

CITY OF CAMBRIDGE

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Executive Secretary

December 6, 1974

TO: DEPARTMENT HEADS & PAYROLL CLERKS

RE: CHAPTER 249 OF THE ACTS OF 1974

AN ACT INCREASING THE CONTRIBUTIONS REQUIRED OF CERTAIN EMPLOYEES UNDER THE CONTRIBUTORY RETIREMENT SYSTEM FOR PUBLIC EMPLOYEES.

CHAPTER 249 OF THE ACTS OF 1974 provides that any employee who enters the service of the Commonwealth or of a political sub-division and establishes membership in a system on or after January 1, 1975 shall contribute 7% of his regular compensation as retirement deductions.

As you are well aware, there will be situations and circumstances when you will ask "Should this person contribute at the rate of 5% or 7%?"

Listed below is an interpretation of this Act promulgated by the Division of Insurance, covering transfers, make-up, re-entry and other situations.

In the event a present member in service transfers from one governmental unit to another unit after January 1, 1975 he shall continue to contribute 5% of his regular compensation as retirement deductions.

In the event a present member in service resigns and receives a refund of his accumulated total deductions prior to January 1, 1975 and sometime after January 1, 1975 returns to the same governmental unit within two years and is required to redeposit the amount of refund shall contribute 5% of his regular compensation as retirement deductions.

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In the event a present member in service resigns and receives a refund of his total accumulated deductions prior to January 1, 1975 and returns to the same or another governmental unit after a two year period, whether or not a make-up payment is made, shall, contribute 7% of his regular compensation as retirement deductions.

In the event a present member in service resigns and receives a refund of his accumulated total deductions after January 1, 1975 and returns to the same governmental unit within two years and is required to redeposit the amount of refund, shall, contribute 5% of his regular compensation as retirement deductions.

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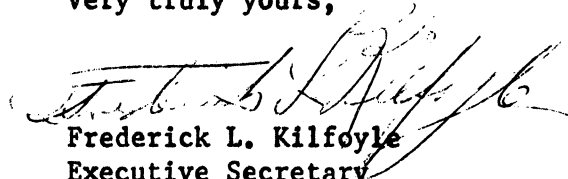
In the event a present member in service resigns and receives a refund of his accumulated deductions after January 1, 1975 and returns to the same or another governmental unit after a two year period he shall contribute 7% of his regular compensation as retirement deductions whether or not a make-up payment is made.

If an employee began his employment prior to January 1, 1975 and was prohibited from joining a retirement system and who after January 1, 1975 becomes a member, he shall contribute 5% of his regular compensation as retirement deductions.

To thos units who have been issued a "Certificate" establishing a retirement system which will become effective January 1, 1975, the employees of which are eligible for membership on January 1, 1975 shall contribute 5% of their regular compensation as retirement deductions. Any employee entering after January 1, 1975 will contribute at the rate of 7%.

In the event a member inactive, that is a 5% member who had resigned prior to January 1, 1975 but has not requested a refund of his funds and who is reinstated after January 1, 1975, he shall contribute 5% of his regular compensation as retirement deductions.

Very truly yours,


Frederick L. Kilfoyle
Executive Secretary

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File with Sundries