



# City of Cambridge

51.

**IN CITY COUNCIL**

September 28, 1998

COUNCILLOR TOOMEY  
COUNCILLOR SULLIVAN  
VICE MAYOR GALUCCIO  
COUNCILLOR RUSSELL  
COUNCILLOR BORN  
COUNCILLOR DAVIS  
MAYOR DUEHAY  
COUNCILLOR REEVES  
COUNCILLOR TRIANTAFILLOU

**RESOLVED:** That the City Council go on record accepting Section 288 (Pop Up) of Chapter 194 of the Acts of 1998, the same being "An Act Making Appropriations for the Fiscal Year 1999 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth for Interest, Sinking Fund and Serial Bond Requirements and For Certain Permanent Improvements."

In City Council September 28, 1998.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in cursive script, reading "D. Margaret Drury".

D. Margaret Drury  
City Clerk



# CAMBRIDGE RETIREMENT BOARD

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

(617) 868-3401

FAX (617) 868-3477

2.

1998 SEP 23 A 10:00

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*

OFFICE OF THE CITY CLERK  
CAMBRIDGE, MASSACHUSETTS

September 22, 1998

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

Dear Madame City Clerk:

The Cambridge Retirement Board respectfully request that Section 288 of Chapter 194 be placed as an agenda item at the next available City Council meeting.

The Cambridge Retirement Board unanimously voted to accept the provision of Section 288, Option C "Pop-Up", at their regular scheduled meeting held on September 16, 1998.

Enclosed is an explanation of Options, an estimated cost of adoption, submitted by Watson Wyatt; correspondence from Attorney Quirk concerning steps of acceptance, PERAC Memo #36 stating the detail of the statutory change and a copy of the legislation, Section 288.

If you have any questions, please don't hesitate to call.

Sincerely,

Anne C. Leduc  
Executive Director

cc: Robert W. Healy, City Manager  
James Maloney, Finance Director



# CAMBRIDGE RETIREMENT BOARD

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*Elected Member*

Anne C. Leduc  
*Executive Director*

anne/word/optc

## MEMORANDUM

To: Board Members

From: Anne Leduc, Director 

Date: September 4, 1998

Re: Section 288 of Chapter 194, of the Acts of 1998  
Option C "Pop-up"

### Explanation:

There are three options at the time of retirement.

Option A=Life time benefit to retiree, no future benefit to a beneficiary.

Option B=(5% less than Option A)Life time benefit to retiree, lump sum payment of annuity to a beneficiary in the event of early death of retiree.

Option C=(2/3 of Option A)Life time benefit to retiree,  
life time benefit (2/3 of Option C) to surviving spouse

Option C "Pop-up"= if surviving spouse predeceases retiree, the retiree begins receiving the amount of an option a .

This NEW legislation is specifically for those that retired prior to January 12, 1988. These retirees were not allowed the POP-UP. The pop-up only came into existence after 1/12/98.

There are currently 98 retirees that chose Option C and retired prior to 1/12/88. Of the 98, my records indicate that 6 retirees have lost their spouses and would be entitled to the pop-up at the time of acceptance.

Attached is a brief note from Lynn Sherman/Bob Haas of Watson & Wyatt (previously KPMG Peat Marwick) stating the impact on the funding schedule.



# Memo

To: Anne Leduc  
From: Lynn Sherman *LS*  
Subject: Option (C) Pop-Up Provision  
CC: J. Maloney, B. Tenney, R. Haws

Upon your request, we have estimated the impact of adopting Section 288 of chapter 194 of the Acts of 1998, the Option (C) Pop-Up provision. This Section provides a benefit increase for the following:

- Members who retired before January 12, 1988; and
- Elected Option (C), and
- Beneficiary predeceases the member

The benefit reverts back to the original amount before reduction for the joint and survivor form.

The data you provided included the following:

- 98 participants eligible
- Total monthly allowance of \$109,000

We were not provided actual census data, but did review the previously provided census information. The average age of all Cambridge retirees is 73 years of old. We have assumed the group of members, who retired before January 12, 1988, is an average age of 78. In addition, no future COLA on the increased pop-up benefit is assumed since the average benefit exceeds \$12,000 year. The calculations are based on the valuation assumptions, namely, GAM83 Mortality Table and 8.5% interest. This calculation is sensitive to the gender composition of the group. For this calculation we have assumed a gender split of 87% male and 13% female, based on the January 1, 1998 valuation data.

