review in the event that the decision is adverse to the vendor. If a suspension precedes a  
486 debarment, the suspension period shall be considered in determining the debarment period.

487 (f) A debarment or suspension may include all known affiliates of a vendor. The decision to  
488 include a known affiliate within the scope of a debarment or suspension shall be made on a case-  
489 by-case basis, after giving due regard to all relevant facts and circumstances. The offense or act  
490 of an individual justifying suspension, or the evidence justifying a suspension, may be imputed  
491 to the entity with which the individual is connected when such offense or act occurred in  
492 connection with the individual's performance of duties for or on behalf of the entity or with the  
493 knowledge, approval or acquiescence of the entity or 1 or more of its principals. The entity's  
494 acceptance of the benefits derived from the conduct shall be evidence of such knowledge,  
495 approval or acquiescence. The offense or act of an entity justifying debarment, or the evidence  
496 justifying a suspension, may be imputed to any officer, director, shareholder, partner, employee  
497 or other individual associated with the entity who participated in, knew of, or had reason to know  
498 of the entity's act. An entity may not be suspended or debarred except in accordance with the  
499 procedures in this section.

500 (g) In determining whether to debar a vendor, or the period of a debarment, all mitigating facts  
501 and circumstances shall be taken into consideration. A debarment may be removed or the period  
502 of debarment may be reduced by the commission upon the submission of an application  
503 supported by documentary evidence setting forth appropriate grounds for the granting of relief,  
504 such as newly discovered material evidence, reversal of a judgment or conviction, bona fide

505 change of ownership or management or the elimination of the cause for which the debarment  
506 was imposed.

507 (h) During the period for which a person has been debarred or suspended, that person shall not  
508 submit or cause to be submitted offers, bids, or proposals to any retirement board, nor shall any  
509 retirement board solicit or consider offers, bids, or proposals from, nor execute, renew, or extend  
510 any contract with, a debarred or suspended vendor and a vendor shall not contract for services  
511 from a debarred or suspended subcontractor on any contract with a retirement system.

512 SECTION 36. Paragraph (b) of subdivision (1) of section 22 of said chapter 32, as so appearing,  
513 is hereby amended by striking out clauses (v) and (vi) and inserting in place thereof the  
514 following 4 clauses:-

515 (v) withhold on each pay day 12 per cent of the regular compensation of each employee who is a  
516 member of the state police appointed pursuant to section 10 of chapter 22C, and is a member in  
517 service of the system, which is received on the day by the member on account of service  
518 rendered by the employee on or after July 1, 1996, and not later than the date of his attaining the  
519 maximum age for his group in the case of an employee who entered the service of the state  
520 police on or after July 1, 1996;

521

522 (vi) withhold on each pay day 11 per cent of the regular compensation of each employee who  
523 participates in the alternative superannuation retirement benefit program established under  
524 subdivision (4) of section 5 on account of such service rendered by him on or after July 1, 2001;

525 (vii) withhold on each pay day 6 per cent of the regular compensation of each employee in group  
526 1 who is a member in service of the system, in the case of an employee who became a member  
527 of a retirement system of the commonwealth or a political subdivision thereof on or after July 1,  
528 2012 and who has least 30 years of creditable service; and

529 (viii) withhold on each pay day 8 per cent of the regular compensation of each employee who is  
530 a member in service of the system and participates in the alternative superannuation retirement  
531 benefit program established under subdivision (4) of section 5, in the case of an employee who  
532 became a member of a retirement system of the commonwealth or a political subdivision thereof  
533 on or after July 1, 2012 and who has least 30 years of creditable service.

534 SECTION 37. Subdivision (2) of section 23 of said chapter 32, as so appearing, is hereby  
535 amended by striking out paragraph (b) and inserting in place thereof the following paragraph: -

536 (b) The board of each system shall invest and reinvest the funds of the system in the PRIT Fund  
537 under subdivision (8) of section 22, in the PRIT Fund by purchasing shares of the fund, as  
538 provided for in the trust agreement adopted by the PRIM board under subdivision (2A), or as  
539 follows:-

540 (i) under the standards in subdivision (3), provided that: (A) no investment of funds shall be  
541 made in stocks, securities or other obligations of a company which derives more than 15 per cent  
542 of its revenues from the sale of tobacco products; (B) in investing funds the board shall employ

543 an investment manager or investment managers who shall invest the funds of the system; and (C)  
544 no funds shall be invested directly in mortgages or collateral loans.

