



City of Cambridge

Comm. & Rpts Officers #1A

IN CITY COUNCIL

June 1, 1998

COUNCILLOR SULLIVAN

RESOLVED: That the City Council go on record accepting the provisions of Chapter 17 of the Acts of 1997 the same being **"An Act Relative to the Annual Cost of Living Adjustments for Retirees."**

In City Council June 1, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk

A true copy;

A handwritten signature in cursive script that reads "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk



City of Cambridge

Comm. & Rpts Officers #1B

IN CITY COUNCIL

June 1, 1998

COUNCILLOR SULLIVAN

ORDERED: That the City Manager be and hereby is requested to request that the City Staff work with the Retirement Board to approve a funding schedule that amortizes the cost of the COLA over fifteen years.

In City Council June 1, 1998.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script that reads "D. Margaret Drury".

D. Margaret Drury
City Clerk

6/1/98

MW

Request that the City staff under the
Retirement Board to approve a funding schedule
that amortized the cost of the CBA over
15 years

W/9

City of Cambridge

MASSACHUSETTS

In City Council June 1, 1998

mms

Accept the provision of Ch. 17 of the Acts of 1997 (MGL Ch. 32, sec. 103)

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Ms. Henrietta Davis
✓				V. Mayor Anthony Galluccio
✓				Mr. Kenneth E. Reeves
✓				Ms. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Francis H. Duehay

*mms m susp w/ 9
RF 0-9*

City of Cambridge

MASSACHUSETTS

In City Council 6/1, 1998

Order No 10

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Ms. Henrietta Davis
✓				V. Mayor Anthony Galluccio
✓				Mr. Kenneth E. Reeves
✓				Ms. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Francis H. Duehay

9 0 0 0

City of Cambridge

MASSACHUSETTS

In City Council 6/1, 1998

Under No

11

*Re: Marge City payment for storm drain
on Ordway*

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Ms. Henrietta Davis
✓				V. Mayor Anthony Galluccio
✓				Mr. Kenneth E. Reeves
✓				Ms. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
✓				Ms. Katherine Triantafillou
✓				Mayor Francis H. Duehay

9 0 0 0

THE COMMONWEALTH OF MASSACHUSETTS

In the Year One Thousand Nine Hundred and Ninety-seven

AN ACT RELATIVE TO THE ANNUAL COST OF LIVING ADJUSTMENTS FOR RETIREES.

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

SECTION 1. Subdivision (3) of section 21 of chapter 32 of the General Laws, as amended by section 34 of chapter 306 of the acts of 1996, is hereby further amended by inserting after paragraph (e) the following paragraph:-

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

SECTION 2. The first paragraph of subdivision (1) of section 22D of said chapter 32, as so appearing, is hereby amended by striking out the third, fourth and fifth sentences and inserting in place thereof the following three sentences:- The funding schedule shall be reviewed from time to time by the actuary after reviewing periodic actuarial valuation reports required by section 21 and such other reports as may be prepared pursuant to section 35H of chapter 10 and other provisions of law. Said funding schedule, and any future updates thereto, shall be designed to reduce the unfunded actuarial liability of each system accepting the provisions of this section as of January 1, 1983 to zero as of June 30, 2028; provided, however, that in the event that a system has accepted the provisions of section 102, the funding schedule, and any updates thereto, shall be designed to reduce the unfunded actuarial liability of said system to zero as of such year as the commission shall approve. Updates of the funding schedule required by changes in the projected unfunded actuarial liability as determined by any periodic actuarial valuation report pursuant to section 21 or resulting from the acceptance by a system of the

JUN 12 10 2 AM '97

provisions of section 103, may reflect the further amortization time periods authorized by said section 21 and said section 103 but shall not contravene the provisions of this section which relate to the establishment of total annual payments and the reduction in value of the pension reserve fund.

SECTION 3. Section 102 of said chapter 32 is hereby amended by striking out paragraph (a), as amended by section 53 of chapter 306 of the acts of 1996, and inserting in place thereof the following paragraph:-

(a) The actuary in the commission shall annually in the month of January file with the clerk of the house of representatives the report prepared in accordance with paragraph (f) of subdivision (3) of section 21. If the general court thereafter determines by law that a cost of living increase is required and establishes the percentage thereof, the retirement allowance, pension or annuity of every member of the state employees' system and the teachers' retirement system who has received a retirement allowance, pension or annuity on June 30 of the preceding fiscal year, or of a spouse or other beneficiary of such member who has received a retirement allowance, pension or annuity on June 30 of the prior fiscal year, shall be increased by the percentage as determined by such law. Said cost of living increase shall be funded from the investment income account of the state employees' and state teachers' systems. The sum of the dollar amount of each cost of living increase, together with the amount of retirement allowance, pension or annuity to which the cost of living per cent factor is applied, shall become the fixed retirement allowance, pension or annuity for all future purposes, including the application of subsequent cost of living adjustments in future years.

SECTION 4. Paragraph (b) of said section 102 of said chapter 32, as appearing in the 1994 Official Edition, is hereby amended by striking out, in line 57, the words "or deducted from".

SECTION 5. Said section 102 of said chapter 32, as so appearing, is hereby further amended by striking out paragraph (c) and inserting in place thereof the following paragraph:-

(c) In any case where such former employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity which is \$12,000 or more exclusive of additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying the percentum of change determined pursuant to paragraph (a) to the sum of

\$12,000. Whenever a cost of living adjustment is granted pursuant to said paragraph (a), the dollar amount of such increase as determined in said paragraph (a) shall be added to each retirement allowance, pension or annuity which is in excess of said maximum base amount. The sum of the dollar amount of such cost of living adjustments, together with the amount of retirement allowance, pension or annuity to which the cost of living percentum factor is applied and any amounts in excess of \$12,000 shall become the fixed retirement allowance, pension or annuity for all future purposes including the application of subsequent cost of living adjustments in future years; provided, however, that the limitations of this paragraph shall continue to apply.

