

Agenda #5

City of Cambridge

MASSACHUSETTS

In City Council November 18 1919

	YEA	NAY	ABSENT	PRESENT
Mrs. Ackermann	✓			
Mr. Clinton	✓			
Mr. Danehy	✓			
Mr. Duehay	✓			
Mrs. Graham	✓			
Mr. Russell	✓			
Mr. Vellucci	✓			
Mr. Wylie	✓			
Mayor Sullivan	✓			
	9	0	0	

LPSR
 RF
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City of Cambridge

IN CITY COUNCIL
November 18, 1974

WHEREAS:

Errors were made which resulted in overpayments to certain pensioners of the City of Cambridge, and

WHEREAS:

The City has recovered, to the extent possible, the amounts of said overpayments, and

WHEREAS:

Any further efforts to recover said amounts would be impractical for the City and unfair to the pensioners, therefore be it

ORDERED:

The City of Cambridge, hereby waives and releases any further claim it may have against any pensioner of the City who received pension overpayments for the years January 1, 1966 to December 31, 1973. This order shall take effect as of January 1, 1975.

In City Council November 18, 1974.

Adopted by a yea and nay vote:

Yeas 9; Nays 0; Absent 0.

ATTEST:- Paul E. Healy, City Clerk.

A true copy,

ATTEST:-

Paul E. Healy



CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139 • (617) 876-6800

LAW DEPARTMENT

EDWARD D. MCCARTHY
CITY SOLICITOR

ROWENA E. TAYLOR
ASSISTANT CITY SOLICITOR

RUSSELL B. HIGLEY
SPECIAL COUNSEL

CHARLES A. WATSON
LEGISLATIVE AGENT

November 12, 1974

Mr. James L. Sullivan
City Manager
City Hall
Cambridge, Massachusetts

Dear Mr. Sullivan:

As a result of errors in the computation of cost of living increases to approximately 330 retirees of the City during the years January 1, 1966 to December 31, 1973, the City made overpayments to said individuals of approximately \$340,000. About 50 members of the Contributory Retirement System were overpaid some \$63,000. \$29,000 of this amount has been recovered by the Retirement Board by withholding all or a portion of 1974 cost of living increases for the individuals involved. Approximately 287 non-contributory retirees were overpaid \$280,000, \$146,000 of which has been recovered in the same manner. The total amount which has not been recovered is about \$160,000.

Effective January 1, 1974, cost of living allowances will be incorporated into the fixed pensions of retirees. This will prevent the City from legally withholding any amounts from pensions.

The only possible means of collecting the balance would be to institute separate legal action against the 330 retirees, some of whom are in nursing homes and some of whom reside out of state. This course of action would, in my opinion, be impractical, unfair and might well cost the City more in expenses than we might recover.

With relation to Contributory pensions which are supervised by the State Insurance Commissioner; I recommend that the Retirement Board vote to waive the remaining overpayments. This does not require State legislation since Chapter 32, Section 20 of the General Laws permits the Board to correct errors "as far as practicable."

Mr. James L. Sullivan
City Manager

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November 12, 1974

The non-contributory overpayments are not subject to State Control and may be waived by the City.

If you agree, I would suggest the following order be submitted to the City Council as suggested in their resolution of September 30, 1974:

"ORDERED:-

That WHEREAS errors were made which resulted in overpayments to certain pensioners of the City of Cambridge and;

WHEREAS:- the City has recovered, to the extent possible, the amounts of said overpayments and;

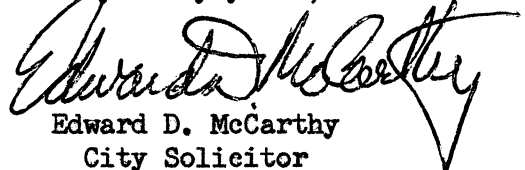
WHEREAS:- any further efforts to recover said amounts would be impractical for the City and unfair to the pensioners;

ORDERED:-

The City of Cambridge, hereby waives and releases any further claim it may have against any pensioner of the City who received pension overpayments for the years January 1, 1966 to December 31, 1973. This order shall take effect as of January 1, 1975."

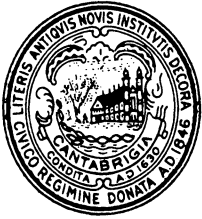
The reason for the January 1, 1975 date is to permit recovery through the last cost of living payment in December which has been included in all of the above figures.

Very truly yours,


Edward D. McCarthy
City Solicitor

EDMcC:jm

cc: Mr. Frederick L. Kilfoyle



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

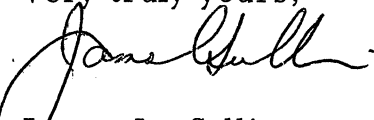
EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

November 18, 1974

To the Honorable, the City Council:

Enclosed please find a communication from Edward D. McCarthy, City Solicitor, regarding overpayments to individuals in the non-contributory retirement system. I concur with the Solicitor's report and recommend that the City Council adopt the suggested order that waives these repayments. As far as the Contributory System is concerned, the Retirement Board is the only body that can take action in that regard.

Very truly yours,



James L. Sullivan
City Manager

JLS/mbf
Enc.

Agenda # 5

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Opinion from the City Solicitor regarding
the overpayments to individuals in the
Retirement System.

In City Council,

November 18, 1974

Order adopted
9-0-0

CRSR
RF
A