



CITY OF CAMBRIDGE

INTEROFFICE CORRESPONDENCE

To The Honorable, The City Council
From Joseph E. Connarton, ^{KC}Chairman
Retirement Board
Subject Recently Enacted Legislation

Date January 2, 1985

Reference

Please be advised that two important pieces of retirement legislation were recently adopted by the Legislature and signed by the Governor.

First, Chapter 373 of the Acts of 1984 corrects previously adopted law relative to refunding interest to an employee with less than five years of service. As you remember, the Council held a hearing last year on this very issue.

The Board is pleased to inform you that any employee who was an active member of the system prior to January 1, 1984 will receive full interest on their refunding.

Second, Chapter 389 of the Acts of 1984 allows for an increase in survivors benefits for certain spouses and their children. Formerly, a spouse could receive no less than \$1,680.00 per year for the first dependent child, plus an additional \$720.00 per year for each additional dependent child.

The new law, which will be effective March 21, 1985, increases minimum spouse survivor allowance \$3,000.00 and additional dependents to \$1,080.00. It reduces however, the first dependent child from \$1,680.00 to \$1,440.00. (Copies are enclosed for your review).

Finally, the Board would like to announce the officers for 1985 are as follows:-

Joseph E. Connarton
Chairman

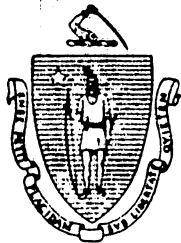
Sheila M. Tobin
Vice-Chairman

Arthur F. Libitz
Member

The Board appreciates your support on these and other issues which come before you and we look forward to a productive year ahead.

JEC/mh

Enclosures



THE COMMONWEALTH OF MASSACHUSETTS

DIVISION OF PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION

JOHN W. MCCORMACK BUILDING

ROOM 1101

ONE ASHBURTON PLACE • BOSTON, MA 02108

727-9380

JOHN J. MCGLYNN
COMMISSIONER

December 26, 1984

~~RECEIVED~~
RICHARD J. STANTON
COUNSEL

MEMORANDUM

TO: All Retirement Boards
FROM: Commissioner John J. McGlynn *JJMc*
RE: Chapter 373 and Chapter 389
of the Acts of 1984

On December 21, 1984 Governor Dukakis signed into law Chapter 373, An Act Relative to Public Employee Pension Deductions and also Chapter 389, An Act Increasing Survivor Benefits for Certain Spouse and Children. Enclosed you will find copies of these two Acts.

Because these two new laws have a significant impact on public retirement, careful attention should be given to the provisions contained within.

Chapter 373 (H6157) An Act Relative to Public Employee Pension Deductions

This legislation makes two basic changes in the provisions of Chapter 661 of the Acts of 1983.

The first change is to grandfather all employees who are members of the retirement system prior to January 1, 1984, protecting them from the new provisions which do not allow employees upon withdrawal from service to receive all of their interest on their accumulated total deductions until they have worked for 10 years. Under this new law, all employees in service prior to January 1, 1984 will receive all the interest on their accumulated deductions no matter how long they have worked when they withdraw from the system.

All individuals employed prior to January 1, 1984 who withdrew from service and had interest withheld from their returned deductions are now entitled to receive their interest.

The second change provided for in Chapter 373 is a technical correction regarding the accounting for the additional one percent contributed by employees who enter service after January 1, 1984. Under the provision of Chapter 661, this one percent was deposited in the Pension Reserve Fund and then withdrawn to the employees credit, when the employee either withdrew from the system or retired. Chapter 373 provides that the additional one percent shall stay in the annuity savings account of the employee throughout his or her service. In addition, Chapter 373 contains an emergency preamble which makes the provisions of this act effective immediately.

December 26, 1984

TO: All Retirement Boards
RE: Chapter 373 and Chapter 389
of the Acts of 1984

Chapter 389 (H6021) An Act Increasing
Survivor Benefits for Certain
Spouses and Children

This legislation increases the minimum survivor benefits paid to spouses and children of employees when said employees die while they are in service.

Under existing law a surviving spouse would receive no less than \$1,680.00 per year for the first dependent child and an additional \$720.00 per year for each additional dependent child.

Chapter 389 of the Acts of 1984 increases the minimum spouse survivor allowance to \$3,000.00 per year and the additional dependent child allowances to \$1,440.00 per year for the first child and \$1,080.00 per year for each additional child.

In addition, Chapter 389 provides that the Commonwealth shall fund all additional costs created by the enactment of this legislation.

The State Retirement Board which is already responsible for Cost-of-Living reimbursements, has agreed to handle all reimbursements regarding increased survivor benefits. All questions in this area should be directed to the State Retirement Board.

The effective date of Chapter 389 is March 21, 1985.

JJM:bc

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Comm. from Joseph E. Connarton, Deputy City
Clerk & Chairman of the Retirement Board Re:
recently enacted retirement legislation.

In City Council,

January 7, 1985

1/7/1985

Placed on File.