

**HOUSE . . . . . No. 614**

**[LOCAL APPROVAL RECEIVED.]**

**The Commonwealth of Massachusetts**

PRESENTED BY:

**Paul J. Donato, Patricia D. Jehlen**

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act authorizing the City of Medford to provide for an early incentive retirement for its workforce.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Paul J. Donato	35th Middlesex
Patricia D. Jehlen	Second Middlesex

# The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

## AN ACT AUTHORIZING THE CITY OF MEDFORD TO PROVIDE FOR AN EARLY INCENTIVE RETIREMENT FOR ITS WORKFORCE.

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

1 AN ACT, providing for the workforce reduction of the City of Medford through an early  
2 retirement incentive program for certain employees.

3 *Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to  
4 provide forthwith for a fair and orderly manner in which the number of employees of the City of  
5 Medford can be reduced in order to meet fiscal limitations, therefore it is hereby declared to be  
6 an emergency law, necessary for the immediate preservation of the public convenience.

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

### 9 **Section 1.**

10 The following definitions and provisions contained therein are applicable for the purposes of this  
11 Act.

12 **Eligible Employee-** shall mean an active member of the retirement system of the City of  
13 Medford who meets all of the following criteria:

- 14 a. has been an active member in the retirement system for at least twenty (20) years and  
15 is eligible to receive a superannuation retirement allowance in accordance  
16 with subdivision (1) of section 5 of said chapter 32 or subdivision (1) of section  
17 10 of said chapter 32 upon the effective retirement date specified in his written  
18 application to the retirement system ;
- 19 b. is not a member of the State Teachers' Retirement system;
- 20 c. shall have filed a *Notice of Incentive Participation* with the City of Medford  
21 retirement system in accordance with section (3) herein;
- 22 d. shall be classified in Group 1, Group 2 or Group 4 in accordance with clause (g) of

**Comment [r1]:** Deleted reference to  
"Group 4"

- 23 subdivision (2) of section 3 of said chapter 32.
- 24 e. Shall have waived any longevity payment due him from the City of Medford for the  
25 period commencing at the *Start Date*, as defined herein, and ending on his *Retirement*  
26 *Date*.
- 27 f. Shall have waived any annual sick leave incentive payment or unused accrued  
28 vacation, personal days or sick time due him from the City of Medford that would  
29 have been payable upon his *Retirement Date*.
- 30 g. Shall not have used more sick days than he has accrued in each year during that part  
31 of the *Incentive Participation Period* that includes the period between January 1,  
32 2009 and ends on his *Retirement Date* unless the additional sick days have been  
33 approved by a physician or other medical professional chosen by the *Executive*  
34 *Authority*.
- 35

36 **Incentive Participation Period**- shall mean the period of January 1, 2008 through January, 15,  
37 2012.

38 **Election Period**: shall mean the period of June 15, 2009 through December 31, 2009.

39  
40 **Executive Authority**- shall mean the Mayor of the City of Medford.

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42  
43 **Notice of Incentive Participation**- shall mean a written application for use by *Eligible*  
44 *Employees* to indicate their participation in the *Early Incentive Retirement Program* herein which  
45 shall be filed during the *Election Period* and shall include the *Start Date* chosen by the *Eligible*  
46 *Employee*.

47 .

48 **Retirement Date**- shall mean the effective date, no later than January 15, 2012, on which an  
49 *Eligible Employee* shall retire. This date shall be set forth on the *Notice of Incentive*  
50 *Participation*.

51

52 **Retirement Increase**- shall mean an increase in the age of an *Eligible Employee* or his number  
53 of years and full months of creditable service. The amount of increase for an *Eligible Employee*  
54 who is classified in Group 1 shall be either by adding up to 4 years of age or by adding up to 4  
55 years of creditable service or by a combination of additional years of age and service the sum of  
56 which shall not be greater than 4. The amount of increase for an *Eligible Employee* who is  
57 classified in Group 2 or Group 4 shall be either by adding up to 2 years of age or by adding up to  
58 2 years of creditable service or by a combination of additional years of age and service the sum  
59 of which shall not be greater than 2. In addition, the increase shall not exceed the number of  
60 weeks during the *Incentive Participation Period* during which the *Eligible Employee* has had an  
61 additional amount of four percent (4%) withheld from his regular compensation as set forth in