545 (ii) No investment of funds shall take place until the board has received from the commission an  
546 acknowledgement of receipt of the following: (A) certification that, in making the selection, the  
547 board has complied with the process established in section 23B; (B) a copy of the vendor  
548 certification required under section 23B; (C ) copies of disclosure forms submitted by the  
549 selected vendor; (D) a certification that the investment is not a prohibited investment as set forth  
550 in regulations of the commission; (E) if the board has retained a consultant, a copy of the  
551 consultant reports pertaining to the investment and the selected vendor; and (F) a copy of the  
552 board certification required under section 23B.

553 The commission may withhold the acknowledgement if it determines that it is in the best interest  
554 of the retirement system; provided, however, that it must so notify the board within 10 days of  
555 receipt of completed documents as required by this section.

556 (iii) Prior to the retention of an investment consultant the board shall have received from the  
557 commission an acknowledgement of receipt of the following: (A) certification that, in making  
558 the selection, the board has complied with the process established in section 23B; (B) copy of the  
559 vendor certification required under section 23B; (C ) copies of disclosure forms submitted by the  
560 selected consultant; and (D) copy of the board certification required under section 23B.

561 SECTION 38. Subdivision (3) of said section 23 of said chapter 32, as so appearing, is hereby  
562 amended by adding the following sentence:-

563 Each member of a retirement board established under this chapter shall upon the commencement  
564 of the member's term file with the commission a statement acknowledging the member is aware  
565 of and will comply with the standards set forth in chapter 268A, this chapter and rules and  
566 regulations promulgated under this chapter.

567 SECTION 39. Said chapter 32 is hereby amended by inserting after section 23 the following  
568 section:-

569 Section 23B. (a) This section shall apply to every retirement board contract for the procurement  
570 of investment, actuarial, legal and accounting services.

571 (b) As used in this section the following words shall, unless the context requires otherwise, have  
572 the following meanings:-

573 "Contract", an agreement for the procurement of services, regardless of what the parties may call  
574 the agreement.

575 "Contractor", a person having a contract with a retirement board.

576 "Majority vote", as to any action by or on behalf of a retirement board, a simple majority of the  
577 board.

578 "Minor informalities", minor deviations, insignificant mistakes and matters of form rather than  
579 substance of the proposal or contract document which can be waived or corrected without  
580 prejudice to other offerors, potential offerors or the retirement board.

581 "Person", a natural person, business, partnership, corporation, union, committee, club or other  
582 organization, entity or group of individuals.

583 "Procurement", buying, purchasing, renting, leasing, or otherwise acquiring a supply or service,  
584 and all functions that pertain to the obtaining of a supply or service, including description of  
585 requirements, selection and solicitation of sources, preparation and award of contract, and all  
586 phases of contract administration.

587 "Procurement officer", an individual duly authorized by the retirement board to assist in a  
588 procurement.

589 "Proposal", a written offer to provide a service at a stated price submitted in response to a request  
590 for proposals.

591

592 "Purchase description", the words used in a solicitation to describe the services to be purchased,  
593 including specifications attached to or incorporated by reference into the solicitation.

594 "Request for proposals", the documents utilized for soliciting proposals, including documents  
595 attached or incorporated by reference.

596 "Responsible bidder or offeror", a person who has the capability to perform fully the contract  
597 requirements and the integrity and reliability which assures good faith performance.

598 "Responsive bidder or offeror", a person who has submitted a bid or proposal which conforms in  
599 all respects to the request for proposals.

600 "Retirement board", a board established under this chapter, chapter 34B or the retirement board  
601 of the Massachusetts Water Resources Authority excluding the pension reserves investment  
602 management board.

603 "Services", the furnishing of labor, time or effort by a contractor, not involving the furnishing of  
604 a specific end product other than reports; provided, however, that the term shall not include  
605 employment agreements, collective bargaining agreements, grant agreements, or contingency fee  
606 agreements.