SECTION 6. Paragraph (d) of said section 102 of said chapter 32, as so appearing, is hereby amended by striking out, in line 89, the words "or deducted from".

SECTION 7. Paragraph (e) of said section 102 of said chapter 32, as so appearing, is hereby amended by striking out, in line 100, the word "life".

SECTION 8. Said chapter 32 is hereby further amended by adding the following section:-

Section 103. (a) Any system other than the state employees' retirement system and the teachers' retirement system may, by accepting the provisions of this section as hereinafter provided, elect to establish a cost of living adjustment calculation pursuant to this section; provided, however, that such system shall have established a funding schedule pursuant to the provisions of subdivision (6A) of section 22 or section 22D. Such election shall be made by majority vote of the board of such system, subject to the approval of the legislative body. For the purposes of this section, legislative body shall mean in the case of a city the city council in accordance with its charter, in the case of a town the town meeting, in the case of a county the county retirement board advisory council, in the case of a district the district members, and in the case of an authority the governing body. The base amount upon which such cost of living adjustment shall be calculated shall be \$12,000. Acceptance of this section shall be deemed to have occurred upon the filing of certification of such votes with the commission. A decision to accept the provisions of this section may not be revoked.

(b) For each system that has accepted the provisions of this section, the board, in consultation with the commission, shall prepare a funding schedule which shall reflect the costs and the actuarial liabilities attributable to

JUN 12 10 21 AM '97

CITY OF PITTSBURGH
RETIREMENT BOARD

the cost of living allowance that may be paid in accordance with the provisions of this section and said schedule shall be designed to reduce the applicable retirement system's additional pension liability to zero by such year as approved by the commission. The board shall file revised funding schedules triennially with the joint committee on public service until such costs and liabilities are reduced to zero.

(c) On April 1 of each year, the commission shall send to every system that has accepted the provisions of this section the report prepared in accordance with paragraph (f) of subdivision (3) of section 21. Such report shall be subject to the review of the retirement board of such system after said April 1. In the event that the board determines that the cost of living adjustment recommended by said report shall substantially impair the funding schedule of said system, the board may elect not to pay a cost of living increase for said fiscal year and shall file notice of its election not to pay and analysis of the impact on the funding schedule with the commission within 30 days of its action. In the event that the board votes to adopt the cost of living increase recommended by said report, it shall file notice of its election to pay with the commission within 30 days of its action and the retirement allowance, pension or annuity of every member of the system who has received a retirement allowance, pension or annuity on June 30 of the prior fiscal year, or of a spouse or other beneficiary of such member who has received a retirement allowance, pension or annuity on June 30 of the prior fiscal year, shall be increased by the percentage as recommended by said report. Said cost of living increase shall be funded from the investment income account of the system. The sum of the dollar amount of each cost of living increase, together with the amount of retirement allowance, pension or annuity to which the cost of living per cent factor is applied, shall become the fixed retirement allowance, pension or annuity for all future purposes, including the application of subsequent cost of living adjustments in future years.

(d) Whenever the amount of any retirement allowance, pension or annuity is revised in accordance with the provisions of this section, the monthly payment provided for in section 13 shall be recomputed on the basis of such revised retirement allowance, pension or annuity, and one-twelfth of such new figure shall be due and payable each month. In any case where such revised retirement allowance, pension or annuity cannot be administratively determined in time for adjusting the monthly payment for July pursuant to said

section 13, such cost of living adjustment shall be added to the monthly retirement allowance, pension or annuity in August or September, as the case may be.

(e) In any case where such former employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity which is equal to or in excess of the maximum base amount set by the board and approved by the legislative authority pursuant to clause (1) of paragraph (a) exclusive of an additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying the percentum of change set by the board pursuant to said paragraph (c) to said maximum base amount. When a cost of living adjustment is granted pursuant to paragraph (c), the dollar amount of such increase as determined in said paragraph (c) shall be added to each retirement allowance, pension or annuity which is in excess of said maximum base amount. The sum of the dollar amount of such cost of living adjustments, together with the amount of retirement allowance, pension or annuity to which the cost of living percentum factor is applied and any amounts in excess of said maximum base amount shall become the fixed retirement allowance, pension or annuity for all future purposes including the application of subsequent cost of living adjustments in future years; provided, however, that the limitations of this paragraph shall continue to apply.

JUN 12 10 21 AM '97

(f) Whenever the amount of any retirement allowance, pension or annuity is revised in accordance with the provisions of subsection (c), the monthly payment provided for in section 13 shall be recomputed on the basis of such revised retirement allowance, pension or annuity and one-twelfth of such new figure shall be due and payable each month. In any case where such revised retirement allowance, pension or annuity cannot be administratively determined in time for adjusting the monthly payment for July pursuant to said section 13, such cost of living adjustment shall be added to the monthly retirement allowance, pension or annuity in August or September, as the case may be.

(g) Notwithstanding any provision of this section to the contrary, the supplemental payments due and payable to a spouse receiving the minimum allowance under the provisions of option (d) of subdivision (2) of section 12, or under section 101, or under the provisions of chapter 526 of the acts of 1963 to any spouse, child or children under the provisions of section 12B, shall

be, at all times, in an amount equal to the cumulative percentum of change in the cost of living resulting from the determination by the life actuary, with the average of the cost of living for the year 1972 serving as the basis of the comparison to be made by the actuary as set forth in paragraph (a) of section 102.

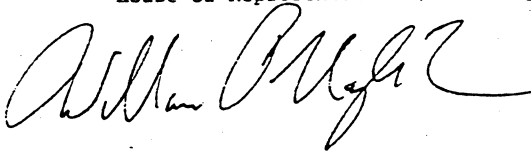
SECTION 9. Chapter 427 of the acts of 1996 is hereby amended by striking out section 14 and inserting in place thereof the following section:-

Section 14. The public employee retirement administration commission, in consultation with the Massachusetts Municipal Association, the Massachusetts Association of Contributory Retirement Systems, the state board of retirement and the teachers' retirement board, shall study and evaluate the early intervention program established by section 5B of chapter 32 of the General Laws. Said early intervention program shall be effective and shall be implemented on January 1, 1998. On or before October 1, 1997, said commission shall file the results of its study together with any recommendations with the clerk of the house of representatives who shall forward the same to the house and senate committees on ways and means and the joint committee on public service.

