

# HOUSE . . . . . No. 03812

By Mr. Dempsey of Haverhill, for the committee on Ways and Means, that the Bill authorizing the board of commissioners of the Franklin County Regional Housing and Redevelopment Authority to offer a limited early retirement incentive (House, No. 3748) ought to pass with an amendment substituting a bill with the same title (House, No. 3812). November 16, 2011.

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act authorizing the board of commissioners of the Franklin County Regional Housing and Redevelopment Authority to offer a limited early retirement incentive.

*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. Notwithstanding chapter 32 of the General Laws or any other general or special  
2 law to the contrary, the board of commissioners of the Franklin County Regional Housing and  
3 Redevelopment Authority, hereinafter referred to as FCRHRA, may establish an early retirement  
4 incentive program for employees of the agency subject to the following provisions:

5 (1) The program shall apply to active employees of the FCRHRA who are active members of the  
6 Franklin regional retirement system with at least 20 years of creditable service on the effective  
7 date of this act, and who are eligible to receive a superannuation retirement allowance in  
8 accordance with paragraph (a) of subdivision (1) of section 5 of said chapter 32 upon the  
9 effective retirement date specified in his written application to the retirement system.

10 (2) Notwithstanding said chapter 32 to the contrary, the normal yearly amount of the retirement  
11 allowance for an eligible employee shall be based on the average annual rate of regular  
12 compensation as determined under paragraph (a) of subdivision (2) of said section 5 of said  
13 chapter 32 and shall be computed according to the table contained in said paragraph (a) based on  
14 the age of such member and his number of years and full months of creditable service at the time  
15 of his retirement increased either by adding up to 3 years of age or by adding up to 3 years of  
16 creditable service or by a combination of additional years of age and service the sum of which  
17 shall not be greater than 3.

18 (3) The board of commissioners of the FCRHRA may limit the total number of employees for  
19 whom it will approve a retirement calculated under this act or the total number of employees  
20 within each functional department of the agency for whom it will approve a retirement calculated  
21 under this act; provided, however, that if participation is limited, the retirement of employees  
22 with greater years of creditable service shall be approved before approval shall be given to  
23 employees with lesser years of creditable service.

24 (4) The total normal yearly amount of the retirement allowance, as determined in accordance  
25 with section 5 of said chapter 32, of an eligible employee who retires and receives an additional  
26 benefit under the early retirement incentive program in accordance with this section shall not  
27 exceed 80 per cent of the average annual rate of his regular compensation received during any  
28 period of 3 consecutive years of creditable service for which the rate of compensation was the  
29 highest or of the average annual rate of his regular compensation received during the periods,  
30 whether or not consecutive, constituting his last 3 years of creditable service preceding  
31 retirement, whichever is greater.

32 (5) Words used in this act shall have the same meaning as they are used in said chapter 32 unless  
33 otherwise expressly provided or unless the context clearly requires otherwise.

34 SECTION 2. (1) The executive director of the FCRHRA shall submit a draft plan to the board of  
35 commissioners of the FCRHRA within 10 days of the effective date of this act, with a copy to  
36 the public employee retirement administration commission. The plan shall include limits, if any,  
37 on the total number of employees that will be permitted to participate in the plan, or the number  
38 of employees in each functional department, as well as an estimate of the additional pension cost  
39 liability that the agency will incur as a result of employee participation in the plan.

40 (2) Within 14 days of receiving the executive director's recommendation, the board of  
41 commissioners of the FCRHRA may approve an early retirement incentive plan, and shall make  
42 the approved plan available to eligible employees immediately.

43 (3) Eligible employees may make written application for retirement to Franklin regional  
44 retirement system under the FCRHRA early retirement incentive plan within 14 days of approval  
45 of said plan.

46 (4) The board of commissioners of the FCRHRA shall require that participating employees shall  
47 retire within 30 days of notification of acceptance, or by December 31, 2011, whichever is  
48 sooner.

49 SECTION 3. The board of commissioners of the FCRHRA shall pay the costs associated with  
50 revisions to the Franklin regional retirement system's retirement funding schedule to reflect the  
51 costs and the actuarial liabilities attributable to the additional benefits payable under the early  
52 retirement incentive program in accordance with this section. Increased pension liability  
53 resulting from participation in the FCRHRA early retirement program established under this act

54 shall be amortized over a period not longer than 15 years, starting in the first fiscal year after all  
55 participating employees retire, in equal installments, and shall be separately identified in the  
56 Franklin Regional Retirement System pension funding schedule. It shall be an obligation of the  
57 FCRHRA to pay in each such fiscal year the amount required by the funding schedule and the  
58 updates applicable thereto.

59 SECTION 4. The executive director of the FCRHRA shall submit a report to the public  
60 employee retirement administration commission by December 31, 2012. The report shall include  
61 the salaries and positions of participants, the salaries and positions of those being hired as  
62 replacements, and whether the positions of participants have been permanently eliminated.

63 SECTION 5. This act shall take effect upon its passage.