

Mr. Brownsberger of Belmont moves that the bill, H 3787, be amended by inserting at the end thereof the following additional section:

SECTION 58: Section 1 of Chapter 32 is amended in the definition of "regular compensation" by inserting before the last paragraph, the following new paragraph:

Notwithstanding any provision of this chapter to the contrary, regular compensation for any person who becomes a member after January 1, 2012, shall not include salary, wages or other compensation in whatever form in any calendar year in excess of 43 per cent of the annual limitation that may be imposed under federal law on the amount of compensation that may be taken into account when calculating benefits under plans described in 26 U.S.C. 401(a) including, but not limited to, the applicable limits for any calendar year under 26 U.S.C. 401(a)(17). Faculty, librarians and administrators in public higher education, as well as any physicians employed by the commonwealth who are eligible for the state retirement system, shall not be prohibited from participating in the college retirement equities fund or the optional retirement program by the Teachers Insurance and Annuity Association.

And said definition is further amended by striking in the last paragraph the phrase "the limitations of the preceding paragraph" and replacing it with the phrase "the limitations of either of the preceding two paragraphs."

Relative to the Optional Retirement Plan

Representatives Kaufman of Lexington, Story of Amherst and Koczera of New Bedford move that the bill (House, No. 3787) be amended by inserting at the end thereof the following new section:

SECTION 58. Subdivision (1) of Section 4 of Chapter 32 of the General Laws is hereby amended by inserting at the end thereof the following new paragraph:-

(t) (1) Notwithstanding any general or special law to the contrary, any active member of the optional retirement system established pursuant to subsection (3) of section 40 of Chapter 15A of the General Laws, or optional retirement plan enrollee on an approved leave of absence, shall have one opportunity to transfer to the state employees retirement system, governed by Chapter 32 of the General Laws, with creditable service allowed for any such time they were active participants of the optional retirement program. Any such employee choosing to transfer will also be allowed creditable service for any years of participation, or portions thereof, in the state employee retirement system immediately prior to their enrollment in the optional retirement program.

(2) Eligibility for creditable service for time spent in the optional retirement program and service relinquished in the state retirement system by enrollment in the optional retirement program shall be conditioned upon the payment, in one lump sum or in installments upon such terms as the state retirement board may provide, the larger of 1) an amount equal to the

contributions such employee would have otherwise paid into the state employees retirement system had they been a member, plus actuarial-assumed interest for the years spent as an actively contributing member in the optional retirement plan or 2) an amount equal to all such assets, accrued under the Massachusetts optional retirement plan to the state retirement system, providing that such assets shall be credited toward the purchase of creditable service, minus employer – funded assets,

Optional retirement program participants electing to transfer to the state retirement system will, upon the transfer, forfeit all benefits, rights and privileges attributable to employer – funded assets in the optional retirement program. The optional retirement plan administrator will take immediate steps to ensure that such employer- funded assets are transmitted to the commonwealth

(3) Within one hundred twenty (120) days of the effective date of this act, the department of higher education and the state retirement board shall request, either jointly or individually, of the Internal Revenue Service the necessary letters of determination and/or ruling on whether the provisions of this act may be implemented without impairing the compliance of either or both the optional retirement plan and the state employees' retirement system with the Internal Revenue Code of 1986 at, including but not limited to, subsection 414(h). Sections 1, 2, and 4 through 7 of this act shall not take effect unless and until the Internal Revenue Service issues a favorable ruling or determination, as the case may be, which determines that the transfers described in this act will not result in non-compliance of either or both the optional retirement plan and the state employees' retirement system with the Internal Revenue Code at, including but not limited to, subsection 414(h).

(4) Within thirty (30) days of a favorable ruling or determination from the Internal Revenue Service, the Department of Higher Education shall notify active members of the optional retirement program, and those members on an excused leave of absence of two years or less, of their eligibility for this one-time transfer opportunity to the state employee retirement system. Eligible employees who choose to transfer to the state retirement system must make application for such transfer to the state retirement board within one hundred eighty days (180) days of notification by the state of their eligibility for this transfer. Any elections under this section shall apply to current active members of the optional retirement plan and those on an approved leave of absence of two years or less on the effective date of this act, and shall be for one time only; provided, however, that any such current faculty member who is not tenured on the effective date of this act or any faculty member hired after the effective date of this act for a tenure-track position who elects to participate in the optional retirement plan, shall be permitted to elect to participate in the state employee retirement system and to postpone such election until acquisition of tenure, with timelines set out in this section to commence from the date of such faculty member's tenure acquisition. No further changes in participation, either into the state retirement plan or out of the optional retirement plan, will be permitted.

(5) Within 30 days of application for transfer to the state retirement system, such employees, subject to the rules and regulations of the state board of retirement, shall be notified by the state retirement board of their eligibility for transfer and the cost of such transfer. If eligible, such members shall have one hundred eighty (180) days from notification to make the transfers to the state employees' retirement system, as set forth in subsection 2. Any money remaining in an

optional retirement plan account following the transfer of an employee to the state retirement system and the complete payment for such transfer, as set forth above, will continue to be held on behalf of the member under the optional retirement plan and shall continue to be subject to the terms of the optional retirement plan.

(6) If an employee has a residual account remaining in the optional retirement plan pursuant to paragraph (4) above, the employee shall continue to be a member of the optional retirement plan as long as he or she has an account under such plan but will not be permitted to make further contributions and will not be eligible for any employer contributions thereunder. The Massachusetts Department of Higher Education and the State Board of Retirement shall take such actions that are required or appropriate to ensure that the optional retirement program and the state employees' retirement system, as hereby amended, continue to be tax-qualified plans in accordance with the Internal Revenue Code of 1986, as amended.

