CAMBRIDGE RETIREMENT BOARD

255 BENT STREET, 3RD FLOOR, CAMBRIDGE, MASSACHUSETTS 02141
(617) 868-3401
FAX (617) 868-3477

MEMORANDUM

To: Robert W. Healy, City Manager

From: Anne C. Leduc, Executive Director ACL

Date: February 17, 1999

RE: COUNCIL ORDER #004, DATED 2/8/99

"Report on what options exist for the City's Pension Fund to pay a higher rate of interest on retirement accounts than the very low rate currently allowed by State statute".

In response to the order, the only option available is a legislative remedy.

Attached is a list showing what the interest rates have been over the last 40 years.

48	2.6%
49	2.5
50	2.7
51	2.4
52	2.5
53	2.5
54	2.7
55	2.8
56	2.8
57	2.8
58	2.8
59	2.8
60	3.0
61	3.1
62	3.3
63	3.4
64	3.5
65	3.7
66	3.7
67	3.8
68	3.9%
69	4.0
70	4.3
71	4.5
72	5.0
73	5.3
74	5.4
75	5.5
76	6.0
77	6.1
78	6.4
79	6.4
80	6.7
81	7.2
82	8.4
83	9.5
84	5.5
85	5.5
86	5.5
87	5.5
88	5.2
89	5.3
90	5.4
91	5.4
92	4.7
93	3.1
94	2.5
95	2.6
96	2.5
97	2.5
98	2.4
99	2.2

PERAC MEMO #5/1999

THE COMMONWEALTH OF MASSACHUSETTS

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
5 MIDDLESEX AVENUE, 3RD 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

MEMORANDUM

TO: All Retirement Boards

Robert F. Stalnaker

FROM: Robert F. Stalnaker, Executive Director

RE: 1999 Interest Rate Set at 2.2%

DATE: January 26, 1999

In accordance with the provisions of Section 22(6)(b) of Chapter 32 as amended by c. 306 of the acts of 1996, "regular interest" for regular and additional deductions made after January 1, 1984, shall be a rate established by the Public Employee Retirement Administration Commission in consultation with the Commissioner of Banks, and shall be obtained from the average rates paid on individual savings accounts by a representative sample of no less than 10 financial institutions.

The average rate paid has been determined to be 2.2% for the calendar year 1999.

The average rate 2.2% is to be applied on the accumulated total deductions and interest made on or after January 1, 1946. Such interest should be credited during the calendar year 1999 for refunds and retirements and on outstanding balances as of December 31, 1998 on December 31, 1999.

ao/mlk
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CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

March 1, 1999

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 99-30, regarding a report on what options exist for the City's pension fund to pay a higher rate of interest on retirement accounts rather than the very low rate currently allowed by State statue, received from Executive Director of the Cambridge Retirement Board Anne Leduc.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
Attachment

Consent Agenda #6 S-1478

Relative to AW #99-30, regarding a
report on what options exists for
the City's pension fund to pay a higher
rate of interest on retirement account.

In City Council March 1, 1999

Placed on file