607 (c) A retirement board shall enter into procurement contracts for investment, actuarial, legal and  
608 accounting services utilizing competitive sealed proposals, in accordance with this section.

609 (d) A retirement board that awards a contract shall maintain a file on each contract and shall  
610 include in the file a copy of all written documents required by this section. Written documents  
611 required by this section shall be retained by the retirement board for at least 6 years from the date  
612 of final payment under the contract.

613 (e) The retirement board or its procurement officer shall give public notice of the request for  
614 proposals and a reasonable time prior to the date for the opening of proposals. The notice shall:  
615 (1) indicate where, when and for how long the request for proposal may be obtained; (2) describe  
616 the service desired and reserve the right of the retirement board to reject any or all bids; (3)  
617 remain posted, for at least 2 weeks, in a conspicuous place in or near the offices of the retirement  
618 board until the time specified in the request for proposals; and (4) be published at least once, not  
619 less than 2 weeks prior to the time specified for the receipt of proposals, in a newspaper of  
620 general circulation within the area served by the retirement board and in the case of a  
621 procurement for investment, accounting, actuarial or legal services in a publication of interest to  
622 those engaged in providing such services.

623 The retirement board or its procurement officer shall also place the notice in a publication  
624 established by the state secretary for the advertisement of such procurements.

625 The retirement board or its procurement officer may distribute copies of the notice to prospective  
626 bidders and may compile and maintain lists of prospective bidders to which notices may be sent.

627 (f) The retirement board shall unconditionally accept a proposal without alteration or correction,  
628 except as provided in this section. A bidder may correct, modify or withdraw a proposal by  
629 written notice received in the office designated in the request for proposals prior to the time and  
630 date set for the proposal opening. After proposal opening, a bidder may not change the price or  
631 any other provision of the proposal in a manner prejudicial to the interests of the retirement  
632 board or fair competition. The retirement board shall waive minor informalities or allow the  
633 bidder to correct them. If a mistake and the intended proposal are clearly evident on the face of  
634 the proposal document, the procurement officer shall correct the mistake to reflect the intended  
635 correct proposal and so notify the bidder in writing and the bidder may not withdraw the  
636 proposal. A bidder may withdraw a proposal if a mistake is clearly evident on the face of the  
637 proposal document but the intended correct proposal is not similarly evident.

638 (g) The retirement board shall solicit proposals through a request for proposals. The request for  
639 proposals shall include: (1) the time and date for receipt of proposals, the address of the office to  
640 which the proposals are to be delivered and the maximum time for proposal acceptance by the  
641 retirement board; (2) the purchase description and all evaluation criteria that may be utilized  
642 under subsection (h); and (3) all contractual terms and conditions applicable to the procurement;  
643 provided, however, that the contract may incorporate by reference a plan submitted by the  
644 selected offeror for providing the required services.

645 The request for proposals may incorporate documents by reference; provided, however, that the  
646 request for proposals specifies where prospective offerors may obtain the documents. The

647 retirement board or its procurement officer shall make copies of the request for proposals  
648 available to all persons on an equal basis.

649 (h) The retirement board or its procurement officer shall not open the proposals publicly, but  
650 shall open them in the presence of 1 or more witnesses at the time specified in the request for  
651 proposals. Notwithstanding section 7 of chapter 4, until the completion of the evaluations or until  
652 the time for acceptance specified in the request for proposals, whichever occurs earlier, the  
653 contents of the proposals shall remain confidential and shall not be disclosed to competing  
654 offerors. At the opening of proposals the retirement board or its procurement officer shall  
655 prepare a register of proposals which shall include the name of each offeror and the number of  
656 modifications, if any, received. The register of proposals shall be open for public inspection.

657 (i) The retirement board or its consultant retained under this chapter shall be responsible for the  
658 initial evaluation of the proposals. The retirement board or its consultant retained under this  
659 chapter shall prepare initial evaluations based solely on the criteria set forth in the request for  
660 proposals. The evaluations shall specify in writing: (1) a rating of each proposal evaluation  
661 criteria as highly advantageous, advantageous, not advantageous or unacceptable, and the  
662 reasons for the rating; (2) a composite rating for each proposal and the reasons for the rating; and  
663 (3) revisions, if any, to each proposed plan for providing the required services which should be  
664 obtained by negotiation prior to awarding the contract to the offeror of the proposal.