(7) The application of the provisions of Chapter 32 of the General Laws to a member of the optional retirement plan who elects to transfer to the state employees' retirement system shall be those provisions that were in effect on the date such employee was initially appointed.

Ms. Story of Amherst and Mr. Kaufman of Lexington move to amend the bill (House, No. 3787) by inserting at the end thereof the following new section:-

SECTION 58. Subsection (1) of Section 4 of Chapter 32 of the General Laws is hereby amended by inserting at the end thereof the following new paragraph:-

(t) (1) Notwithstanding any general or special law to the contrary, any active member of the optional retirement system established pursuant to subsection (3) of section 40 of Chapter 15A of the General Laws, or optional retirement plan enrollee on an approved leave of absence, shall have one opportunity to transfer to the state employees' retirement system, governed by Chapter 32 of the General Laws, with creditable service allowed for any such time they were active participants of the optional retirement program. Any such employee choosing to transfer will also be allowed creditable service for any years of participation, or portions thereof, in the state employee retirement system immediately prior to their enrollment in the optional retirement program.

(2) Eligibility for creditable service for time spent in the optional retirement program and service relinquished in the state employees' retirement system by enrollment in the optional retirement program shall be conditioned upon the payment, in one lump sum or in installments upon such terms as the state retirement board may provide, the larger of 1) an amount equal to the contributions such employee would have otherwise paid into the state employees' retirement system had they been a member, plus actuarial-assumed interest for the years spent as an actively contributing member in the optional retirement plan or 2) an amount equal to all such assets, accrued under the Massachusetts optional retirement plan to the state employees' retirement

system, providing that such assets shall be credited toward the purchase of creditable service, minus employer-funded assets. Optional retirement program participants electing to transfer to the state employees' retirement system will, upon the transfer, forfeit all benefits, rights and privileges attributable to employer-funded assets in the optional retirement program. The optional retirement plan administrator will take immediate steps to ensure that such employer-funded assets are transmitted to the commonwealth.

(3) Within 120 days of the effective date of this act, the department of higher education and the state retirement board shall request, either jointly or individually, of the Internal Revenue Service the necessary letters of determination and/or ruling on whether the provisions of this act may be implemented without impairing the compliance of either or both the optional retirement plan and the state employees' retirement system with the Internal Revenue Code of 1986 at, including but not limited to, subsection 414(h). Sections 1, 2, and 4 through 7 of this act shall not take effect unless and until the Internal Revenue Service issues a favorable ruling or determination, as the case may be, which determines that the transfers described in this act will not result in non-compliance of either or both the optional retirement plan and the state employees' retirement system with the Internal Revenue Code at, including but not limited to, subsection 414(h).

(4) Within 30 days of a favorable ruling or determination from the Internal Revenue Service, the department of higher education shall notify active members of the optional retirement program, and those members on an excused leave of absence of two years or less, of their eligibility for this one-time transfer opportunity to the state employee retirement system. Eligible employees who choose to transfer to the state employees' retirement system must make application for such transfer to the state retirement board within 180 days of notification by the state of their eligibility for this transfer. Any elections under this section shall apply to current

active members of the optional retirement plan and those on an approved leave of absence of two years or less on the effective date of this act, and shall be for one time only; provided, however, that any such current faculty member who is not tenured on the effective date of this act or any faculty member hired after the effective date of this act for a tenure-track position who elects to participate in the optional retirement plan, shall be permitted to elect to participate in the state employee retirement system and to postpone such election until acquisition of tenure, with timelines set out in this section to commence from the date of such faculty member's tenure acquisition. No further changes in participation, either into the state retirement plan or out of the optional retirement plan, will be permitted.

(5) Within 30 days of application for transfer to the state employees' retirement system, such employees, subject to the rules and regulations of the state board of retirement, shall be notified by the state retirement board of their eligibility for transfer and the cost of such transfer. If eligible, such members shall have 180 days from notification to make the transfers to the state employees' retirement system, as set forth in subsection 2. Any money remaining in an optional retirement plan account following the transfer of an employee to the state employees' retirement system and the complete payment for such transfer, as set forth above, will continue to be held on behalf of the member under the optional retirement plan and shall continue to be subject to the terms of the optional retirement plan.

(6) If an employee has a residual account remaining in the optional retirement plan pursuant to paragraph (4) above, the employee shall continue to be a member of the optional retirement plan as long as he or she has an account under such plan but will not be permitted to make further contributions and will not be eligible for any employer contributions thereunder. The department of higher education and the state board of retirement shall take such actions that are required or

appropriate to ensure that the optional retirement program and the state employees' retirement system, as hereby amended, continue to be tax-qualified plans in accordance with the Internal Revenue Code of 1986, as amended.

(7) The application of the provisions of Chapter 32 of the General Laws to a member of the optional retirement plan who elects to transfer to the state employees' retirement system shall be those provisions that were in effect on the date such employee was initially appointed.

Clarifying Teacher Eligibility for Creditable Service

Mr. Kaufman of Lexington moves to amend the bill (House, No. 3787) by adding the following sections:

SECTION 58. Subsection (1), sub-paragraph (p) of section 4 of chapter 32 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out, in lines 267 and 268, the words "teaching pupils in any non-public school in the commonwealth," and inserting in its place the following words: "a special education program in a non-public school in the commonwealth in a position that, had it been in a public school, would have been considered a teacher, and".

SECTION 59. Section 1 of chapter 32 of the General Laws, as so appearing, is hereby amended by inserting after the definition of "Membership Service", in lines 332 to 335 inclusive, the following definition: "'Nonpublic school", an institution, not operated by the federal, state or local governments or agencies thereof, the primary function of which is (a) to educate children under the age of 18 in a course of study designed to lead to the award of a high school diploma or its equivalent, or in a special education program; or (b) to provide a college-level course of study designed to lead to the award of a college or university degree."