SECTION 10. The public employee retirement administration commission shall analyze and value the costs and the actuarial liabilities attributable to the cost of living benefits payable in accordance with the provisions of section 9 of this act for each retirement system that has adopted a funding schedule pursuant to subdivision (6A) of section 22 of chapter 32 of the General Laws or pursuant to section 22D of said chapter 32. On or before December 31, 1997, the commission shall file a report in writing of its findings with the joint committee on public service and with the board of each such system and with each legislative body as defined in subsection (1) of section 22D of said chapter 32 of each such system.

House of Representatives, June 2, 1997.

Passed to be enacted,



Acting Speaker.

In Senate, June 2, 1997.



Passed to be enacted,

Acting President.

the Massachusetts Turnpike Authority, the Massachusetts Port Authority, the Blue Hills Regional Vocational School system, the Greater Lawrence Sanitary District, the Minuteman Regional Vocational Technical School District or of the spouse or other beneficiary of any such former employee who is receiving a retirement allowance, pension or annuity shall, beginning July first of said year, be increased by such percentum as the general court shall determine. In the event that such comparison indicates a decrease in the cost-of-living of at least three per cent, the retirement allowance, pension or annuity of every former employee of the commonwealth or of any county, city, town, district, housing or redevelopment authority, of the Massachusetts Turnpike Authority, the Massachusetts Port Authority, the Blue Hills Regional Vocational School system, the Greater Lawrence Sanitary District, or the Minuteman Regional Vocational Technical School District, or of the spouse or other beneficiary of any such former employee who is receiving a retirement allowance, pension, or annuity shall be decreased by such percentum; provided, that no decrease shall be made which would reduce any retirement allowance, pension, or annuity to an amount less than the amount fixed for such retirement allowance, pension, or annuity as of December thirty-first, nineteen hundred and seventy-three. The sum of the dollar amount of each cost-of-living increase or decrease together with the amount of retirement allowance, pension, or annuity to which the cost-of-living percentum factor is applied shall become the fixed retirement allowance, pension, or annuity for all future purposes including the application of subsequent cost-of-living adjustments in future years; provided, that whenever the amount of any pension, retirement allowance or annuity is increased under any general or special law other than through a cost-of-living adjustment pursuant to this section, the fixed retirement allowance, pension or annuity shall be determined by adding either the increase under any general or special law, or the cost-of-living adjustment, whichever is greater, but not both."

Section 4 of St.1997, c. 17, in par. (b), in the second sentence, deleted "or deducted from" preceding "the monthly retirement allowance".

Section 5 of St.1997, c. 17, rewrote par. (c), which prior thereto read:

"In any case where such former employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity which is nine thousand dollars or more exclusive of additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section twenty-two, or any similar law, the cost-of-living adjustment, shall be in an amount determined by apply-

ing the percentum of change determined by the general court to the sum of nine thousand dollars. Beginning annually in July, nineteen hundred and eighty-six, whenever the cost-of-living adjustment pursuant to paragraph (a) indicates an increase or decrease in the cost-of-living of at least three per cent, the dollar amounts of such increase or decrease as determined in the first sentence of this paragraph shall be added to or deducted from each retirement allowance, pension or annuity which is in excess of nine thousand dollars. The sum of the dollar amount of such cost-of-living adjustments, together with the amount of retirement allowance, pension or annuity to which the cost-of-living percentum factor is applied and any amounts in excess of said nine thousand dollars shall become the fixed retirement allowance, pension or annuity for all future purposes including the application of subsequent cost-of-living adjustments in future years; provided, however, that the limitations of this paragraph shall continue to apply."

Section 6 of St.1997, c. 17, in par. (d), in the second sentence, deleted "or deducted from" preceding "the monthly retirement allowance".

Section 7 of St.1997, c. 17, in par. (e), deleted "life" preceding "actuary".

Related Laws:

St.1996, c. 151, § 531, approved June 30, 1996, and by § 690 made effective July 1, 1996, provides:

"Notwithstanding the provisions of any general or special law or collective bargaining agreement to the contrary, and in accordance with the provisions of section one hundred and two of chapter thirty-two of the General Laws, the retirement allowance, pension, or annuity of every former employee of the commonwealth or any county, city, town, district, housing or redevelopment authority, the Massachusetts Turnpike Authority, the Massachusetts Port Authority, the Blue Hills Regional Vocational School System, the greater Lawrence Sanitary District, the Minutemen Regional Vocational Technical High School District or of the spouse or any other beneficiary of any former employee who is receiving a retirement allowance, pension or annuity, shall, beginning November first, nineteen hundred and ninety-six, be increased by three percent; provided, however, that no individual retiree shall receive an increase greater than two hundred and seventy dollars annually; and provided, further, that for any employee retiring after July first, nineteen hundred and ninety-six, said employees' health care premium contribution shall be not less than fifteen percent of the total premium paid by the commonwealth or the health care premium contribution paid by active employees, whichever is greater."

§ 103. Election of cost of living adjustment calculation; funding schedules; annual reports to retirement board; payments to beneficiaries

(a) Any system other than the state employees' retirement system and the teachers' retirement system may, by accepting the provisions of this section as hereinafter provided, elect to establish a cost of living adjustment calculation pursuant to this section; provided,

however, that such system shall have established a funding schedule pursuant to the provisions of subdivision (6A) of section 22 or section 22D. Such election shall be made by majority vote of the board of such system, subject to the approval of the legislative body. For the purposes of this section, legislative body shall mean in the case of a city the city council in accordance with its charter, in the case of a town the town meeting, in the case of a county the county retirement board advisory council, in the case of a district the district members, and in the case of an authority the governing body. The base amount upon which such cost of living adjustment shall be calculated shall be \$12,000. Acceptance of this section shall be deemed to have occurred upon the filing of certification of such votes with the commission. A decision to accept the provisions of this section may not be revoked.

