

# HOUSE . . . . . No. 03457

*By Mr. Scibak of South Hadley, for the committee on Public Service, on Senate, Nos. 1306, 1343 and 1351 and House, Nos. 675, 701 and 711, a Bill relative to cost of living adjustments for retired public employees of the Commonwealth (House, No. 3457). May 25, 2011.*

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

*An Act relative to cost of living adjustments for retired public employees of the Commonwealth.*

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 22C of Chapter 32 of the General Laws, as appearing in the 2008 Official  
2 Edition, is amended by striking out in line 29 the number “23” and inserting in place thereof the  
3 following number:— 40.

4 SECTION 2. Paragraph (c) of Section 102 of said Chapter 32, as appearing in the 2008 Official  
5 Edition, is amended by striking out in lines 32, 36 and 43 the dollar amount “\$12,000” and  
6 inserting in place thereof the following dollar amount:—\$16,000.

7 SECTION 3. The provisions of Sections one and three of this act shall take effect for cost of  
8 living adjustments to be made, in accordance with the provisions of Section 102 of said Chapter  
9 32, commencing July 1, 2012.

10 SECTION 4: Subdivision (3) of section 21 of Chapter 32 is hereby amended by striking out  
11 paragraph (f) and inserting in place thereof the following paragraph:

12 (f) the preparation and filing with the general court, of a report, annually, in the month of  
13 January, on the computation of any increase in the United States Consumer Price Index and the  
14 percentage thereof in the previous year by the Commissioner of Social Security, including a  
15 statement that such increase in said Consumer Price Index during the last previous year requires  
16 a cost of living increase in the retirement allowances, pensions or annuities of eligible members,  
17 as defined in sections 102 and 103, equal to the percentage increase in the Consumer Price Index  
18 or 3 per cent, whichever is greater.

19 SECTION 5: Section 102 of Chapter 32 is hereby amended by striking out paragraph (a) and  
20 inserting in place thereof the following paragraph:

21 (a) The actuary in the commission shall annually in the month of January file with the clerk of  
22 the house of representatives the report prepared in accordance with paragraph (f) of subdivision  
23 (3) of section 21. The retirement allowance, pension or annuity of every member of the state  
24 employees' system and the teachers' retirement system who has received a retirement allowance,  
25 pension or annuity on June 30 of the preceding fiscal year, or of a spouse or other beneficiary of  
26 such member who has received a retirement allowance, pension or annuity on June 30 of the  
27 prior fiscal year, shall be increased by the percentage as determined by the actuary's report;  
28 provided that notwithstanding the actuary's report the cost of living increase shall be at least  
29 three percent. The cost of living adjustment shall be applied each July 1. Said cost of living  
30 increase shall be funded from the investment income account of the state employees' and state  
31 teachers' systems. The sum of the dollar amount of each cost of living increase, together with the  
32 amount of retirement allowance, pension or annuity to which the cost of living per cent factor is  
33 applied, shall become the fixed retirement allowance, pension or annuity for all future purposes,  
34 including the application of subsequent cost of living adjustments in future years.

35 SECTION 6. Section 102 is hereby amended by adding after paragraph (c) the following clauses:

36 (i) In any case as of June 30, 2011 but prior to June 30, 2016 where such former employee,  
37 spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity  
38 which is sixty-five percent of the maximum social security benefit or more exclusive of  
39 additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section  
40 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying  
41 the per centum of change determined pursuant to paragraph (a) to the sum of sixty-five percent  
42 of the maximum social security benefit. Whenever a cost of living adjustment is granted pursuant  
43 to said paragraph (a), the dollar amount of such increase as determined in said paragraph (a) shall  
44 be added to each retirement allowance, pension or annuity which is in excess of said maximum  
45 base amount. The sum of the dollar amount of such cost of living adjustments, together with the  
46 amount of retirement allowance, pension or annuity to which the cost of living per centum factor  
47 is applied and any amounts in excess of said sixty-five percent of the maximum social security  
48 benefit shall become the fixed retirement allowance, pension or annuity for all future purposes  
49 including the application of subsequent cost of living adjustments in future years; provided,  
50 however, that the limitations of this paragraph shall continue to apply.