Mr. Hecht of Watertown moves to amend H. 3787 by adding the following section:

SECTION 58.

SECTION 1. Notwithstanding paragraph (b) of subsection (2) of section 40 of chapter 15A of the General Laws, or any other general or special law to the contrary, any employee who elected, prior to May 16, 2004, the effective date of the Goodridge v. Department of Public Health, 440 Mass. 309 (2003) decision, to participate in the optional retirement program provided in said section 40 because the option of marriage did not become available to that employee under the laws of the Commonwealth prior to May 16, 2004 may elect to withdraw from the optional retirement program and apply for membership in the state employees' retirement system by filing an application for this election no later than 1 year after the issuance of a favorable Private Letter Ruling as required in section 7 of this act.

SECTION 2. Any employee who elects to apply for membership in the state employees' retirement system under section 1 shall, upon attaining membership in that plan, forfeit all benefits rights and privileges under the Optional Retirement Program. The Department of Higher Education will take such action as necessary to distribute plan assets attributable to Employee Plan Contributions to the former participant. Such action may include the transfer of assets attributable to Employee Plan Contributions to the State Board of Retirement, to the extent necessary to purchase any past service to which the employee may be eligible under the State Employees' Retirement System.

SECTION 3. The board of higher education, in consultation with the state board of retirement, shall promulgate regulations concerning this election and transfer of funds within ninety (90) days after the issuance of a favorable Private Letter Ruling as required in section 7 of this act.

SECTION 4. Notwithstanding any general or special law to the contrary, upon the transfer of funds specified in section 2, any employee who makes the election provided for in section 1 shall participate in the state employees' retirement system under chapter 32 of the General Laws as of the date that employee is considered to have entered service under section 5 of this act.

SECTION 5. For purposes of determining the percentage of regular compensation which shall be withheld under section 22 of chapter 32 of the General Laws for any employee making the election provided for in section 1, the employee shall be considered to have entered service (a) as of the effective date of the employee's appointment if the employee was initially appointed on or after the effective date of the optional retirement program, (b) as of the date the employee became a member in service before electing to participate in the optional retirement program if the employee transferred his accumulated total deductions and interest to the optional retirement program under paragraph (c) of subsection (3) of section 40 of chapter 15A of the General Laws, or (c) as of the date the employee became a member in service before electing to participate in the optional retirement program, if the employee withdrew his accumulated deductions

upon electing to participate in the optional retirement program, but pays in a lump sum the amount of total accumulated contributions withdrawn, with interest, within 6 months of making the election provided for in section 1.

SECTION 6. Within one hundred and twenty (120) days of the effective date of this Act, the Department of Higher Education and the State Board of Retirement shall, either jointly or individually, seek a Private Letter Ruling on behalf of the Commonwealth from the Internal Revenue Service regarding the impact of sections 1 through 5 of this act on the applicability and continued compliance of both the Optional Retirement Program and the State Employees' Retirement System (respectively or jointly) with the Internal Revenue Code, including but not limited to Section 414(h) of the Code.

SECTION 7. Sections 1 through 5 of this Act shall not take effect unless and until the Internal Revenue Service issues a favorable Private Letter Ruling which determines that sections 1 through 5 of this act would not result in any non-compliances with the Internal Revenue Code, including but not limited to Section 414(h) of the Code. The effective date of sections 1 through 5 of this act shall be the date of said favorable Private Letter Ruling.

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth, Mr. Fattman of Sutton and Mr. Smola of Palmer move to amend House Bill 3787 by inserting after Section 47 (as printed) the following section:-

“SECTION 47A. Subsection (c) of said section 102 of said chapter 32, as so appearing, is hereby further amended by inserting, in line 46, after the word “apply.” the following sentence:-

In any case where such former employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity which is \$40,000 or more exclusive of additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section 22 or any similar law, the sum of \$13,000 referred to in this subsection shall be reduced to \$12,000.”

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth, Mr. Fattman of Sutton and Mr. Smola of Palmer move to amend House Bill 3787 by inserting after Section 4 (as printed) the following section:-

Section 4A. Section 1 of chapter 32 of the General Laws, as so appearing, is hereby amended by striking, in line 465, the figure “64” and inserting in place thereof the following:- “51”.

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth and Mr. Smola of Palmer move to amend House Bill 3787 by striking, in line 67, the words, “may elect to” and inserting in place thereof the following:- “shall”.

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth, Mr. Fattman of Sutton and Mr. Smola of Palmer move to amend House Bill 3787 by striking proposed SECTION 9 and inserting in its place the following:-

“SECTION 9. Section 5 of said chapter 32, as so appearing, is hereby amended by striking out, in line 3, the words “age fifty-five” and inserting in place thereof the following words:- age 55 or any member in service or any member inactive on authorized leave of absence classified in Group 1 who became such a member on or after January 1, 2012 who has attained age 60.”

; and, further, by striking proposed SECTION 14 and inserting in its place the following:-

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

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

Per Cent	Group 1	Group 2	Group 4
2.50	67 or older	62 or older	57 or older
2.35	66	61	56
2.20	65	60	55
2.05	64	59	54
1.90	63	58	53
1.75	62	57	52

1.60	61	56	51
1.45	60	55	50

Table Showing Percentage of the Amount of Average Annual Rate of Regular Compensation to be multiplied by the Number of Years of Creditable Service for individuals who become members on or after January 1, 2012 and with at least 35 years of creditable service at the time of retirement

Per Cent	Group 1	Group 2	Group 4
2.50	67 or older	62 or older	57 or older
2.375	66	61	56
2.250	65	60	55
2.125	64	59	54
2.0	63	58	53
1.875	62	57	52
1.750	61	56	51
1.625	60	55	50

If the retirement age for receiving Social Security retirement benefits is adjusted under federal law, the secretary of administration and finance, in consultation with the commission, shall evaluate the percentages in the above table and make a recommendation to the legislature as to whether the percentages should be adjusted by legislative action.”