62 Section 3 of this Act and any *Retroactive Benefit* which the *Eligible Employee* may have  
63 purchased.

64

65 **Retroactive Benefit**- shall mean the ability of an *Eligible Employee* to pay an amount  
66 equivalent to four percent (4%) of his annual compensation for the period of January 1, 2008  
67 through December 31, 2008 and, in exchange, to have the calculation of his age or his number of  
68 years and full months of creditable service at the time of his retirement increased either by  
69 adding up 1 year of age or by adding 1 year of creditable service or by a combination of  
70 additional age and service the sum of which shall not be greater than one [1] year. An *Eligible*  
71 *Employee* may pay said amount in one lump sum or by way of incremental payments at such  
72 times and in such amounts as may be approved by the City Treasurer. However, in any event,  
73 such payment shall be made before the *Eligible Employee's Retirement Date*.

74

75 **Start Date**- shall mean the date on which an *Eligible Employee* begins to have an additional  
76 contribution of four percent (4%) withheld from his regular compensation to be credited toward  
77 his superannuation retirement benefit in excess of the regular amount which is withheld as his  
78 contribution to his superannuation retirement. This date shall be set forth on the *Notice of*  
79 *Incentive Participation*.

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## 82 **Section 2**

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84 Notwithstanding chapter 32 of the General Laws or any other general or special law to the

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86 contrary, this section shall apply to an "*Eligible Employee*" as defined herein.

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88 Notwithstanding this section or any general or special law to the contrary, the *Executive*  
89 *Authority* of the City of Medford may designate the municipal departments to which the early  
90 retirement incentive program shall apply and the time periods when it shall apply.

## 91 **Section 3**

92 During the *Election Period* an *Eligible Employee* may file with the Administrator of the

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94 Medford Retirement Board a *Notice of Incentive Participation* indicating a *Start Date* on  
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96 which the *Eligible Employee* chooses to have an additional amount of four percent (4%)  
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98 withheld from his regular compensation to be credited toward his superannuation retirement  
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100 benefit. The Administrator of the Medford Retirement Board shall forward a copy of the  
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102 *Notice of Incentive Participation* to the Medford City Treasurer with the instruction to the  
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104 Treasurer to withhold on each pay day beginning with the *Start Date* and for every pay day  
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106 following thereafter up to the *Eligible Employee's Retirement Date* four percent (4%) of the  
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108 regular compensation of the *Eligible Employee* to be credited toward his superannuation  
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110 retirement benefit in addition to any amounts already being withheld for this purpose. The  
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112 *Eligible Employee's Start Date* and *Retirement Date* must occur within the *Incentive*  
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114 *Retirement Period*.  
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116 In addition, an *Eligible Employee* may purchase a *Retroactive Benefit* by paying  
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118 an amount equivalent to four percent (4%) of his annual compensation for the  
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120 period of January 1, 2008 through December 31, 2008 and, in exchange, to have  
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122 the calculation of his age or his number of years and full months of creditable  
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124 service at the time of his retirement increased either by adding 1 year of age or by  
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126 adding 1 years of creditable service or by a combination of additional age and  
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128 service the sum of which shall not be greater than one [1] year. An *Eligible*  
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130 *Employee* may pay said amount in one lump sum or by way of incremental  
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132 payments at such times and in such amounts as may be approved by the City  
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134 Treasurer. However, in any event, such payment shall be made before the *Eligible*  
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136 *Employee's Retirement Date*.  
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138 Any additional contributions paid by an Eligible Employee pursuant to the provisions of this  
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140 Act will be contributed on an "after tax basis". It is the intent of this Act that all contributions  
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142 herein are "after tax dollars".  
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144 An Eligible Employee's decision to participate in the Early Incentive Retirement provided by  
145  
146 this Act shall be irrevocable.

