

September 22, 2025

Via Electronic Mail

The Hon. Michael D. Brady, Chair
Committee on Public Service
State House, Room 416-A
Boston, MA 02133
Michael.Brady@MASenate.gov

The Hon. Daniel J. Ryan, Chair
Committee on Public Service
State House, Room 156
Boston, MA 02133
Dan.Ryan@MAHouse.gov

Re: House 56, An Act Empowering Municipalities and Local Governments

Dear Chair Brady and Chair Ryan:

As your committee considers portions of House 56, *An Act Empowering Municipalities and Regional Government*, I want to highlight sections of the bill that are of particular interest to the Office of the Inspector General (OIG). The OIG's core functions include educating municipalities on strategies to prevent fraud, waste and abuse and providing them with technical assistance on best practices and policies, particularly regarding the proper administration of public retirement.

I would like to bring your attention to sections of the bill relative to critical shortage waivers. Section 18 allows retirees to return to work when there is a shortage of qualified applicants eligible for a position. Entities including state agencies, counties, municipalities and public authorities would be permitted to apply to the Executive Office of Administration and Finance for a position waiver.

Last session, a similar proposal was included in the original Municipal Empowerment Act. At that time, I voiced my concern with this broad expansion of the post-retirement employment option. The concerns I raised then, and the concerns I raise in this letter, are rooted in a [review and report my office published last March](#), which details the systemic flaws and difficulties in administering the post-retirement earnings cap, a provision that is key in balancing an already-vulnerable pension system.

I appreciate that the Administration understood these concerns, and Sections 84 and 88 of this bill implement a sunset on the waiver program, to end on January 1, 2028. However, the expanded ability for post-retirees to work and receive payment from a public entity while receiving a pension from a different pension system undermines the intentionally restricted structure of the Commonwealth's post-retirement employment system. As is, the post-retirement employment structure is rife with challenges in implementation and enforcement. Adding to this complexity through a broadly expanded post-retirement waiver system presents increased opportunities for waste or abuse of the system's public funds. Further, in many ways, such an exception furthers the problem by incentivizing public employees to retire and return to work, doing the same role for what would effectively amount to an overall higher compensation package, while doing nothing to encourage others to enter the fields with shortages that these waivers are trying to address. Allowing retired public employees to return to work, without contributing to the public pension system, is not a sound public policy and negatively impacts the fragile pension system. I urge the Committee to instead seek

long-term solutions to the underlying critical shortages in the public workforce and address the growing concern, evident across state and municipal government, of a lack of knowledge transfer and business continuity planning.

The implementation and enforcement of the post-retirement earnings cap is so complex that the statutory earnings cap requirement is essentially relegated to a recommendation. Earnings caps are primarily enforced through a self-monitored honor system. No single agency tracks post-retirement earnings of public retirees. Earnings cap calculations are complicated and individual to each retiree. Oversight is inconsistent, and in some cases, non-existent. Enforcement is reactive, mostly directed at the most egregious cases. Penalties for exceeding the earnings cap are minimal.

Several policy solutions to address the issues I raised are included in the aforementioned report my office published. Further, in recognition of these systemic issues, the legislature established a [task force to study issues related to post-retirement employment of public employees](#) through Section 198 of the FY25 GAA. As a member of the task force, my office and I are eager to begin work with the other members of the task force to help address these systemic challenges but first the Legislature must extend the timeline for the Task Force and the two final members must be appointed.

Adding the possibility for retirees to return to work through critical shortage waivers adds a level of bureaucratic complexity that makes enforcement of the post-retirement earnings cap more difficult. Moreover, it expands opportunities for retirees earning a pension to exceed their earnings cap, inadvertently or otherwise. Identifying and recouping these excess public dollars is often difficult and unsuccessful, resulting in waste, even in cases in which there is no fraud. With regards to Section 18, in the interest of preventing fraud, waste, and abuse, the Commonwealth is better served by focusing on mechanisms to enforce the retirement earnings cap and/or determining if the purpose of the post-retirement limits continues to be a public policy that the Legislature supports. A policy riddled with exceptions is hardly a policy. I urge the Committee to do so, and the Office of the Inspector General would be happy to work with the Committee to help accomplish these goals.

If you have any questions, please do not hesitate to contact me at 617-722-8806 or Jeffrey.S.Shapiro@mass.gov or Joshua Giles, Director of Government Outreach and Public Policy, at 617-722-8828 or Joshua.Giles@mass.gov. Thank you for your consideration.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG
Inspector General

cc (by email):

Joshua Giles, Director of Government Outreach and Public Policy, OIG
Nataliya Urciuoli, Senior Executive Assistant, OIG