The increase in liability due to acceptance of this option is approximately \$600,000. The increase in the annual appropriation would increase approximately \$70,000, based on a 15 year level amortization. It is my understanding that acceptance of this option will not be amortized separately and will be rolled into the experience of the next funding schedule.

The cost of this calculation is driven largely by the Option (C) factors that the original options were based on. The Option (C) factors we were given are around 75% for the male group. If the factors were higher, the cost of the Pop-up will be lower.

If you have any questions please call me at (781) 283-9407 or Bob Haws at (781) 283-9346.

QUIRK AND CHAMBERLAIN, P.C.

*Attorneys and Counsellors at Law*

99 WILLOW STREET

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YARMOUTHPORT, MASSACHUSETTS 02675-0040

508/362-6262

FACSIMILE 508/362-6060

BARNSTABLE OFFICE

POST OFFICE BOX 92

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508/362-4314

JAMES H. QUIRK, JR.  
ROBERT C. CHAMBERLAIN  
PAMELA B. MARSH  
THOMAS J. PERRINO  
ANASTASIA WELSH PERRINO  
OF COUNSEL  
WILLIAM E. CROWELL, JR.

August 18, 1998

Anne C. Leduc, Executive Director  
Cambridge Retirement Board  
255 Bent Street - 3rd Floor  
Cambridge, Massachusetts 02141

RE: OPTION C "POP-UP" CONTAINED IN FY99  
STATE BUDGET AS SECTION 288 OF OUTSIDE SECTIONS  
OUR FILE NO. 435/7935

Dear Anne: -

Please be advised that the above-captioned statutory provision has been enacted. Because the provision is part of the budget, it is not subject to the usual 90-day waiting period.

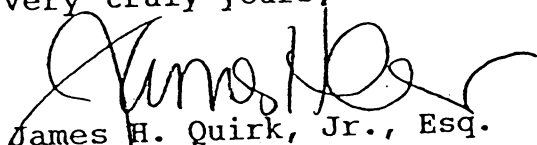
In order for Section 288 to be adopted, the retirement board must vote to accept, followed by a vote of the appropriate legislative body. I have enclosed a copy of the legislation for your information.

As we have previously discussed, the reason for the delay in the enactment of this legislation was that the committee on counties apparently wanted some indication of the cost for this change. To resolve that concern, the retroactive portion of the legislation was removed and a sentence was added

"The provisions of this section shall be prospective from the effective date of this act and shall not entitle any member to any retroactive benefits." (emphasis added)

After you have had an opportunity to review this correspondence and the provisions of Section 288, if you have any questions, please do not hesitate to contact me regarding same.

Very truly yours,

  
James H. Quirk, Jr., Esq.

JHQ/mre  
Enclosure



THE COMMONWEALTH OF MASSACHUSETTS

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

5 MIDDLESEX AVENUE, 3<sup>RD</sup> FLOOR

SOMERVILLE, MA 02145

(617) 666-4446

FAX: (617) 628-4002 TTY: (617) 591-8917

www.state.ma.us/PERAC

ROBERT F. STALNAKER  
EXECUTIVE DIRECTOR

COMMISSION MEMBERS

ELIZABETH E. LAING, CHAIR

A. JOSEPH DeNUCCI, VICE CHAIR

JOHN R. ABBOTT

CHARLES D. BAKER

KENNETH J. DONNELLY

DONALD R. MARQUIS

DIANNE HYDE RUSSELL

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph I. Martin, Deputy Executive Director 

RE: Option (C) Pop-up Statutory Change

DATE: August 19, 1998

Section 288 of chapter 194, of the Acts of 1998, (FY99 State Budget), made a change concerning the so called "Option (C) Pop-Up" provision, of Chapter 32. The new change would allow for a pension allowance adjustment for those members who retired before January 12, 1988, chose Option (C) and whose beneficiary predeceased them. Any such member would be eligible for the adjustment to their retirement allowance.

This change is subject to local acceptance and must be approved by the respective retirement board and the "legislative body", as defined in Section 288. A copy of the retirement board minutes reflecting the vote and a certified copy of the "legislative body" vote should be forwarded to PERAC. Section 288 of Chapter 194 of the Acts of 1998, included with this memo, defines the appropriate definition of "legislative body".

