

## **Chapter 161 of the Acts of 2006**

### **AN ACT RELATIVE TO CREDITABLE SERVICE FOR CERTAIN STATE CONTRACT EMPLOYEES.**

*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 (1) of section 4 of chapter 32 of the General Laws, as appearing in the 2004 Official Edition, is hereby amended by adding the following paragraph:-

(s) Any member in service of the state employees' retirement system who, immediately preceding the establishment of membership in that system or re-entry into active service in that system, was compensated for service to the commonwealth as a contract employee for any department, agency, board or commission of the commonwealth may establish as creditable service up to 4 years of that service if the member has 10 years of creditable service with the state employees' retirement system, and if the job description of the member in the position which the member holds upon entry into service or re-entry into active service is substantially similar to the job description of the position for which the member was compensated as a contract employee. No credit shall be allowed until the member has paid into the Annuity Savings Fund of the state employees' retirement system before any retirement allowance becomes effective for the member, in a lump sum or in installments, upon the terms and conditions that the state board of retirement prescribes, makeup payments of an amount equal to that which would have been withheld as regular deductions for the service as a contract employee if the service had been rendered as a state employee and the member had been a member of the state employees' retirement system during the period the service was rendered, plus buyback interest on that amount. Eligible members who worked part-time as contract employees shall be eligible for creditable service proportionately equal to their part-time service. Upon completion of the payments, the member shall receive the same credit for the period of previous service as a contract employee as would have been allowed if the service had been rendered by the member as a state employee. Members in service of the state retirement system who make application for this creditable service shall, subject to the rules and regulations of the state board of retirement, be notified by the state board of retirement of their eligibility for creditable service and, if they are eligible, shall also be notified by the state board of retirement that they have the following options: (1) to purchase the service in a lump sum within 180 days after the date of the notice; or (2) to enter into an installment agreement within 180 days after the date of the notice to pay for the service. No creditable service shall be allowed under this section unless the member provides documentation of the member's service as a contract employee satisfying the state board of retirement's requirements.

**SECTION 2.** Paragraph (e) of subdivision (2) of section 7 of said chapter 32, added by section 1 of chapter 157 of the acts of 2005, is hereby amended by adding the following sentence: —

The teachers' and state employees' retirement systems shall be considered to have accepted this paragraph.

**SECTION 3.** Paragraph (b) of subdivision (2) of section 26 of chapter 32, as appearing in the 2004 Official Edition, is hereby amended by adding the following subparagraph:-  
(iv) Any member retired under this subdivision who is a veteran, as defined in section 1, shall receive an additional yearly retirement allowance of \$15 for each year of creditable service or fraction of a year, but the total amount of this additional yearly retirement allowance shall not exceed \$300.

**SECTION 4.** Section 2 of chapter 157 of the acts of 2005 is hereby amended by adding the following sentence:—

The teachers' and state employees' retirement systems shall be considered to have accepted this section.

**SECTION 5.** An additional yearly retirement allowance which would have been payable under section 3 of this act, if that provision had been in effect and for which a member in service would have been eligible at the time of the member's retirement, shall be paid retroactively to the date of that veteran's retirement. This payment shall be made in accordance with section 2 of chapter 157 of the acts of 2005.

**SECTION 6.** A veteran shall be eligible for payment of a retroactive additional yearly retirement allowance under this act only upon filing an application on or before October 1, 2006 in a form that the appropriate retirement board, as defined in chapter 32 of the General Laws, shall prescribe. Payment under this section shall be made in a lump sum or in installments and shall be made in full within 1 year of the retirement board's receipt of a completed and satisfactory application. The appropriate retirement board shall provide reasonable notice to eligible retirees about the application process prescribed by this act.

*Approved July 19, 2006.*