

MEMORANDUM

TO: All Retirement Boards

FROM: Bill Keefe, Executive Director

RE: Follow-up to Memo No. 28/2025 re: G.L. c. 32, Section 100 and COLAs

DATE: November 5, 2025

On October 23, 2025, PERAC issued Memorandum #28 of 2025 (“Memo #28/2025”) concerning G.L. c. 32, § 100 benefits and the application of cost-of-living adjustments (“COLAs”) to those benefits. Several questions have arisen in regard to Memo #28/2025, therefore, PERAC is issuing this Memorandum to address these questions. This Memorandum does not supersede Memo #28/2025 but is meant to supplement it.

As instructed in Memo #28/2025, COLAs should be applied to all Section 100 benefits. Several members of the public pension community cited the second paragraph of Section 100 which states “The benefits provided by this section shall be in the alternative to the benefits provided by any other section of this chapter...” PERAC was asked how to reconcile receiving both a Section 100 benefit and a COLA. To clarify, COLAs are not considered “benefits.” Benefits refer to an actual pension, retirement allowance, or annuity paid to either a member or a beneficiary. Instead, COLAs are enhancements available to individuals who are already receiving a “benefit,” i.e., a pension. The Section 100 beneficiary is receiving their benefit in the form of a pension and then receiving an enhancement on top of that in the form of a COLA.

PERAC also instructed in Memo #28/2025 that “COLAs should have been paid on each Section 100 benefit since the date the beneficiary first became eligible to receive a COLA pursuant to Section 103(c).” We need to clarify that guidance.

Prior to 1998, the COLA section of G.L. c. 32, § 102(a) provided as follows:

The sum of the dollar amount of each cost-of-living increase or decrease together with the amount of the retirement allowance, pension, or annuity to which the cost-of-living percentum factor is applied shall become the fixed retirement allowance, pension, or annuity for all future purposes, including the application of subsequent cost-of-living adjustments in future years; provided, that whenever the amount of any pension, retirement allowance or annuity is increased under any general or special law other than through a cost-of-living adjustment pursuant to this section,



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the fixed retirement allowance, pension or annuity shall be determined by adding either the increase under any general or special law, or the cost-of-living adjustment, whichever is greater, but not both. (Emphasis added.)

The section cited above was later amended by Chapter 17 of the Acts of 1997, which created Section 103 as we know it today. Pursuant to Section 102(a), for any Section 100 benefits paid prior to 1998, the benefit would increase by the greater of *either* the increase provided for in Section 100, or the COLA granted pursuant to Section 102, but not both. As such, for retirement boards who are calculating the back payment of COLAs that are due to Section 100 beneficiaries, that calculation should start in 1998, as the COLA payment would have been the smaller increase. Therefore, COLA payments for Section 100 benefits should be recalculated only as far back as July 1, 1998, in accordance with Chapter 17 of the Acts of 1997.

If you have any further questions, please feel free to contact General Counsel Judith Corrigan at (617) 591-8904 or at judith.a.corrigan@mass.gov.