(b) For each system that has accepted the provisions of this section, the board, in consultation with the commission, shall prepare a funding schedule which shall reflect the costs and the actuarial liabilities attributable to the cost of living allowance that may be paid in accordance with the provisions of this section and said schedule shall be designed to reduce the applicable retirement system's additional pension liability to zero by such year as approved by the commission. The board shall file revised funding schedules triennially with the joint committee on public service until such costs and liabilities are reduced to zero.

(c) On April 1 of each year, the commission shall send to every system that has accepted the provisions of this section the report prepared in accordance with paragraph (f) of subdivision (3) of section 21. Such report shall be subject to the review of the retirement board of such system after said April 1. In the event that the board determines that the cost of living adjustment recommended by said report shall substantially impair the funding schedule of said system, the board may elect not to pay a cost of living increase for said fiscal year and shall file notice of its election not to pay and analysis of the impact on the funding schedule with the commission within 30 days of its action. In the event that the board votes to adopt the cost of living increase recommended by said report, it shall file notice of its election to pay with the commission within 30 days of its action and the retirement allowance, pension or annuity of every member of the system who has received a retirement allowance, pension or annuity on June 30 of the prior fiscal year, or of a spouse or other beneficiary of such member who has received a retirement allowance, pension or annuity on June 30 of the prior fiscal year, shall be increased by the percentage as recommended by said report. Said cost of living increase shall be funded from the investment income account of the system. The sum of the dollar amount of each cost of living increase, together with the amount of retirement allowance, pension or annuity to which the cost of living per cent factor is applied, shall become the fixed retirement allowance, pension or annuity for all future purposes, including the application of subsequent cost of living adjustments in future years.

(d) Whenever the amount of any retirement allowance, pension or annuity is revised in accordance with the provisions of this section, the monthly payment provided for in section 13 shall be recomputed on the basis of such revised retirement allowance, pension or annuity, and one-twelfth of such new figure shall be due and payable each month. In any case where such revised retirement allowance, pension or annuity cannot be administratively determined in time for adjusting the monthly payment for July pursuant to said section 13, such cost of living adjustment shall be added to the monthly retirement allowance, pension or annuity in August or September, as the case may be.

(e) In any case where such former employee, spouse, or other beneficiary is receiving an annual retirement allowance, pension or annuity which is equal to or in excess of the maximum base amount set by the board and approved by the legislative authority pursuant to clause (i) of paragraph (a) exclusive of an additional annuity obtained by special purchase under paragraph (g) of subdivision (1) of section 22 or any similar law, the cost of living adjustment shall be in an amount determined by applying the percentum of change set by the board pursuant to said paragraph (c) to said maximum base amount. When a cost of living adjustment is granted pursuant to paragraph (c), the dollar amount of such increase as determined in said paragraph (c) shall be added to each retirement allowance, pension or annuity which is in excess of said maximum base amount. The sum of the dollar amount of such cost of living adjustments, together with the amount of retirement allowance, pension or annuity to which the cost of living percentum factor is applied and any amounts in excess of said maximum base amount shall become the fixed retirement allowance, pension or annuity for all future purposes including the application of subsequent cost of living adjustments in

CONTRIBUTORY INSURANCE

future years; provided, however, that the limitations of this paragraph shall continue to apply.

(f) Whenever the amount of any retirement allowance, pension or annuity is revised in accordance with the provisions of subsection (c), the monthly payment provided for in section 13 shall be recomputed on the basis of such revised retirement allowance, pension or annuity and one-twelfth of such new figure shall be due and payable each month. In any case where such revised retirement allowance, pension or annuity cannot be administratively determined in time for adjusting the monthly payment for July pursuant to said section 13, such cost of living adjustment shall be added to the monthly retirement allowance, pension or annuity in August or September, as the case may be.

(g) Notwithstanding any provision of this section to the contrary, the supplemental payments due and payable to a spouse receiving the minimum allowance under the provisions of option (d) of subdivision (2) of section 12, or under section 101, or under the provisions of chapter 526 of the acts of 1963 to any spouse, child or children under the provisions of section 12B, shall be, at all times, in an amount equal to the cumulative percentum of change in the cost of living resulting from the determination by the life actuary, with the average of the cost of living for the year 1972 serving as the basis of the comparison to be made by the actuary as set forth in paragraph (a) of section 102.

Added by St.1997, c. 17, § 8.

Historical and Statutory Notes

1997 Legislation

St.1997, c. 17, § 8, was approved June 6, 1997.

CHAPTER 32A

CONTRIBUTORY GROUP GENERAL OR BLANKET INSURANCE FOR PERSONS IN THE SERVICE OF THE COMMONWEALTH

Section	Section
2. Definitions.	of premiums; reimbursement of premiums and expenses; dividends; rules and regulations.
3. Group insurance commission.	
4. Purchase of insurance policies by commission.	14. Optional insurance for services of health care organizations.
4A. Administrative services contracts.	17A. Coverage for nonprescription enteral formulas for home use.
8. Contributions for premiums by commonwealth and active or retired employees and dependents; ratio; withholding; direct payment; reimbursement by certain agencies; filing copies of contracts and agreements.	17B. Hospice services for commonwealth employees insured under group insurance commission.
8A. Employees on leaves of absence for more than one year; insurance costs charged to employing agency.	17C. Required coverage for prenatal care, childbirth, and postpartum care.
10B. Insurance for elderly government retirees and their dependents.	17D. Coverage for bone marrow transplants.
10C. Optional medicare extension.	18. Medicare health benefits supplement plan, mandatory transfer; payment of penalty.
11. Death of employee or retired employee; continuation of insurance by spouse or dependent.	19. Release from insurance coverage; payment; reinstatement of coverage.
12. Retired teachers; life and health insurance; agreements; contributions; withholding	20. Charges or collections of excess compensation.
	20. Health care services evaluation; vendor quality improvement program; annual report.

