

## Retirement Group Study

SEPTEMBER 2006 - A special Blue Ribbon Panel on Massachusetts Public Employees' Pension Classification System has issued its report and recommended changes for how the retirement groups are constituted.

Formed by the co-chairmen of the Joint Committee on Public Service, Representative Jay Kaufman and Senator Patricia Jehlen, the Blue Ribbon Panel was charged with the task of examining and suggesting changes that would depoliticize the process of determining group classification status. Currently, public employees are grouped into four retirement categories, which are set by statute.

The eight-member panel was chaired by Alicia Munnell, director of the Center for Retirement Research at Boston College. Other members included Ellen Bruce, Edward Burrows, Joseph Connarton, Peter Diamond, Scott Harshbarger, Elizabeth Keating, and Alan MacDonald.

Splitting its recommendations between short-term changes and long-term goals, the Panel has made a series of suggested changes to our current retirement structure. The basis for most of the changes is designed to reflect an employee's actual job responsibilities, rather than job title.

Over the long-term, the Panel feels that while the current 80% maximum retirement allowance is reasonable, most employees should be required to work until age 65 in order to collect their full retirement benefit. However, police, fire, and corrections officers would remain in a separate group and allowed to retire earlier.

"There are some parts of this report that are controversial and some may oppose. However, there are other parts of this report, which are helpful in terms of making the case that our defined benefit retirement system is healthy and overall working well," said Association President Ralph White. "Beyond that, we know that there are groups of employees performing difficult and dangerous jobs, who should be allowed to retire early. The many bills, filed each year for reclassification, has always been a legislative quagmire."

&ldquo;The Public Service Committee is going to closely examine this report and may end up filing legislation during the next session to address some of these issues. That is a process that will heavily involve the retirement boards and unions. These are important issues that will not be taken lightly.&rdquo;