; and further, by striking proposed SECTION 29 and replacing it with the following:-

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

(i) Any member in service, classified in Group 1, Group 2 or Group 4 who has attained age 55 and completed 15 or more years of creditable service;

(ii) any member in service, classified in Group 1, Group 2 or Group 4 who has not attained age 55 but who has completed 20 or more years of creditable service;

(iii) any member in service, who entered such service on or after January 1, 2012, classified in Group 1 who has attained age 60 and completed 15 or more years of creditable service; or

(iv) any member in service, who entered such service on or after January 1, 2012, classified in Group 1 who has not attained age 60 but who has completed 20 or more years of creditable service, for whom an application for such member’s retirement is filed by the head of such member’s department under paragraph (a) of this subdivision, may, within 15 days of the receipt of such member’s copy of such application, file with the board a written request for a private or public hearing upon such application.”

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth, Mr. Fattman of Sutton and Mr. Smola of Palmer move to amend House Bill 3787 by striking SECTION 1 (as printed) in its entirety.

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth, Mr. Fattman of Sutton and Mr. Smola of Palmer move to amend House Bill 3787 by striking in SECTION 37, in lines 546 to 550, inclusive, the words “:(A) no investment of funds shall be made in stocks, securities or other obligations of a company which derives more than 15 per cent of its revenues from the sale of tobacco products; (B) in investing funds the board shall employ an investment manager or investment managers who shall invest the funds of the system; and (C) no funds shall be invested directly in mortgages or collateral loans.” and inserting in place thereof the following:- “the board shall employ an investment manager or investment managers who shall invest the funds of the system”.

Mr. Fattman of Sutton, Mr. Smola of Palmer and Mr. Jones of North Reading move to amend House Bill 3787 by inserting after Section 54 (as printed) the following section:-

“SECTION XX. The Treasurer is hereby authorized and directed to commission a comprehensive, independent analysis of the costs and benefits of potential structural reforms to the current pension system that will provide a public benefit. For the purposes of this analysis, “public benefit” shall include but not be limited to the following principles: the long-term sustainability of the pension system; the equitable distribution of benefits to members of the system; and, a reduction in the cost to the taxpayers.

The analysis shall include a review of the following structural reforms: (1) a redesign of the current defined benefit plan, including but not limited to potential administrative, benefit, or contribution changes; (2) the creation of a mandatory or optional defined contribution plan; and (3) the creation of a mandatory or optional hybrid plan, consisting of defined benefit and defined contribution components. Said analysis shall describe the costs and benefits to the Commonwealth as a whole, to the 105 contributory retirement systems in the Commonwealth, and to current and future members of the retirement system. The analysis shall also compare the pension systems of both public and private organizations of similar size.

The organization commissioned by the Treasurer to conduct the analysis shall be drawn from a list of qualified research organizations which are: (a) competitively bid through a process established by the Treasurer; (b) acceptable to the Public Employee Retirement Administration Commission; and (c) approved by the majority vote of the co-chairs and ranking minority members of the Committee on Public Service. The cost associated with commissioning an independent organization to provide the analysis shall be certified by the Secretary of the Executive Office of Administration and Finance and submitted to the legislature for appropriation.

The organization shall provide a preliminary report to the public employee retirement administration commission no later than 60 days prior to the legislative filing deadline. The public employee retirement administration commission may conduct an additional actuarial analysis to determine the costs of any recommendations made by the organization, which shall be included in the report prepared by the organization.

The organization shall file a report of its findings, together with the actuarial analysis provided by the public employee retirement administration commission, if any, with the clerks of the house and senate, the chairs of the house and senate committee on ways and means and the chairs of the joint committee on public service not later than October 15, 2012.”

Ms. Coakley-Rivera of Springfield moves to amend House Bill 3787 by inserting after section 57 the following sections:-

SECTION X. Section 1 of chapter 32 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting, after the definition of "Membership service," the following definition:-

"Nonpublic school," an institution, not operated by the federal, state or local governments or agencies thereof, the primary function of which is (a) to educate students in a course of study designed to lead to the award of a diploma or its equivalent; or (b) to provide a college-level course of study designed to lead to the award of a college or university degree.

SECTION X. Section 3 of said chapter 32, as so appearing, is hereby amended by inserting after subdivision (4A) the following subdivision:-

(4B) Credit for Teachers for Nonpublic School Service after January 1, 1973. Any member in service, or any member inactive on authorized leave of absence of the teachers' retirement system, the state retirement system or as a teacher in the State-Boston retirement system, who holds a certificate issued

by the department of education or is exempted from the requirement of certification, or any member who is employed in a public institution of higher education as a faculty member or professional employee not under the jurisdiction of the human resources division within the executive office for administration and finance classification system, and who was previously employed as a teacher in a nonpublic school may receive creditable service as if that service had been rendered in a public school of the commonwealth or public institution of higher education and the member had been a member of the teachers' retirement system, the state retirement system, or the State-Boston retirement system during the period in which the service was rendered. No credit shall be allowed until the member has paid into the annuity savings fund of the system before any retirement allowance becomes effective for the member, in 1 sum, or in installments, upon the terms and conditions that the board prescribes, makeup payments of an amount equal to 10 per cent of the regular annual compensation of the member as of the member's most recent date of entry into membership in the teachers' retirement system, the state retirement system, or as a teacher in the State-Boston retirement system, for each year of service purchased plus buyback interest on that amount. No credit shall be allowed and no payment shall be accepted under this paragraph until the