665 If the initial evaluation is conducted by a consultant retained under this chapter the consultant  
666 shall review all initial evaluations with the retirement board and provide to each member of the  
667 retirement board the initial evaluation of each proposal.

668 (j) The retirement board shall determine the most advantageous proposal from a responsible and  
669 responsive offeror taking into consideration price and the evaluation criteria set forth in the  
670 request for proposals. The retirement board shall award the contract by written notice to the  
671 selected offeror within the time for acceptance specified in the request for proposals. The parties  
672 may extend the time for acceptance by mutual agreement. The retirement board may condition  
673 an award on successful negotiation of the revisions specified in the evaluation and shall explain  
674 in writing the reasons for omitting any revision from a plan incorporated by reference in the  
675 contract.

676 (k) (1) In the event of a competitive process to select an investment service provider the request  
677 for proposals shall include mandatory contractual terms and conditions to be incorporated into  
678 the contract including provisions:

679 (a) stating that the contractor is a fiduciary with respect to the funds which the contractor invests  
680 on behalf of the retirement board;

681 (b) stating that the contractor shall not be indemnified by the retirement board;

682 (c) requiring the contractor to annually inform the commission and the board of any  
683 arrangements in oral or in writing, for compensation or other benefit received or expected to be  
684 received by the contractor or a related person from others in connection with the contractors  
685 services to the retirement board or any other client;

686 (d) requiring the contractor to annually disclose to the commission and the retirement board  
687 compensation, in whatever form, paid or expected to be paid, directly or indirectly, by the  
688 contractor or a related person to others in relation to the contractors services to the retirement  
689 board or any other client; and

690 (e) requiring the contractor to annually disclose to the commission and the retirement board in  
691 writing any conflict of interest the contractor may have that could reasonably be expected to  
692 impair the contractor's ability to render unbiased and objective services to the retirement board.

693 Other mandatory contractual terms and conditions shall address investment objectives, brokerage  
694 practices, proxy voting and tender offer exercise procedures, terms of employment and  
695 termination provisions.

696 The retirement board shall make a preliminary determination of the most advantageous proposal  
697 from a responsible and responsive offeror taking into consideration price and the evaluation  
698 criteria set forth in the request for proposals.

699 The retirement board or its duly designated agent, subject to the approval of the retirement board,  
700 may negotiate all terms of the contract not deemed mandatory or non-negotiable with the

701 offeror.If, after negotiation with the offeror, the retirement board, in consultation with its duly  
702 designated agent and its consultant retained under this chapter, determines that it is in the best  
703 interests of the retirement board to not award the contract to that offeror, the retirement board  
704 may determine the proposal which is the next most advantageous proposal from a responsible  
705 and responsive offeror taking into consideration price and the evaluation criteria set forth in the  
706 request for proposals and may negotiate all terms of the contract with the offeror.

707 The retirement board shall award the contract to the most advantageous proposal from a  
708 responsible and responsive offeror taking into consideration price, the evaluated criteria set forth  
709 in the request for proposals and the terms of the negotiated contract. The retirement board shall  
710 award the contract by written notice to the selected offeror within the time for acceptance  
711 specified in the request for proposals. The time for acceptance may be extended for up to 45 days  
712 by mutual agreement between the retirement board and the responsible and responsive offeror  
713 offering the most advantageous proposal as determined by the retirement board.

714 On or before January 1 annually, the contractor shall file the disclosures required with the board  
715 and the commission. Failure to file disclosures or the filing of inaccurate disclosures shall subject  
716 the contractor to proceedings under section 21A.

717 (2) The retirement board may cancel a request for proposals or may reject in whole or in part any  
718 and all proposals when the retirement board determines that cancellation or rejection serves the  
719 best interests of the system. The retirement board shall state in writing the reason for a  
720 cancellation or rejection.