WESTLAW Computer Assisted Legal Research

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- update your research with the most current information

Mr. Bradford P. Tenney
Cambridge Retirement Board
April 23, 1998
Page 2

We have enclosed the following schedules:

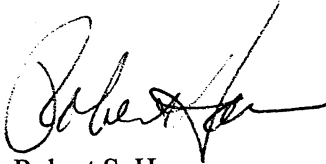
Exhibit #	Description
1	Summary of Key Results
2	Development of Actuarial Gain
3	Current Appropriation and Alternatives
4	Updated January 1, 1998 Valuation
5	Updated January 1, 1998 Valuation with COLA, amortized over 15 years
6	Updated January 1, 1998 Valuation with COLA, amortized over 30 years

Estimated Board expenses have been added to the appropriations shown on the attachments.

After your review, we can fine tune the analysis to your specifications (measurement date, funding schedules, anticipated board expenses, etc.) and prepare the completed valuation and remainder of the pension study (effect of Veterans' Bill, Section 90A, 90C and 90D increases). Please call me or Lynn Sherman with any questions.

Sincerely,

KPMG Peat Marwick LLP



Robert S. Haws
Principal

LMS:ls
Attachments

cc: Ann Leduc
James Maloney
Lon Compton
Peter Timmons
Lynn Sherman

Cambridge Contributory Retirement System
Actuarial Valuation as of January 1, 1998

Summary of Key Results

The results presented in this report reflect the repeal of the \$30,000 cap, increased dependents' allowances, 10-year eligibility for ordinary disability, and continued membership over age 70.

	Year Beginning January 1,		
	KPMG with COLA 1998	KPMG without COLA 1998	KPMG 1996
KEY ACTUARIAL ASSUMPTIONS			
Rate of Return on Assets	8.00%	8.00%	8.00%
Annual Salary Increases	6.00%	6.00%	6.00%
SUMMARY OF MEMBER DATA			
Number Active	3,400	3,400	3,422
Number of Retirees and Beneficiaries	1,606	1,606	1,574
Number of Inactive	380	380	535
Total Membership	5,386	5,386	5,531
Valuation Payroll *	132,851,170	132,851,170	114,386,925
Average Pay	39,074	39,074	33,427
Average Member Deduction Percent	7.67%	7.67%	7.50%
ACTUARIAL ACCRUED LIABILITY			
Active	256,827,041	231,231,974	190,799,449
Retirees and Beneficiaries	186,470,657	165,893,614	147,473,742
Inactive	2,136,763	2,136,763	3,257,642
Total	445,434,461	399,262,351	341,530,833
SYSTEM ASSETS			
	342,787,664	342,787,664	233,883,060
Funded Ratio (Assets/Liability)	77.0%	85.9%	68.5%
Unfunded Actuarial Accrued Liability 1/1	102,646,797	56,474,687	107,647,773
Adjustment factor to convert to Fiscal Year Basis	1.0400	1.0400	1.0400
Unfunded Actuarial Accrued Liability 7/1	106,752,669	58,733,674	111,953,684
NORMAL COST			
Total Normal Cost, 1/1	18,484,317	16,642,192	14,811,801
Expected Member Contributions	10,189,854	10,189,854	8,579,223
Employer Normal Cost, 1/1	8,294,463	6,452,338	6,232,578
% of Payroll	6.24%	4.86%	5.45%
Adjustment factor to convert to Fiscal Year Basis	1.0400	1.0400	1.0400
Employer Normal Cost, 7/1	8,626,241	6,710,432	6,481,881

* Includes salary scale and adjustment for total salary

**Cambridge Contributory Retirement System
Actuarial Valuation as of January 1, 1998**

Development of Actuarial Gain or Loss

	Actuarial Accrued Liability	- Assets =	Unfunded
01/01/96			
Actives	190,799,449		
Retirees	150,644,567		
Subtotal	341,444,016	233,883,060	107,560,956
Normal Cost	14,811,801	0	14,811,801
Contribution (end of year)		18,432,304	(18,432,304)
Benefit Payments	18,871,886	18,871,886	0
Expected Interest	27,745,590	17,955,769	
01/01/97			
Total Expected	365,129,521	251,399,247	113,730,274
Normal Cost (est)	15,700,509	0	15,700,509
Contribution		18,648,815	(18,648,815)
Benefit Payments	20,259,193	20,259,193	0
Expected Interest	29,656,035	19,301,572	
01/01/98			
Total Expected (Before Plan Changes)	390,226,872	269,090,442	121,136,430
Actual	399,262,351	342,787,664	56,474,687
Net Actuarial (Gain)/ Loss for 1996 to 1998	9,035,479	(73,697,222)	(64,661,743)

**Cambridge Contributory Retirement System
Actuarial Valuation as of January 1, 1998**

Summary of Funding Costs

Fiscal Year Ending June 30,		Current PERAC Approved Schedule	Exhibit 4	Exhibit 5	Exhibit 6
			Updated Schedule	Updated Schedule with COLA 15 Year Level	Updated Schedule with COLA 30 Year Level
Actual	1997		n/a	n/a	n/a
"	1998		n/a	n/a	n/a
Current	1999	19,576,482	15,617,606	23,012,306	21,717,474
Projected	2000	19,978,603	16,063,217	23,577,464	22,282,632
"	2001	20,404,628	16,535,565	24,176,531	22,881,699
"	2002	20,855,978	17,036,253	24,811,542	23,516,709
"	2003	21,334,163	17,566,983	25,484,653	24,189,821
	Totals FY99-03	102,149,854	82,819,626	121,062,495	114,588,335

Amortization of unfunded active liability remaining over 26 years, 4.5% increasing
 Amortization of unfunded retiree liability remaining over 9 years, 4.5% increasing
 Amortization of unfunded ERI liability remaining over 10 years, 4.5% increasing
 FY99 Appropriations include \$448,000 for estimated Board Expenses