In addition, such adjustments could be made prospectively from July 1, 1998, only after acceptance of this language at the local level. **No retroactive benefits are authorized under Section 288.** In another words, no payment is to be made relative to the period, if any, from the date of the death of the spouse to July 1, 1998.

SECTION 288. Notwithstanding the provisions of section 135 of chapter 697 of the acts of 1987, the provisions of the first paragraph of Option (c) of subdivision (2) of section 12 of chapter 32 of the General Laws shall apply to benefits received pursuant to applications for such benefits, allowances or other payments made prior to January 12, 1988. The provisions of this section shall be prospective from the effective date of this act and shall not entitle any member to any retroactive benefits.

This section shall take effect in a city, town, county, district or authority system 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.

# City of Cambridge

MASSACHUSETTS

In City Council 9/28, 1998Order # 51

|                             | 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     | ✓   |     |        |         |

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# City of Cambridge

MASSACHUSETTS

In City Council 9/28, 1998Order # 51

| 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     |

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Councillor Gooney  
Councillor Sullivan  
Vice Mayor Galluccio  
Councillor Russell

(5) ✓

Resolved:

That the City Council go on record  
(Pop up)  
Accepting Section 288 of Chapter  
194 of the Acts of 1998, the same being

"An Act making Appropriations for the Fiscal Year 1999 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

349-4269



# The Commonwealth of Massachusetts

IN THE YEAR ONE THOUSAND NINE HUNDRED AND NINETY-EIGHT

T.H. 2

## AN ACT

MAKING APPROPRIATIONS FOR THE FISCAL YEAR 1999 FOR THE MAINTENANCE OF THE DEPARTMENTS, BOARDS, COMMISSIONS, INSTITUTIONS AND CERTAIN ACTIVITIES OF THE COMMONWEALTH, FOR INTEREST, SINKING FUND AND SERIAL BOND REQUIREMENTS AND FOR CERTAIN PERMANENT IMPROVEMENTS.

*Whereas, the deferred operation of this act would tend to defeat its purpose, which is immediately to make appropriations for the fiscal year beginning July 1, 1998, and to make certain changes in law, each of which is immediately necessary or appropriate to effectuate said appropriations or for other important public purposes, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.*

*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.

To provide for the maintenance of the several departments, boards, commissions and institutions and other services, and for certain permanent improvements and to meet certain requirements of law, the sums set forth in sections 2, 2B, 2D and 3, for the several purposes and subject to the conditions specified in said sections 2, 2B, 2D and 3 are hereby appropriated from the General Fund unless specifically designated otherwise, subject to the provisions of law regulating the disbursement of public funds and the approval thereof for the fiscal year ending June 30, 1999.

Pop. Up is Sec. 288 of Ch. 194 of 1988

NOTE. — Use ONE side of paper ONLY. DOUBLE SPACE. Insert additional leaves, if necessary.



*The Commonwealth of Massachusetts*  
**JOINT COMMITTEE ON PUBLIC SERVICE**

STATE HOUSE, BOSTON 02133

REPRESENTATIVE  
TIMOTHY TOOMEY  
CHAIR

ROOM 40, STATE HOUSE  
TEL (617) 722-2240

SENATOR  
RICHARD MOORE  
CHAIR

ROOM 416B, STATE HOUSE  
TEL (617) 722-1420

**F A X C O V E R S H E E T**

TO: Donna Lopez  
FROM: Jay Kich  
FAX#: 349-4269  
DATE: 9/21/98

Telephone Number: (617) 722-2240

Fax Number: (617) 722-2215

Number of pages, including cover sheet: 2

Additional comments:

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*Please contact sender with any questions or problems.*



# City of Cambridge

51.

**IN CITY COUNCIL**

September 28, 1998

COUNCILLOR TOOMEY  
COUNCILLOR SULLIVAN  
VICE MAYOR GALUCCIO  
COUNCILLOR RUSSELL

**RESOLVED:** That the City Council go on record accepting Section 288 (Pop Up) of Chapter 194 of the Acts of 1998, the same being "An Act Making Appropriations for the Fiscal Year 1999 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth for Interest, Sinking Fund and Serial Bond Requirements and For Certain Permanent Improvements."

Consent Order #51

130 F

Councillors Toomey, Sullivan, Vice Mayor  
Galluccio and Councillor Russell re:  
accept Section 288 (Pop Up) of Chapter 194  
of the Acts of 1998.

In City Council September 28, 1998

**ORDER ADOPTED**

Roll Call

9-0-0.