721 (3) A person submitting a proposal for the procurement or disposal of services to a retirement  
722 board shall certify in writing on the proposal as follows:-

723 The undersigned certifies under the pains and penalties of perjury that this proposal has been  
724 made and submitted in good faith and without collusion or fraud with any other person. As used  
725 in this certification, the word "person" shall mean a natural person, business, partnership,  
726 corporation, union, committee, club or other organization, entity or group of individuals.

727 \_\_\_\_\_

728 (Signature of individual submitting bid or proposal)

729 \_\_\_\_\_

730 (Name of business)

731 (4) Each retirement board member shall certify to the commission in writing with respect to a  
732 procurement subject to this section, as follows:-

733 The undersigned certifies under the pains and penalties of perjury that, to the best of the  
734 member's knowledge and belief, this proposal has been made and submitted in good faith and  
735 without collusion or fraud with any other person. As used in this certification, the word "person"

736 shall mean any natural person, business, partnership, corporation, union, committee, club or  
737 other organization, entity or group of individuals.

738 \_\_\_\_\_

739 (Signature of individual retirement board member)

740 \_\_\_\_\_

741 (Name of retirement board)

742 (5) No person shall cause or conspire to cause the splitting or division of a request for proposals,  
743 proposal, solicitation or quotation for the purpose of evading a requirement of this section.

744 (6) Unless otherwise provided by law and subject to clause (i), a retirement board may enter into  
745 a contract for a period of time which serves the best interests of the retirement board; provided,  
746 however, that the retirement board shall include in the solicitation the term of the contract and  
747 conditions of renewal, extension or purchase, if any.

748 (i) A retirement board shall not award a contract for a term exceeding 5 years, including any  
749 renewal, extension or option; provided, however, that a retirement board may participate in a  
750 limited partnership, trust or other entity with a term for a period longer than 5 years as part of an  
751 investment of system assets.

752 When a contract is to contain an option for renewal, extension or purchase, the solicitation shall  
753 include notice of the provision. The retirement board shall retain sole discretion in exercising the  
754 option and no exercise of an option shall be subject to agreement or acceptance by the contractor.

755 (ii) The retirement board shall not exercise an option for renewal, extension or purchase unless  
756 the retirement board, after reasonable investigation of costs and benefits, has determined in  
757 writing that the exercise of the option is more advantageous than alternate means of procuring  
758 comparable services.

759 (7) All specifications shall be written in a manner which describes the requirements to be met  
760 without having the effect of exclusively requiring a proprietary service or procurement from a  
761 sole source.

762 (8) All contracts shall be in writing and the retirement board shall make no payment for a service  
763 rendered prior to the execution of the contract.

764 (i) A contract made in violation of this section shall not be valid and the retirement board shall  
765 make no payment under such contract. Minor informalities shall not require invalidation of a  
766 contract.

767 (ii) A person who causes or conspires with another to cause a contract to be solicited or awarded  
768 in violation this section shall forfeit and pay to the appropriate retirement board not more than

769 \$2,000 for each violation. In addition, the person shall pay double the amount of damages  
770 sustained by the retirement board by reason of the violation, together with the costs of any  
771 action. If more than 1 person participates in the violation, the damages and costs may be  
772 apportioned among them.

773 (iii) The commission or the retirement board may file a civil action in the superior court to  
774 enforce clause (ii).

775 SECTION 40. Subdivision (3) of section 26 of said chapter 32, as appearing in the 2010 Official  
776 Edition, is hereby amended by striking out paragraph (c) and inserting in place thereof the  
777 following paragraph:-

778 (c) Upon retirement under this subdivision, a member shall receive a retirement allowance to  
779 become effective on the date of the member's retirement. Payments under such retirement  
780 allowance shall be made as provided for in sections 12 and 13 and the normal yearly amount of  
781 the retirement allowance shall be equal to 60 per cent of the average annual rate of the member's  
782 regular compensation during the 12-month period of the member's creditable service  
783 immediately preceding the date the member's retirement allowance becomes effective; provided,  
784 that for members who became members in service before July 1, 2012, the total amount of the  
785 allowance shall be increased by one-twelfth of 3 per cent for each full month of service in excess  
786 of 20 years of service and prior to the last day of the month in which such member will reach the  
787 age of 55; provided, further, that for a member who became a member in service on or after July  
788 1, 2012, the normal yearly amount of the retirement allowance shall be equal to 50 per cent of