Cambridge Contributory Retirement System
Actuarial Valuation as of January 1, 1998

Funding Schedule

Amortization of 1995 Active Unfunded Over 26 Years, Level
Amortization of 1995 Retiree Unfunded Over 10 Years, Level
Amortization of ERI Unfunded Over 10 Years, Level

FYE June 30,	[1a]	[1b]	[2a]	[2b]	[3a]	[3b]	[4]	[5]	[6]	[7]	[8]	[9]
	1995 Active Unfunded Amount Remaining	Amort. Cost	1995 Retiree Unfunded Amount Remaining	Amort. Cost	ERI Amount Remaining	Amort. Cost	Total Unfunded Liability	Total Amort. Cost	Normal Cost	PERA Cost of Benefits	Current Funding Schedule	Funding Requirement (5)+(6)
1999	4,374,608	389,694	51,355,085	7,369,962	3,003,981	431,101	58,733,674	8,190,757	7,426,849	20,073,559	19,576,482	15,617,606
2000	4,319,894	389,694	47,810,070	7,369,962	2,796,618	431,101	54,926,582	8,190,757	7,872,460	21,594,784	19,978,603	16,063,217
2001	4,260,803	389,694	43,981,453	7,369,962	2,572,666	431,101	50,814,922	8,190,757	8,344,808	23,219,025	20,404,628	16,535,565
2002	4,196,985	389,694	39,846,548	7,369,962	2,330,797	431,101	46,374,330	8,190,757	8,845,496	24,953,256	20,855,978	17,036,253
2003	4,128,061	389,694	35,380,849	7,369,962	2,069,579	431,101	41,578,490	8,190,757	9,376,226	26,804,927	21,334,163	17,566,983
2004	4,053,624	389,694	30,557,895	7,369,962	1,787,464	431,101	36,398,983	8,190,757	9,938,800			18,129,557
2005	3,973,232	389,694	25,349,105	7,369,962	1,482,779	431,101	30,805,115	8,190,757	10,535,128			18,725,885
2006	3,886,408	389,694	19,723,611	7,369,962	1,153,719	431,101	24,763,738	8,190,757	11,167,235			19,357,992
2007	3,792,638	389,694	13,648,078	7,369,962	798,335	431,101	18,239,051	8,190,757	11,837,269			20,028,027
2008	3,691,366	389,694	7,086,502	7,369,962	414,520	431,101	11,192,389	8,190,757	12,547,506			20,738,263
2009	3,581,993	389,694	0	0	0	0	3,581,993	389,694	13,300,356			13,690,050
2010	3,463,870	389,694	0	0	0	0	3,463,870	389,694	14,098,377			14,488,071
2011	3,336,298	389,694	0	0	0	0	3,336,298	389,694	14,944,280			15,333,974
2012	3,198,519	389,694	0	0	0	0	3,198,519	389,694	15,840,937			16,230,631
2013	3,049,718	389,694	0	0	0	0	3,049,718	389,694	16,791,393			17,181,087
2014	2,889,013	389,694	0	0	0	0	2,889,013	389,694	17,798,876			18,188,571
2015	2,715,452	389,694	0	0	0	0	2,715,452	389,694	18,866,809			19,256,503
2016	2,528,006	389,694	0	0	0	0	2,528,006	389,694	19,998,818			20,388,512
2017	2,325,564	389,694	0	0	0	0	2,325,564	389,694	21,198,747			21,588,441
2018	2,106,926	389,694	0	0	0	0	2,106,926	389,694	22,470,671			22,860,366
2019	1,870,798	389,694	0	0	0	0	1,870,798	389,694	23,818,912			24,208,606
2020	1,615,779	389,694	0	0	0	0	1,615,779	389,694	25,248,046			25,637,741
2021	1,340,359	389,694	0	0	0	0	1,340,359	389,694	26,762,929			27,152,623
2022	1,042,906	389,694	0	0	0	0	1,042,906	389,694	28,368,705			28,758,399
2023	721,656	389,694	0	0	0	0	721,656	389,694	30,070,827			30,460,521
2024	374,706	389,694	0	0	0	0	374,706	389,694	31,875,077			32,264,771
2025	0	0	0	0	0	0	0	0	33,787,582			33,787,582
2026	0	0	0	0	0	0	0	0	35,814,836			35,814,836

FY99 Normal Cost includes \$448,000 for estimated Board Expenses
Remaining unfunded liability assumed to be paid mid fiscal year (January 1)