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148 **Section 4**

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150 Notwithstanding said chapter 32 to the contrary, the normal yearly amount of the retirement  
151 allowance for an *Eligible Employee* shall be based on the average annual rate of regular  
152 compensation as determined under paragraph (a) of subdivision (2) of section 5 of said  
153 chapter 32 and shall be computed according to the table contained in said paragraph (a) based on  
154 the age of such member and his number of years and full months of creditable service at the time  
155 of his retirement increased, for an *Eligible Employee* who is classified in Group 1, either by  
156 adding up to 4 years of age or by adding up to 4 years of creditable service or by a combination  
157 of additional years of age and service the sum of which shall not be greater than 4 and for an  
158 *Eligible Employee* who is classified in Group 2 or in Group 4, either by adding up to 2 years of  
159 age or by adding up to 2 years of creditable service or by a combination of additional years of  
160 age and service the sum of which shall not be greater than 2. In addition, the amount of  
161 additional age or creditable service shall not exceed the number of weeks during the *Incentive*  
162 *Participation Period* during which the *Eligible Employee* has had an additional amount of four  
163 percent (4%) withheld from his regular  
164 compensation as set forth in Section 3 of this act along with any *Retroactive Benefit* purchased  
165 by the *Eligible Employee*.

166 **Section 5**

167 The *Executive Authority* of the City of Medford may limit the amount of additional credit for  
168 service or age or a combination of service or age offered. The *Executive Authority* of the City of  
169 Medford may limit the total number of employees for whom it will approve a retirement

170 calculated under this section or the total number of employees within each group classification  
171 for whom he will approve a retirement calculated under this section and, if participation is  
172 limited, the retirement of employees with greater years of creditable service shall be approved  
173 before approval shall be given to employees with fewer years of creditable service.

174 **Section 6**

175 The total normal yearly amount of the retirement allowance, as determined in accordance with  
176 section 5 of said chapter 32, of an *Eligible Employee* who retires and receives an additional  
177 benefit under the early retirement incentive program in accordance with this Act shall not  
178 exceed 80 percent of the average annual rate of his regular compensation received during any  
179 period of 3 consecutive years of creditable service for which the rate of compensation was the  
180 highest or of the average annual rate of his regular compensation received during the periods,  
181 whether or not consecutive, constituting his last 3 years of creditable service preceding  
182 retirement, whichever is greater.

183 **Section 7**

184 Nothing in this Act shall prohibit an *Eligible Employee* from making his payment for the  
185 *Retirement Increase or Retroactive Benefit* by way of a lump sum payment.

186 **Section 8**

187 The executive director of the Public Employee Retirement Administration Commission shall  
188 analyze, study and value the costs and the actuarial liabilities attributable to the additional  
189 benefits payable in accordance with the early retirement incentive program established by this  
190 Act for the retirement system of the City of Medford. The executive director shall file a report



191 of his findings to the board, in writing, on or before December 31, 2009, together with copies  
192 thereof to the Mayor of the City of Medford.

193 **Section 9**

194 In accordance with section 22D of said chapter 32, the retirement board of the City of  
195 Medford shall revise its retirement funding schedule to reflect the costs and the actuarial  
196 liabilities attributable to the additional benefits payable under the retirement incentive program  
197 in accordance with this section. In each of the fiscal years until the actuarial liability determined  
198 under this section shall be reduced to zero, it shall be an obligation of the City of Medford to  
199 fund such liability and there shall be appropriated to the applicable pension reserve fund in each  
200 such fiscal year the amount required by the funding schedule and the updates thereto.

201 **Section 10**

202 The Legislature of the Commonwealth of Massachusetts may reasonably vary the form and  
203 substance of the requested legislation within the scope of the general public objectives of this  
204 petition.

205 **Section 11**

206 All payments made by an *Eligible Employee* under this Section 3 of this Act and any  
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208 amounts of money waived by an *Eligible Employee* for any longevity payment due him from  
209  
210 the City of Medford in the final before his *Retirement Date* or any amounts of money waived  
211 by the *Eligible Employee* representing annual sick leave incentive payment or unused  
212 accrued vacation, personal days or sick time due him from the City of Medford that would



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Commonwealth of Massachusetts

Middlesex, ss

February 10, 2009

I, Edward P. Finn, hereby certify that I am the duly appointed City Clerk of the City of Medford and I certify and attest that the document herein is a true copy of the Home Rule Petition passed by the City Council of the City of Medford on February 10, 2009 by a vote of \_\_\_\_\_ in favor and \_\_\_\_\_ in the negative.

Attest:

\_\_\_\_\_  
Edward P. Finn

(City Seal)