member has completed 10 or more years of membership service, and no credit shall be allowed and no payment shall be accepted for any service on account of which the member shall be entitled to receive a retirement allowance or other similar payment from any other nonpublic school system. No credit shall be allowed if the member has received credit for 3 or more years of nonpublic school service under subdivision (4A) of this section or paragraph (p) of subdivision (1) of section 4. The creditable service allowable under this subdivision for any member shall not exceed 4 years. Members in service of a retirement system who make application for this creditable service shall be notified by the retirement board of their eligibility for this creditable service, and, if they are eligible, shall also be notified by the retirement board that they have the following options: (1) to purchase the service in a lump sum within 180 days after the notice, or (2) to enter into an installment agreement within 180 days after the notice to pay for the creditable service.

Mr. O'Day of West Boylston moves to amend House 3787 by adding at the end of the following section:

“SECTION XX: Section 3 of Chapter 32 of the General Laws as appearing in the 2008 Official Edition is hereby amended by inserting after the word “prisoners;” in line 252 the following words: - employees of the department of children and families holding the position of social worker A/B, C, or D or successive titles who have been employed in such positions for 10 years or more.”

COLA Amendment

Representative Scibak of South Hadley moves to amend the bill H3787 in section 47 by striking out the figure "\$13,000," and inserting in place thereof the following figure and words:- \$13,000 or such maximum base amount as determined by the general court in accordance with paragraph (h) of this section.

Representative Scibak of South Hadley further moves to amend the bill H3787 by inserting after section 47 the following section:-

SECTION 47A. Section 102 of Chapter 32 of the General Laws is amended by inserting at the end thereof the following paragraph:-

(h) In March of each year, commencing in March two thousand and thirteen, the actuary in the commission shall annually file with the clerk of the house of representatives a report on the average rate of return of the PRIT Fund during the three previous calendar years. If the average rate of return of the PRIT Fund during the three previous calendar years exceeds the assumed rate of return of the PRIT Fund during such years, the maximum base amount, on which the cost-of-living adjustment is calculated in accordance with paragraph (c) of this section, may be increased to a sum, as determined and established by the general court, that shall become the maximum base amount on July 1 of that year and future years.

OPEB Study

Representative Scibak of South Hadley moves to amend the bill H3787 by striking out section 53 and inserting in place thereof:-

“Upon appropriation of sufficient funds to engage professional advisors, the board of trustees of the Health Care Security Trust shall investigate and conduct an actuarial study of retiree health care and other non-pension benefits for state employees. The board shall consider the range of benefits that are or should be provided as well as the current and anticipated future cost of providing them. The board may make recommendations on how best to divide the costs between the commonwealth and its employees. The board shall file a report of any recommendations with the clerks of the house and senate, the chairs of the house and senate committees on ways and means, the chairs of the joint committee on public service and the secretary of administration and finance.”

Credible service for school nurses

Ms. Canavan of Brockton moves that the bill, H 3787, be amended by inserting at the end thereof the following new section: -

SECTION XX

SECTION 1. Subdivision (1) of section 4 of chapter 32 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting after paragraph (h $\frac{1}{2}$) the following paragraph:— (h $\frac{3}{4}$) Any school nurse who is a member in service of the teacher's retirement system or a municipal or city of Boston or state retirement system who is employed in a school approved by the department of education may receive creditable service for any period or periods of work experience in the nursing field. No credit shall be allowed until such member has paid into the annuity savings fund of the system before any retirement allowance becomes effective for such member, in one sum, or in installments, upon such terms and conditions as the board may prescribe, makeup payments of an amount equal to 10 percent of the regular annual compensation of the member when said member entered the retirement system for each year of service so purchased, plus buy back interest. No credit shall be allowed and no payment shall be accepted under this paragraph until the member shall have completed ten or more years of membership service. The maximum creditable service allowable under this paragraph for any member shall not exceed three years. Members in service of a retirement system eligible for said creditable service under this act shall make application for said creditable service within ninety days of being notified by the retirement board of their eligibility after becoming vested in the retirement system or for currently eligible members, within ninety days of the effective date of this act.

Ms. Canavan of Brockton moves to amend the bill, H 3787, by striking section 1 and inserting the following-

SECTION 1. Paragraph (i) of subdivision (4) of section 5 of chapter 32 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out the sixth sentence and inserting the following sentence: A member of a contributory retirement system other than the teachers' retirement system or a teacher in the State-Boston retirement system, who transfers into the teachers' retirement system or transfers into the State-Boston retirement system as a teacher may elect to participate in the alternative superannuation retirement benefit program but that election shall occur within 180 days after establishing membership in the teachers' retirement system or the State-Boston retirement system.

; and, further, by striking SECTION 2 and inserting in its place the following-

SECTION 2. Paragraph (ii) of said subdivision (4) of said section 5 of said chapter 32, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- Such member shall have served for not less than 20 years as a teacher in order to be eligible to receive the benefit provided under this subdivision but years of membership service in a contributory retirement system while employed in a public day school in the commonwealth or an education collaborative under section 4E of chapter 40, as a school nurse, school social worker, early childhood teacher, speech, occupational or physical therapist or school business administrator shall be considered years as a teacher for the purposes of this section.