789 the average annual rate of the member's regular compensation during the 12-month period of the  
790 member's creditable service immediately preceding the date the member's retirement allowance  
791 becomes effective, and the total amount of the allowance shall be increased by one-twelfth of 2.5  
792 per cent for each full month of service in excess of 20 years of service and prior to the last day of  
793 the month in which such member will reach the age of 55; provided, further, that such retirement  
794 allowance shall in no case exceed 75 per cent of such regular compensation; provided, further,  
795 that for a member who became such a member before July 1, 2012, if such member shall reach  
796 the member's fifty-fifth birthday and shall not have completed such 20 years of service, the  
797 amount of the member's retirement allowance shall be calculated by subtracting from such  
798 normal yearly amount one-twelfth of 3 per cent for each full month of service that the member's  
799 service is less than 20 years; and provided, further, that for a member who became such a  
800 member on or after July 1, 2012, if such member shall reach the member's fifty-fifth birthday  
801 and shall not have completed such 20 years of service, the amount of the member's retirement  
802 allowance shall be calculated by subtracting from such normal yearly amount one-twelfth of 2.5  
803 per cent for each full month of service that the member's service is less than 20 years; provided,  
804 further, that any state police trainee who completes and graduates from the state police training  
805 academy on or before June 1, 2012, shall be considered a member in service before July 1, 2012,  
806 for purposes of this section. Any member retired under this subdivision who is a veteran as  
807 defined in section 1 shall receive an additional yearly retirement allowance of \$15 for each year  
808 of creditable service or fraction of such a year; provided, that the total amount of said additional  
809 retirement allowance shall not exceed \$300 in any case.

810 SECTION 41. Section 65D½ of said chapter 32, as so appearing, is hereby amended by inserting  
811 after the word “service”, in lines 11 and 12, the following words:- , together with buyback  
812 interest.

813 SECTION 42. Section 90C1/2 of said chapter 32, as so appearing, is hereby amended by  
814 striking out, in line 6, the figure “\$10,000” and inserting in place thereof the following figure:—  
815 \$15,000.

816 SECTION 43. Said chapter 32 of the General Laws is hereby further amended by inserting after  
817 section 90D the following section:—

818 Section 90D 1/2. Any retirement system of a city, town, county, region, district, or authority  
819 may, upon the majority vote of the board of such system and by the local legislative body,  
820 increase the retirement allowance of any member of the retirement system, who has been retired  
821 under the provisions of this chapter or similar provision of earlier law on a superannuation,  
822 accidental disability or ordinary disability retirement allowance and who has completed at least  
823 25 years of creditable service, to an amount not to exceed \$15,000. For the purposes of this  
824 section, a vote of the legislative body shall take place in the following manner: in a city, by a  
825 vote the city council subject to its charter; in a town, by a vote at a town meeting; in a county, by  
826 a vote of the county retirement board advisory council; in a region, by a vote of the regional  
827 retirement board advisory council; in a district, by a vote of the district members; and for an  
828 authority, by a vote of its governing body.

829 SECTION 44. Subsection (a) of section 91 of said chapter 32, as appearing in the 2010 Official  
830 Edition, is hereby amended by inserting after the word “people”, in line16, the following words:-  
831 ; provided, that the position from which he retired was not a public office to which he had been

832 elected by direct vote of the people, unless at least 1 year has passed from the last day he held  
833 such public elected office.

834 SECTION 45. Subsection (b) of said section 91 of said chapter 32, as so appearing, is hereby  
835 amended by inserting after the word “terminated”, in line 92, the following words:- plus \$15,000.

836 SECTION 46. Section 91A of said chapter 32, as so appearing, is hereby amended by inserting  
837 after the word “commission”, in line 9, the following words:- ; provided, however, that the  
838 commission may waive such filing by a member, if said member shall have been retired for more  
839 than 20 years, has not reported any earnings for the prior 10 years and signs an affidavit under  
840 the pains and penalties of perjury indicating that should he realize any earned income in the  
841 future he will forthwith notify the commission of that fact and again report under this section.