51 (ii) In any case as of June 30, 2016 but prior to June 30, 2020 where such former employee,  
52 spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity  
53 which is seventy-five percent of the maximum social security benefit or more exclusive of  
54 additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section  
55 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying  
56 the per centum of change determined pursuant to paragraph (a) to the sum of seventy-five  
57 percent of the maximum social security benefit. Whenever a cost of living adjustment is granted

58 pursuant to said paragraph (a), the dollar amount of such increase as determined in said  
59 paragraph (a) shall be added to each retirement allowance, pension or annuity which is in excess  
60 of said maximum base amount. The sum of the dollar amount of such cost of living adjustments,  
61 together with the amount of retirement allowance, pension or annuity to which the cost of living  
62 per centum factor is applied and any amounts in excess of said seventy-five percent of the  
63 maximum social security benefit shall become the fixed retirement allowance, pension or annuity  
64 for all future purposes including the application of subsequent cost of living adjustments in  
65 future years; provided, however, that the limitations of this paragraph shall continue to apply.

66 (iii) In any case as of June 30, 2020 but prior to June 30, 2024 where such former employee,  
67 spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity  
68 which is eighty-five percent of the maximum social security benefit or more exclusive of  
69 additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section  
70 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying  
71 the per centum of change determined pursuant to paragraph (a) to the sum of eighty-five percent  
72 of the maximum social security benefit. Whenever a cost of living adjustment is granted pursuant  
73 to said paragraph (a), the dollar amount of such increase as determined in said paragraph (a) shall  
74 be added to each retirement allowance, pension or annuity which is in excess of said maximum  
75 base amount. The sum of the dollar amount of such cost of living adjustments, together with the  
76 amount of retirement allowance, pension or annuity to which the cost of living per centum factor  
77 is applied and any amounts in excess of said eighty-five percent of the maximum social security  
78 benefit shall become the fixed retirement allowance, pension or annuity for all future purposes  
79 including the application of subsequent cost of living adjustments in future years; provided,  
80 however, that the limitations of this paragraph shall continue to apply.

81 (iv) In any case as of June 30, 2024 but prior to June 30, 2028 where such former employee,  
82 spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity  
83 which is ninety-five percent of the maximum social security benefit or more exclusive of  
84 additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section  
85 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying  
86 the per centum of change determined pursuant to paragraph (a) to the sum of ninety-five percent  
87 of the maximum social security benefit. Whenever a cost of living adjustment is granted pursuant  
88 to said paragraph (a), the dollar amount of such increase as determined in said paragraph (a) shall  
89 be added to each retirement allowance, pension or annuity which is in excess of said maximum  
90 base amount. The sum of the dollar amount of such cost of living adjustments, together with the  
91 amount of retirement allowance, pension or annuity to which the cost of living per centum factor  
92 is applied and any amounts in excess of said ninety-five percent of the maximum social security  
93 benefit shall become the fixed retirement allowance, pension or annuity for all future purposes  
94 including the application of subsequent cost of living adjustments in future years; provided,  
95 however, that the limitations of this paragraph shall continue to apply.

96 (v) In any case as of June 30, 2028 where such former employee, spouse, or other beneficiary is  
97 receiving an annual retirement allowance, pension or annuity which is one hundred percent of  
98 the maximum social security benefit or more exclusive of additional annuity obtained by special  
99 purchase under paragraph (g) of subdivision (1) of section 22 or any similar law, the cost of  
100 living adjustment shall be in an amount determined by applying the per centum of change  
101 determined pursuant to paragraph (a) to the sum of one hundred percent of the maximum social  
102 security benefit. Whenever a cost of living adjustment is granted pursuant to said paragraph (a),  
103 the dollar amount of such increase as determined in said paragraph (a) shall be added to each

104 retirement allowance, pension or annuity which is in excess of said maximum base amount. The  
105 sum of the dollar amount of such cost of living adjustments, together with the amount of  
106 retirement allowance, pension or annuity to which the cost of living per centum factor is applied  
107 and any amounts in excess of said one hundred percent of the maximum social security benefit  
108 shall become the fixed retirement allowance, pension or annuity for all future purposes including  
109 the application of subsequent cost of living adjustments in future years; provided, however, that  
110 the limitations of this paragraph shall continue to apply.