; and, further, by striking SECTION 3 and inserting in its place the following-

SECTION 3. A school nurse, school social worker, early childhood, speech, occupational or physical therapist, or school business administrator, who on or before July 1, 2001 was eligible to elect to participate in the alternative superannuation retirement benefit program or who transferred from a contributory retirement system to the teachers' retirement system or the State-Boston retirement system as a teacher under paragraph (i) of subdivision (4) of section 5 of chapter 32 of the General Laws, may elect to do so within 180 days of the effective date of this act on such form as the state teachers' retirement board or the State-Boston retirement board shall prescribe; provided that said member shall make retirement contributions to the system, prior to retirement, as if said member had elected into said program on or before July 1, 2001, plus interest. The interest shall be calculated by using one half of the actuarially assumed investment rate of return of the teachers' retirement system or the State-Boston retirement system. The election to participate in the alternative superannuation retirement benefit program shall be irrevocable and shall be subject to said subdivision (4) of section 5 of said chapter 32. The election provided in this section shall also apply to any retired or other inactive member of the teachers' retirement system or of the State-Boston retirement system who (a) was a member in service on or before July 1, 2001 or transferred from a contributory retirement system to the teachers' retirement system or the State-Boston retirement system after that date, (b) was eligible to elect to participate in the alternative superannuation retirement benefit program, and (c) notified, in writing, the school district payroll, business, or other administrative officer of an

intention to elect to participate in the alternative superannuation retirement benefit program established pursuant to paragraph (i) of subdivision (4) of section 5 of chapter 32. The new benefit provided through such election shall be actuarially reduced, if necessary, to meet the plan qualification requirements of the Internal Revenue Code (IRC), as provided in paragraph (i) of subdivision (4) of section 5 of Chapter 32.

Mr. Fattman of Sutton, Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth and Mr. Smola of Palmer move to amend House Bill 3787 by striking in SECTION 12, in lines 66 to 69, inclusive, the phrase: "Any active member as of July 1, 2012, who has served in more than 1 group may elect to receive a retirement allowance consisting of pro-rated benefits based upon the percentage of total years of service that the member rendered in each group; further, the" and inserting, in place thereof, the following: "The".

Mr. Jones of North Reading, Mr. Peterson of Grafton, Mr. Hill of Ipswich, Ms. Poirier of North Attleboro, Mr. deMacedo of Plymouth, Mr. Fattman of Sutton and Mr. Smola of Palmer move to amend House Bill 3778 by inserting, in SECTION 53, in line 911, the following: “The commission shall consider and make recommendations on the costs and benefit of providing pro-rated retiree health care benefits based upon the total years of service that the member has served.”.

Ms. Campbell of Methuen moves that the bill, H 3787, be amended by inserting at the end thereof the following additional section:

SECTION XX: Section 1 of Chapter 32 of the General Laws is amended in the definition of "regular compensation" by inserting before the paragraph beginning "If as a result of a mistake", the following new paragraph:

Notwithstanding any provision of this chapter to the contrary, for members of the state employees' retirement system, the teachers' retirement system including all post secondary education retirement systems throughout the Commonwealth and all county, city and town contributory retirement systems including those who entered the service of the Commonwealth or a political subdivision thereof on or after July 1, 2012 regular pension compensation shall not include salary, wages or other compensation in whatever form in any calendar year in excess of sixty five percent of the salary of the sitting Governor of the Commonwealth of Massachusetts. The Governor's salary shall be defined as salary and shall not include any additional benefits or contributory compensation available to the office such as health care or additional contributory retirement options offered by the Commonwealth.

Mr. DiNatale moves that the bill House 3787 be amended by inserting at the end thereof the following new section:

SECTION 58

SECTION 1. Section 1 of chapter 32 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by inserting, after the definition of "Membership service," the following definition:-

"Nonpublic school," an institution, not operated by the federal, state or local governments or agencies thereof, the primary function of which is (a) to educate students in a course of study designed to lead to the award of a diploma or its equivalent; or (b) to provide a college-level course of study designed to lead to the award of a college or university degree.

SECTION 2. Section 3 of said chapter 32, as so appearing is hereby amended by inserting after subdivision (4A) the following subdivision:-

(4B) Credit for Teachers for Nonpublic School Service after January 1, 1973. Any member in service, or any member inactive on authorized leave of absence of the teachers' retirement system, the state retirement system or as a teacher in the State-Boston retirement system, who holds a certificate issued by the department of education or is exempted from the requirement of certification, or any member who is employed in a public institution of higher education as a faculty member or professional employee not under the jurisdiction of the human resources division within the executive office for administration and finance classification system, and who was previously employed as a teacher in a nonpublic school may receive creditable service as if that service had been rendered in a public school of the commonwealth or public institution of higher education and the member had been a member of the teachers' retirement system, the state retirement system, or the State-Boston retirement system during the period in which the service was rendered. No credit shall be allowed until the member has paid into the annuity savings fund of the system before any retirement allowance becomes effective for the member, in 1 sum, or in installments, upon the terms and conditions that the board prescribes, makeup payments of an amount equal to 10 per cent of the regular annual compensation of the member as of the member's most recent date of entry into membership in the teachers' retirement system, the state retirement system, or as a teacher in the State-Boston retirement system, for each year of service purchased plus buyback interest on that amount. No credit shall be allowed and no payment shall be accepted under this paragraph until the member has completed 10 or more years of membership service, and no credit shall be allowed and no payment shall be accepted for any service on account of which the member shall be entitled to receive a retirement allowance or other similar payment from any other nonpublic school system. No credit shall be allowed if the member has received credit for 3 or more years of nonpublic school service under subdivision (4A) of this section or paragraph (p) of subdivision (1) of section 4. The creditable service allowable under this subdivision for any member shall not exceed 4 years. Members in service of a retirement system who make application for this creditable service shall be notified by the retirement board of their eligibility for this creditable service, and, if they are eligible, shall also be notified by the retirement board that they have the following options: (1) to purchase the service in a lump sum within 180 days after the notice, or (2) to enter into an installment agreement within 180 days after the notice to pay for the creditable service.

