

September 30, 2025

Via Electronic Mail

The Hon. Michael D. Brady, Chair Joint Committee on Public Service State House, Room 416-A Boston, MA 02133 Michael.Brady@MASenate.gov The Hon. Daniel J. Ryan, Chair Joint Committee on Public Service State House, Room 156 Boston, MA 02133 Dan.Ryan@MAHouse.gov

Re: Post-Retirement Employment Exemptions

Dear Chair Brady and Chair Ryan:

I write in strong opposition to bills before your committee that would create specific exemptions to the post-retirement earnings and hours limitations for public employees. The Office of the Inspector General (OIG) has conducted comprehensive reviews of the return-to-work law and the post-retirement employment system. The OIG has determined that, without additional reforms, these proposed exemptions are inappropriate and promote waste and abuse of public resources.

Massachusetts law reflects a long-held policy that public employees cannot collect a full salary while receiving a public pension. Under Section 91 of Chapter 32 of the Massachusetts General Laws (Section 91), the return-to-work statute, public retirees who return to work for public entities are subject to certain requirements such as limits on earnings and the number of hours worked. Section 91 grants public entities the flexibility to hire retirees and ensures that public retirees cannot earn more in public funds, through their pension and any post-retirement earnings, if returning to the public workforce.

Yet, there continues to be momentum to create exemptions to Section 91 that would allow more public retirees to return to work for public entities with few limitations or oversight. The proposed exemptions that apply to single employee positions and limited categories of employment are of particular concern to the OIG. In addition to being inequitable and unfair, creating further exemptions to the law does nothing to address the root cause for why such positions are not attractive to active workers or those who are elsewhere in the workforce. The exemption creates a false sense of security and certainly favors higher paying positions and those who are able to gain an exemption.

For example, House 2855 creates an exemption for the executive director of the Municipal Police Training Committee (MPTC) to work without adhering to the hours and earnings limits. Similarly, House 2796 establishes an exemption for a Group IV retiree serving as secretary or

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undersecretary in the Executive Office of Public Safety and Security. The OIG understands that public safety officials have specialized expertise. Nonetheless, exempting specific full-time positions from a law that applies to all other public employees is unwarranted. Individuals always have the option to delay or stop retirement if they would like to continue their public service because a particular position becomes an option. Double dipping on a public payroll is what the law was designed to curb. Carving out these exceptions will only serve to increase public cynicism surrounding public employees.

Other bills propose broad exemptions for retirees returning to work in education, public safety, financial, and legal services.² These blanket exemptions provide no safeguards or controls and create the very scenario where a retiree collects a full pension and an unrestricted public salary that the return-to-work law was intended to prohibit. If these exemptions were enacted, the law becomes riddled with holes and no longer meets its intended purpose. Continuing to add exemptions for certain jobs on a case-by-case basis without any real analysis also eliminates any equity originally found in the statute.

There are additional bills before your committee that would exempt scores of other municipal positions from these limitations, too. Few, if any, of these positions have been studied to see if the need to fill them is greater than any other position. Notably absent from these types of bills is always the lowest wage workers, *i.e.*, janitorial and cafeteria workers.

The rationale for both narrow and broad exemptions relies on the same premise: that a limited pool of candidates possesses the valuable expertise of those public employees exiting the workforce. The OIG understands these concerns and is empathetic to the challenges municipalities and other public entities face in recruiting qualified candidates and retaining the knowledge of seasoned public servants. However, granting exemptions does nothing to solve these employment and business continuity issues in the long term.

As you may know, I have written to the committee during this and previous sessions to express my opposition to these exemptions.³ In 2024, the OIG published a review and <u>report</u> detailing the systemic flaws and difficulties in administering the post-retirement earnings cap. Instead of contemplating piecemeal exemptions, I urge the Legislature to consider the recommendations the OIG has proposed to make the current system more accountable and transparent.

Additionally, through Section 198 of the FY25 GAA the Legislature established a task force to study post-retirement employment. The task force was never fully appointed, and its

¹ House 2796 also exempts any Group IV retiree employed by the MPTC or the Department of Fire Services Academy from the employment earnings and hours limits in Section 91.

² Such bills include House Bill 2945, An Act Relative to Retired Teachers Supporting Public Education; Senate Bill 1826, An Act Eliminating Post-Retirement Earnings Restrictions for Police Detail Work; and House Bill 2755, An Act Relative to Post Retirement Earnings and Hours Limitations for Certain Professional Services.

³ In 2023, I submitted written testimony opposing <u>House 2546</u>, <u>An Act to Exempt the Executive Director of the Municipal Police Training Committee from Earnings Limitations</u> and <u>House 2488</u>, <u>An Act Relative to Public Safety Personnel</u>.

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reporting deadline has expired. Instead of expanding the exemptions to Section 91, the Legislature should revive the task force, allowing it to meet its charge by immediately appointing the final two members and extending the reporting deadline.⁴ The OIG looks forward to collaborating with the other members of the task force in developing solutions to this issue.

Thank you for your consideration. 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 617-719-8225 or Joshua.Giles@mass.gov.

Sincerely,

Jeffrey S. Shapiro, Esq., CIG Inspector General

cc Committee Leadership (by email):

The Hon. Mark C. Montigny, Vice Chair, Joint Committee on Public Service

The Hon. Natalie M. Higgins, Vice Chair, Joint Committee on Public Service

The Hon. Kelly A. Dooner, Ranking Minority Member, Joint Committee on Public Service

The Hon. David F. DeCoste, Ranking Minority Member, Joint Committee on Public Service

cc (by email)

The Hon. Kimberley Driscoll, Lieutenant Governor

Kate R. Cook, Chief of Staff, Office of the Governor

Matthew Gorzkowicz, Secretary, Executive Office of Administration and Finance Sean Cronin,

Senior Deputy Commissioner for Local Services, Department of Revenue

Adam Chapdelaine, Executive Director and CEO, Massachusetts Municipal Association

Joshua Giles, Director of Government Outreach and Public Policy, OIG

Nataliya Urciuoli, Senior Executive Assistant, OIG

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⁴ During FY26 budget deliberations, the Senate adopted an amendment to extend the task force's reporting deadline to June 30, 2026. The FY26 conference committee report did not include the extension.