842 SECTION 47. Paragraph (c) of section 102 of said chapter 32, as so appearing, is hereby  
843 amended by striking out, in lines 32, 36 and 43, the figure “\$12,000” and inserting in place  
844 thereof, in each instance, the following figure:- \$13,000.

845 SECTION 48. The first sentence of paragraph (b) of section 19 of chapter 34B of the General  
846 Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the figure  
847 “32”, in line 17, the following words:- ; provided, however, that no employee, contractor, vendor  
848 or person receiving remuneration, financial benefit or consideration of any kind, other than a  
849 retirement benefit or the statutory stipend for serving on the retirement board, from a retirement  
850 board or from a person doing business with a retirement board shall be eligible to serve on a  
851 retirement board; provided further, that an employee of a retirement board may serve on a

852 retirement board other than the retirement board by which the person is employed; and provided  
853 further, that this paragraph shall apply only to individuals who first become members of a  
854 retirement board on or after July 1, 2012.

855 SECTION 49. Section 7 of chapter 150E of the General Laws, as so appearing, is hereby  
856 amended by adding the following paragraph:-

857 (e) An employer entering into a collective bargaining agreement with an employee organization  
858 shall provide a copy of the agreement to the retirement board to which the employees covered by  
859 the agreement are members. All retirement systems shall maintain files of all active collective  
860 bargaining agreements which cover the systems members. The retirement board shall review  
861 collective bargaining agreements for compliance with chapter 32.

862 SECTION 50. Section 26 of chapter 21 of the acts of 2009 is hereby amended by inserting after  
863 the figure "2009" the following words:- , with the exception of those members of retirement  
864 systems whose benefits had vested on or prior to July 1, 2009.

865 SECTION 51. Notwithstanding any general or special law to the contrary any member of a  
866 retirement system presently receiving a retirement allowance who:

867 (a) retired under chapter 32 of the General Laws on or before May 17, 2004;

868 (b) elected Option (a) or Option (b) of subdivision (2) of section 12 of said chapter 32; and

869 (c) who married a person of the same sex on or before May 17, 2005 may change such selection  
870 to Option (c) of said subdivision (2) of said section 12 of said chapter 32 at the rate that was in  
871 effect for that option on the member's retirement date. The surviving spouse of a member that  
872 would otherwise meet the requirements of clauses (a) to (c), inclusive, may change the election  
873 made by the deceased member to Option (c) of said subdivision (2) of said section 12 of said  
874 chapter 32 at the rate that was in effect for that option on the member's retirement date.

875 In paying the retirement allowance under the new election, the board, as defined in section 1 of  
876 said chapter 32, shall make appropriate adjustments, or arrange for appropriate repayments, upon  
877 such terms and condition as the board may prescribe, so as to recover any overpayments  
878 resulting from the prior election. The change of election under this section shall be made and  
879 received by the applicable board not later than July 1, 2012, and shall be retroactive to the date of  
880 retirement. The election to change retirement option under this section shall be in a manner  
881 prescribed by the board, as defined in said section 1 of said chapter 32 and said board shall have  
882 180 days after the submission of an application to implement the change.

883 SECTION 52. There shall be a special commission to study the Massachusetts public employees'  
884 pension classification system.

885 The commission shall review and make recommendations for reform regarding the  
886 Massachusetts public employees' group classification system, with consideration of the work by  
887 the Blue Ribbon Panel on the Massachusetts Public Employees Pension Classification system.

888 The commission shall consist of 13 members: 1 of whom shall be the secretary of administration  
889 and finance, or the secretary's designee; 1 of whom shall be the treasurer, or the treasurer's  
890 designee; 1 of whom shall be the executive director of the public employee retirement  
891 administration commission, or the director's designee; 1 of whom shall be a private citizen,  
892 appointed by the governor, who shall serve as chair of the commission and shall not be a member  
893 of any of the 105 contributory retirement systems; 3 members of the house of representatives, 1  
894 of whom shall be appointed by the minority leader; 3 of whom shall be members of the senate, 1  
895 of whom shall be appointed by the minority leader; 1 of whom shall be selected by the governor  
896 from a list of 3 candidates submitted by the president of the Massachusetts AFL-CIO; 1 of whom  
897 shall be a member of the Massachusetts Municipal Association; and 1 of whom shall be a  
898 member of the Retired State, County and Municipal Employees Association of Massachusetts.