Mr. DiNatale moves that the bill House 3787 be amended by inserting after Section 36 the following section:

SECTION 36A. Section 28K of said chapter 32, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

Any employee of the commonwealth or its political subdivisions who is a representative of an employee organization, which has included in its membership employees of the commonwealth or its political subdivisions shall, while on a full-time or part-time leave of absence for the purpose of acting as a representative of said employee organization, be considered on leave of absence, without pay, for the period of the employee's assignment as a representative of such employee organization. Such employee shall, however, be credited with the creditable service the employee would have received had the employee been in active service for the full or part-time leave and shall contribute each month to the retirement fund in an amount which the employee would have contributed had the employee remained in the service of the commonwealth or its political subdivisions. Such employee of the commonwealth or its political subdivisions shall be entitled to all benefits and privileges, except the payment of salary as provided under this chapter and chapters 30, 31, and 32 during the leave of absence.

Mr. Kocot of Northampton moves to amend the bill by adding at the end thereof the following new section:-

“SECTION _____.

SECTION 1. Section 3(2) (d) of Chapter 32, is hereby amended at the end thereof by inserting the following:-

“For purposes of this section and notwithstanding the provisions of this chapter or any other general or special law, rule or regulation to the contrary, any faculty who teach the equivalent of at least two three credit courses per semester or four three or more- credit courses per calendar year at one or more state higher education institution, including a division of continuing education, regardless of funding source, including but not limited to subsidiary account CC, shall be considered an employee eligible for membership in the state employees retirement system and shall earn creditable service for such time.”

SECTION 2. Section 4(2) (b) of Chapter 32, as so appearing, is amended by inserting the following in line 447 after the word “membership”:-

“...provided, that in the case of any faculty employed at one or more state higher education institution, the Board shall credit as at least one-half year of service, actual service teaching the equivalent of at least four three- credit courses per calendar year.”

SECTION 3. Section 4(2) (c) of Chapter 32, is hereby amended at the end thereof by adding the following:-

“For faculty employed at one or more state higher education institution, the Board, in accordance with the provisions of this section, shall allow credit for any previous period of service equivalent to teaching at least four three- credit courses per calendar year at one or more state higher education institution, including a division of continuing education, regardless of funding source, including but not limited to subsidiary account CC.”

SECTION 4. Section 1 of Chapter 32, is hereby amended by inserting in line 428 after the word “fund”, the following:-

“In the case of part-time faculty employed at one or more state higher education institution, the full salary and wages received for teaching credit courses at one or more state higher education institution, including a division of continuing education, regardless of funding source, including

but not limited to subsidiary account CC, shall be regarded as regular compensation and shall be included in the salary on which deductions are to be paid to the annuity savings fund.”

SECTION 5. Section 5(1) (m) of Chapter 32, is hereby amended at the end thereof by inserting the following:-

“Notwithstanding any provision of this chapter to the contrary, any part-time faculty employed at one or more state higher education institution, whose employment first commenced on or after January first, nineteen hundred and seventy-eight, and who has not completed five or more years of creditable service before the termination of his employment, shall on the termination of his employment be entitled to a return of his accumulated deductions. Such return of said accumulated deductions shall be in lieu of any superannuation retirement allowance provided under this chapter.”

Representative Scibak of South Hadley moves to amend the bill H3787 by striking section 5A and inserting the following section:

Section 5A. Paragraph (g) of subdivision (2) of section 3 of chapter 32 of the General Laws, as so appearing, is hereby amended by inserting after the word "groups" in line 229, the following:-
;

provided that a member entering service prior to July 1, 2012 must be actively employed in a Group 2 or Group 4 position by a governmental unit which is subject to a retirement system under Chapter 32, and must be actively performing the duties of said position for which he/she seeks classification for not less than twelve consecutive months immediately preceding termination or retirement in order to qualify for the retirement allowance calculation of said group contained in subdivision 2 of section 5 of this chapter.

A member who seeks Group 2 or Group 4 classification and is no longer employed by a public entity at the time of his/her retirement will be classified pursuant to the provisions herein based on the position from which he /she was last employed."

Amendment to H03787

Pension Reform

Representatives Webster of Pembroke, Adams of Andover, Levy of Marlborough, Lyons of Andover and O'Connell of Taunton move to amend the bill by adding the following section:

"SECTION 1. Section 10 of chapter 32 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out in line 4 the words "or fails of nomination or re-election".

SECTION 2. Said chapter 32 is hereby further amended by inserting after section 22 the following section:-

Section 23. The provisions of this chapter relating to defined benefit plans shall not apply to any employee hired after July 1, 2012. They shall be covered by 401 (K) coverage with the state, county, city or town providing a 7 per cent match. Any employee not vested as of July 2, 2012 may elect to participate in 401 (K) coverage and associated accrued defined benefits may be transferred to 401 (K) coverage with state, county, city, or municipal 7 per cent match. Disability pensions shall continue for such employees who sustain job related injuries that prohibit them from performing work in any gainful capacity. Disability pensions shall be based on the regular salary of the employee and not that of any employee he is filling in for. All pension funds shall be managed by the PRIM board.

SECTION 3. Said chapter 32 is hereby further amended by adding the following 2 sections:-

Section 106. Any person who knowingly provides false information to obtain pension benefits or accepts unearned benefits shall be punished by imprisonment in a prison for not more than 5 years.

Section 107. Employees shall not automatically be allowed to inflate their pensions with raises and additional compensation during their final year of service."