**Cambridge Contributory Retirement System
Actuarial Valuation as of January 1, 1998**

Funding Schedule

Amortization of 1995 Active Unfunded Over 26 Years, Level

Amortization of 1995 Retiree Unfunded Over 10 Years, Level

Amortization of ERI Unfunded Over 10 Years, Level

Amortization of COLA Unfunded Over 15 Years, Level

FYE June 30,	[1a]	[1b]	[2a]	[2b]	[3a]	[3b]	[4a]	[4b]	[5]	[6]	[7]	[8]	[9]	[10]
	1995 Active Unfunded Amount Remaining	1995 Active Unfunded Amort. Cost	1995 Retiree Unfunded Amount Remaining	1995 Retiree Unfunded Amort. Cost	ERI Amount Remaining	ERI Amort. Cost	COLA Amount Remaining	COLA Amort. Cost	Total Unfunded Liability	Total Amort. Cost	Normal Cost	PERA Cost of Benefits	Current Funding Schedule	Funding Requirement (6)+(7)
1999	4,374,608	389,694	51,355,085	7,369,962	3,003,981	431,101	48,018,995	5,402,258	106,752,669	13,593,015	9,419,291	20,073,559	19,576,482	23,012,306
2000	4,319,894	389,694	47,810,070	7,369,962	2,796,618	431,101	46,250,477	5,402,258	101,177,059	13,593,015	9,984,448	21,594,784	19,978,603	23,577,464
2001	4,260,803	389,694	43,981,453	7,369,962	2,572,666	431,101	44,340,478	5,402,258	95,155,400	13,593,015	10,583,515	23,219,025	20,404,628	24,176,531
2002	4,196,985	389,694	39,846,548	7,369,962	2,330,797	431,101	42,277,679	5,402,258	88,652,009	13,593,015	11,218,526	24,953,256	20,855,978	24,811,542
2003	4,128,061	389,694	35,380,849	7,369,962	2,069,579	431,101	40,049,856	5,402,258	81,628,346	13,593,015	11,891,638	26,804,927	21,334,163	25,484,653
2004	4,053,624	389,694	30,557,895	7,369,962	1,787,464	431,101	37,643,807	5,402,258	74,042,790	13,593,015	12,605,136			26,198,151
2005	3,973,232	389,694	25,349,105	7,369,962	1,482,779	431,101	35,045,274	5,402,258	65,850,389	13,593,015	13,361,444			26,954,459
2006	3,886,408	389,694	19,723,611	7,369,962	1,153,719	431,101	32,238,859	5,402,258	57,002,597	13,593,015	14,163,131			27,756,146
2007	3,792,638	389,694	13,648,078	7,369,962	798,335	431,101	29,207,930	5,402,258	47,446,981	13,593,015	15,012,919			28,605,934
2008	3,691,366	389,694	7,086,502	7,369,962	414,520	431,101	25,934,527	5,402,258	37,126,916	13,593,015	15,913,694			29,506,709
2009	3,581,993	389,694	0	0	0	0	22,399,252	5,402,258	25,981,246	5,791,952	16,868,515			22,660,468
2010	3,463,870	389,694	0	0	0	0	18,581,155	5,402,258	22,045,026	5,791,952	17,880,626			23,672,579
2011	3,336,298	389,694	0	0	0	0	14,457,610	5,402,258	17,793,908	5,791,952	18,953,464			24,745,416
2012	3,198,519	389,694	0	0	0	0	10,004,182	5,402,258	13,202,701	5,791,952	20,090,672			25,882,624
2013	3,049,718	389,694	0	0	0	0	5,194,479	5,402,258	8,244,197	5,791,952	21,296,112			27,088,064
2014	2,889,013	389,694	0	0	0	0	0	0	2,889,013	389,694	22,573,879			22,963,573
2015	2,715,452	389,694	0	0	0	0	0	0	2,715,452	389,694	23,928,312			24,318,006
2016	2,528,006	389,694	0	0	0	0	0	0	2,528,006	389,694	25,364,010			25,753,704
2017	2,325,564	389,694	0	0	0	0	0	0	2,325,564	389,694	26,885,851			27,275,545
2018	2,106,926	389,694	0	0	0	0	0	0	2,106,926	389,694	28,499,002			28,888,696
2019	1,870,798	389,694	0	0	0	0	0	0	1,870,798	389,694	30,208,942			30,598,636
2020	1,615,779	389,694	0	0	0	0	0	0	1,615,779	389,694	32,021,478			32,411,173
2021	1,340,359	389,694	0	0	0	0	0	0	1,340,359	389,694	33,942,767			34,332,461
2022	1,042,906	389,694	0	0	0	0	0	0	1,042,906	389,694	35,979,333			36,369,027
2023	721,656	389,694	0	0	0	0	0	0	721,656	389,694	38,138,093			38,527,787
2024	374,706	389,694	0	0	0	0	0	0	374,706	389,694	40,426,379			40,816,073
2025	0	0	0	0	0	0	0	0	0	0	42,851,962			42,851,962
2026	0	0	0	0	0	0	0	0	0	0	45,423,079			45,423,079

FY99 Normal Cost includes \$448,000 for estimated Board Expenses
Remaining unfunded liability assumed to be paid mid fiscal year (January 1)