899 The public employee retirement administration commission shall conduct an actuarial analysis to  
900 determine the costs of any recommendations made by the commission. The commission shall file  
901 a report of its recommendations, together with the actuarial analysis and proposed legislation, if  
902 any, with the clerks of the house and senate, the chairs of the house and senate committee on  
903 ways and means and the chairs of the joint committee on public service not later than April 15,  
904 2012.

905 SECTION 53. Notwithstanding any general or special law to the contrary, there shall be a special  
906 commission to investigate and study retiree healthcare and other non-pension benefits. The  
907 commission shall consider the range of benefits that are or should be provided as well as the  
908 current and anticipated future cost of providing them. The commission shall consider and may

909 make recommendations on how best to divide the costs between the commonwealth and  
910 employees. The commission shall also study the operation and structure of the group insurance  
911 commission or any other aspects of employee healthcare the commission deems appropriate.  
912 Upon appropriation of sufficient funds, the commission shall engage professional advisors as  
913 needed to accomplish its purposes.

914 The commission shall consist of the chairs of the joint committee on public service, who shall  
915 chair the commission, the chairs of the house and senate committees on ways and means, the  
916 secretary of administration and finance, or a designee, the state treasurer, or a designee, the state  
917 comptroller, or a designee, the house minority leader, or a designee, the senate minority leader,  
918 or a designee, and 3 members to be appointed by the governor, 2 of whom shall be selected from  
919 a list of 5 candidates submitted by the president of the Massachusetts AFL-CIO and 1 of whom  
920 shall be a member of the Retired State, County and Municipal Employees Association of  
921 Massachusetts.

922 The commission shall file a report of its recommendations, and any proposed legislation, if any,  
923 with the clerks of the house and senate, the chairs of the house and senate committee on ways  
924 and means and the chairs of the joint committee on public service not later than October 1, 2012.

925 SECTION 54. There shall be a special commission to investigate and study all aspects of the  
926 ordinary and accidental disability provisions of the Massachusetts contributory retirement system  
927 as well as the provisions of injured on duty benefits and presumptions for public employees  
928 contained in the general laws. The commission shall consist of the chairs of the joint committee  
929 on public service, who shall chair the commission, the chairs of the house and senate committees  
930 on ways and means, the secretary of administration and finance, or a designee, the state treasurer,

931 or a designee, executive director of the public employee retirement administration commission,  
932 or a designee; the house minority leader or a designee, the senate minority leader or a designee,  
933 and 3 members to be appointed by the governor, one selected from a list of 3 candidates  
934 submitted by the president of the Massachusetts AFL-CIO; one member who shall be a member  
935 of the Massachusetts Municipal Association; and one member who shall be a member of the  
936 Retired State, County and Municipal Employees Association of Massachusetts.

937 The public employee retirement administration commission shall conduct an actuarial analysis to  
938 determine the costs of any recommendations made by the commission. The commission shall file  
939 a report of its recommendations, together with the actuarial analysis and proposed legislation, if  
940 any, with the clerks of the house and senate, the chairs of the house and senate committee on  
941 ways and means and the chairs of the joint committee on public service not later than October 1,  
942 2012.

943 SECTION 55. Notwithstanding any general or special law to the contrary and except as  
944 expressly provided otherwise, sections 11, 14, 15, 18, 19, 23, 24 and 36 shall apply only to  
945 members who become members on or after July 1, 2012. Sections 10 and 41 shall apply only to  
946 repayments and purchases of creditable service on or after July 1, 2012.

947 SECTION 56. Section 16, 28 and 44 shall apply only to members retiring on or after July 1,  
948 2012.

949 SECTION 57. Sections 4, 6, 8, 9, 12, 13, 17, 20 to 22, inclusive, 25, 29, 32, 40, 42, 43 and 45  
950 shall take effect on July 1, 2012.; and by striking out the title and inserting in place thereof the  
951 following title: “An Act providing for pension reform and benefit modernization.”.