Mr. Chan of Quincy moves to amend the bill, House Bill 3787, by adding at the end thereof the following new section:-

SECTION _____.

Section 28K of said chapter 32, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

Any employee of the commonwealth or its political subdivisions who is a representative of an employee organization, which has included in its membership employees of the commonwealth or its political subdivisions shall, while on a full-time or part-time leave of absence for the purpose of acting as a representative of said employee organization, be considered on leave of absence, without pay, for the period of the employee's assignment as a representative of such employee organization. Such employee shall, however, be credited with the creditable service the employee would have received had the employee been in active service for the full or part-time leave and shall contribute each month to the retirement fund in an amount which the employee would have contributed had the employee remained in the service of the commonwealth or its political subdivisions. Such employee of the commonwealth or its political subdivisions shall be entitled to all benefits and privileges, except the payment of salary as provided under this chapter and chapters 30, 31, and 32 during the leave of absence.

Mr. Collins of Boston moves to amend House 3787 by striking lines 100 through 118 in Section 14 and replacing with the following:

Table Showing Percentage of the Amount of Average Annual Rate of Regular Compensation to be multiplied by the Number of Years of Creditable Service for individuals who become members on or after July 1, 2012 and have at least 30 years of creditable service at the time of retirement.

Per cent.	Age Last Birthday At Date of Retirement		
	Group 1.	Group 2.	Group 4.
2.5000	67 or over	62 or over	57 or over
2.3875	66	61	56
2.2750	65	60	55
2.1625	64	59	54
2.0500	63	58	53
1.9375	62	57	52
1.8250	61	56	51
1.6000	60	55	50
		1.4875	59 --
		1.3750	58 --
		1.2625	57 --

Mr. Winslow of Norfolk moves to amend House bill 3787 by inserting after Section 54 (as printed) the following section:-

“Section XX. The Treasurer is hereby authorized and directed to commission a comprehensive, independent analysis of the costs and benefits of consolidating each contributory retirement system in the Commonwealth into a singular system operated by the Public Employee Retirement Administration Commission. The analysis shall also study the feasibility of restructuring the current unfunded pension liability in order to avoid any liability to the General Fund.

The organization commissioned by the Treasurer to conduct the analysis shall be drawn from a list of qualified research organizations which are competitively bid through a process established by the Treasurer and approved by the majority vote of the co-chairs and ranking minority members of the Committee on Public Service. The cost associated with commissioning an independent organization to provide the analysis shall be certified by the Secretary of the Executive Office of Administration and Finance and submitted to the legislature for appropriation.

The organization shall provide a preliminary report to the Public Employee Retirement Administration Commission no later than 60 days prior to the legislative filing deadline. The Public Employee Retirement Administration Commission may conduct an additional actuarial analysis to determine the costs of any recommendations made by the organization, which shall be included in the report prepared by the organization.

The organization shall its recommendations based on its findings, together with the actuarial analysis provided by the Public Employee Retirement Administration Commission, if any, and legislation to effectuate said changes with the clerks of the house and senate, the chairs of the house and senate committee on ways and means and the chairs of the joint committee on public service not later than October 15, 2012.”

DiNatale of moves that the bill House bill 3787 be amended by striking Section 39 in its entirety.

Representative Scibak of South Hadley moves to amend the bill H3787 by adding the following section.

Section xxx. Section 26 of chapter 21 of the acts of 2009 is hereby amended by inserting after the figure “2009” the following words:- , Section 13 shall apply only to those members of retirement systems whose benefits had not vested on or prior to July 1, 2009.

Representative Scibak of South Hadley moves to amend the bill H3787 by striking section 14 and inserting in place thereof the following section:

SECTION 14. Said paragraph (a) of said subdivision (2) of said section 5 of said chapter 32, as so appearing, is hereby further amended by adding the following 2 tables:-

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

Per cent.	Age Last Birthday At Date of Retirement		
	Group 1.	Group 2.	Group 4.
2.5	67 or over	62 or over	57 or over
2.35	66	61	56
2.20	65	60	55
2.05	64	59	54
1.90	63	58	53
1.75	62	57	52
1.60	61	56	51
1.45	60	55	50
1.3	59	54	49
1.15	58	53	48
1.0	57	52	47

Table Showing Percentage of the Amount of Average Annual Rate of Regular Compensation to be multiplied by the Number of Years of Creditable Service for individuals who become members on or after July 1, 2012 and have at least 30 years of creditable service at the time of retirement.

Age Last Birthday At Date of Retirement

Per cent.	Group 1.	Group 2.	Group 4.
2.5	67 or over	62 or over	57 or over
2.375	66	61	56
2.250	65	60	55
2.125	64	59	54
2.0	63	58	53
1.875	62	57	52
1.750	61	56	51
1.625	60	55	50
1.5	59	54	49
1.375	58	53	48
1.250	57	52	47

Mr. Rogers of Norwood, Mr. Puppolo of Springfield and Mr. Turner of Dennis moves to amend the bill, H 3787, by striking Section 4 in its entirety.

Mr. Winslow of Norfolk moves to further amend House bill 3789 by inserting, in SECTION 1, in line 5, after the words “force and effect”, the following:

“for a maximum of 1 year”

; and, further, by striking, in lines 5 and 6 the following: “until a successor agreement is voluntarily negotiated by the parties”.

Mr. Torrasi of North Andover moves to amend House No. 3787 by adding the following section:-

“SECTION . Section 1 of chapter 32 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the word “date”, in line 392, the following words:-
; provided, however, that if the employee receives compensation for wages in whatever form from the federal government from which regular deductions were not made pursuant to this chapter and such wages were not reported to any employing authority, such wages shall not be counted as regular compensation for the purposes of the benefits provided in this chapter.”