**Cambridge Contributory Retirement System
Actuarial Valuation as of January 1, 1998**

Funding Schedule

Amortization of 1995 Active Unfunded Over 26 Years, Level

Amortization of 1995 Retiree Unfunded Over 10 Years, Level

Amortization of ERI Unfunded Over 10 Years, Level

Amortization of COLA Unfunded Over 30 Years, 4.5% Increasing

FYE June 30,	[1a]	[1b]	[2a]	[2b]	[3a]	[3b]	[4a]	[4b]	[5]	[6]	[7]	[8]	[9]	[10]
	1995 Active Unfunded		1995 Retiree Unfunded		ERI		COLA		Total	Total	Normal	PERA	Current	Funding
	Amount Remaining	Amort. Cost	Amount Remaining	Amort. Cost	Amount Remaining	Amort. Cost	Amount Remaining	Amort. Cost	Unfunded Liability	Amort. Cost	Cost	Cost of Benefits	Funding Schedule	Requirement (6)+(7)
1999	4,374,608	389,694	51,355,085	7,369,962	3,003,981	431,101	48,018,995	2,577,919	106,752,669	10,768,676	9,419,291	20,073,559	19,576,482	20,187,967
2000	4,319,894	389,694	47,810,070	7,369,962	2,796,618	431,101	49,183,445	2,693,925	104,110,027	10,884,682	9,984,448	21,594,784	19,978,603	20,869,130
2001	4,260,803	389,694	43,981,453	7,369,962	2,572,666	431,101	50,320,583	2,815,152	101,135,506	11,005,909	10,583,515	23,219,025	20,404,628	21,589,424
2002	4,196,985	389,694	39,846,548	7,369,962	2,330,797	431,101	51,422,804	2,941,833	97,797,133	11,132,590	11,218,526	24,953,256	20,855,978	22,351,117
2003	4,128,061	389,694	35,380,849	7,369,962	2,069,579	431,101	52,481,647	3,074,216	94,060,137	11,264,973	11,891,638	26,804,927	21,334,163	23,156,611
2004	4,053,624	389,694	30,557,895	7,369,962	1,787,464	431,101	53,487,724	3,212,556	89,886,707	11,403,313	12,605,136			24,008,449
2005	3,973,232	389,694	25,349,105	7,369,962	1,482,779	431,101	54,430,626	3,357,121	85,235,742	11,547,878	13,361,444			24,909,322
2006	3,886,408	389,694	19,723,611	7,369,962	1,153,719	431,101	55,298,836	3,508,191	80,062,574	11,698,948	14,163,131			25,862,079
2007	3,792,638	389,694	13,648,078	7,369,962	798,335	431,101	56,079,622	3,666,060	74,318,672	11,856,817	15,012,919			26,869,735
2008	3,691,366	389,694	7,086,502	7,369,962	414,520	431,101	56,758,929	3,831,032	67,951,318	12,021,789	15,913,694			27,935,483
2009	3,581,993	389,694	0	0	0	0	57,321,264	4,003,429	60,903,257	4,393,123	16,868,515			21,261,638
2010	3,463,870	389,694	0	0	0	0	57,749,559	4,183,583	61,213,429	4,573,277	17,880,626			22,453,903
2011	3,336,298	389,694	0	0	0	0	58,025,033	4,371,844	61,361,331	4,761,538	18,953,464			23,715,002
2012	3,198,519	389,694	0	0	0	0	58,127,044	4,568,577	61,325,563	4,958,271	20,090,672			25,048,943
2013	3,049,718	389,694	0	0	0	0	58,032,916	4,774,163	61,082,634	5,163,857	21,296,112			26,459,969
2014	2,889,013	389,694	0	0	0	0	57,717,764	4,989,001	60,606,777	5,378,695	22,573,879			27,952,573
2015	2,715,452	389,694	0	0	0	0	57,154,300	5,213,506	59,869,752	5,603,200	23,928,312			29,531,511
2016	2,528,006	389,694	0	0	0	0	56,312,619	5,448,113	58,840,625	5,837,807	25,364,010			31,201,818
2017	2,325,564	389,694	0	0	0	0	55,159,972	5,693,278	57,485,536	6,082,973	26,885,851			32,968,823
2018	2,106,926	389,694	0	0	0	0	53,660,520	5,949,476	55,767,446	6,339,170	28,499,002			34,838,172
2019	1,870,798	389,694	0	0	0	0	51,775,059	6,217,202	53,645,857	6,606,897	30,208,942			36,815,838
2020	1,615,779	389,694	0	0	0	0	49,460,738	6,496,976	51,076,518	6,886,671	32,021,478			38,908,149
2021	1,340,359	389,694	0	0	0	0	46,670,737	6,789,340	48,011,097	7,179,035	33,942,767			41,121,802
2022	1,042,906	389,694	0	0	0	0	43,353,928	7,094,861	44,396,833	7,484,555	35,979,333			43,463,888
2023	721,656	389,694	0	0	0	0	39,454,502	7,414,129	40,176,158	7,803,824	38,138,093			45,941,917
2024	374,706	389,694	0	0	0	0	34,911,574	7,747,765	35,286,280	8,137,459	40,426,379			48,563,838
2025	0	0	0	0	0	0	29,658,743	8,096,415	29,658,743	8,096,415	42,851,962			50,948,376
2026	0	0	0	0	0	0	23,623,628	8,460,753	23,623,628	8,460,753	45,423,079			53,883,833
2027	0	0	0	0	0	0	16,727,351	8,841,487	16,727,351	8,841,487	48,148,464			56,989,951
2028	0	0	0	0	0	0	8,883,994	9,239,354	8,883,994	9,239,354	51,037,372			60,276,726
2029	0	0	0	0	0	0	0	0	0	0	54,099,614			54,099,614

FY99 Normal Cost includes \$448,000 for estimated Board Expenses
Remaining unfunded liability assumed to be paid mid fiscal year (January 1)



CAMBRIDGE RETIREMENT BOARD

255 BENT STREET, 3RD FLOOR, CAMBRIDGE, MASSACHUSETTS 02141

(617) 868-3401

FAX (617) 868-3477

Janet E. Boyle
Appointed Member

James A. Lindstrom
Ex-Officio

Andrea J. Spears
Appointed Member

Bradford P. Tenney
Elected Member

Sheila M. Tobin
Elected Member

Anne C. Leduc
Executive Director

City Clerk, Margaret Drury
795 Massachusetts Avenue
Cambridge, MA 02139

May 20, 1998

CITY OF CAMBRIDGE
AUDITOR DEPT.
CITY CLERK
98 MAY 20 PM 2:25

Dear Madame Clerk:

This is to advise you that at the regular scheduled meeting of the Cambridge Retirement Board held on, May 20, 1998, it was voted unanimously to accept Chapter 17 of the Acts of 1997, "An Act Relative to the Annual Cost of Living Adjustments for Retirees."

Chapter 17 of the Acts of 1997 was signed by the Governor on June 6, 1997 and became effective on September 4, 1997. The act amends Chapter 32 of the General Laws by creating a new section, 103, which transfers the responsibility for approving and paying for cost-of-living adjustments (COLA) for the Board's retirees from the Commonwealth to the local Retirement Boards.

Therefore, in accordance with the provision of Chapter 17, the Cambridge Retirement Board respectfully requests that the Cambridge City Council vote to accept the provision of Chapter 17. A copy of the relevant statute is attached along with Section 103 and the actuarial study performed by KPMG Peat Marwick.

If as a result of this correspondence and the information contained in the enclosed statute, you have any questions, please don't hesitate to contact me.

Sincerely,

Brad P. Tenney
Chairman

cc: Robert Healy, City Manager
Francis Duehay, Mayor

Comms & Rpts from Other
Officers #1

415-5

A communication was received from
D. Margaret Drury, City Clerk,
transmitting a letter from Brad P.
Tenney, Chairman, Cambridge Retirement
Board, requesting the City Council to vote
to accept the provision of Chapter 17 of the
Acts of 1977, "An Act Relative to the Annual
Cost of Living Adjustments for Retirees.

In City Council June 1, 1998

2 Orders Adopted.