

The General Laws of Massachusetts

Search the Laws

Go To:

[Next Section](#)

[Previous Section](#)

[Chapter Table of Contents](#)

[MGL Search Page](#)

[General Court Home](#)

[Mass.gov](#)

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE III. LAWS RELATING TO STATE OFFICERS

CHAPTER 32. RETIREMENT SYSTEMS AND PENSIONS

Chapter 32: Section 1. Definitions

Section 1. The following words and phrases as used in sections one to twenty-eight inclusive, unless a different meaning is plainly required by the context, shall have the following meanings:--

"Accumulated additional deductions", the sum of the amount of the additional deductions, if any, and the amount of regular interest thereon credited to any member's account in the annuity savings fund of any system.

"Accumulated buyback deductions", the sum of the amount of the regular deductions and the buyback interest thereon that would have been credited to a member's account in the annuity savings fund of a system had buyback interest been credited rather than regular interest.

"Accumulated assumed actuarial deductions", the sum of the amount of the regular deductions and the actuarial assumed interest thereon that would have been credited to a member's account in the annuity savings fund of a system had actuarial assumed interest been credited rather than regular interest.

"Accumulated regular deductions", the sum of the amount of the regular deductions and the amount of regular interest thereon credited to any member's account in the annuity savings fund of any system.

"Accumulated total deductions", the sum of the amount of the accumulated regular deductions and the amount of the accumulated additional deductions, if any, credited to any member's account in the annuity savings fund of any system.

"Actuarial assumed interest", interest that would be credited to a member's account in the annuity savings fund of a system or to his account in the special fund for military service credit, as provided in subdivision (6) of section 22, except that for any calendar year beginning after December 31, 1983, "actuarial assumed interest" shall be interest that would have been so credited using a rate equal to a

system's actuarial assumed rate of return on investments, as determined from time to time by the commission, rather than regular interest.

"Actuarial equivalent", any benefit of equal value when computed upon the basis of a mortality table to be selected by the actuary and an interest rate determined by the actuary.

"Actuary", a member of the American Academy of Actuaries or a member of the staff of the public employee retirement administration commission qualified to perform the actuarial duties required by the provisions of sections one to twenty-eight, inclusive, in connection with any public retirement system established thereafter or under corresponding provisions of earlier law.

"Additional deductions", the amounts withheld from the regular compensation of any member or deposited and credited to his account in the annuity savings fund of any system as provided for in paragraph (1) (g) of section twenty-two, other than regular deductions.

"Annual gross earned income", that income earned by a retired member under any provision of this chapter, and referring to compensation earned for performing personal services actually performed, including wages, salaries, fees, commissions or gratuities, or similar income, during each calendar year.

"Annuity", payments dependent upon the continuance of life of any member and derived from his accumulated regular deductions or from his accumulated additional deductions, if any, or from both, as the case may be.

"Annuity reserve", the present value as of any date of all future payments to be made on account of any annuity when such present value is computed upon the basis of the table of mortality and the interest rate set forth in the definition of actuarial equivalent appearing in this section.

"Annuity reserve fund", the fund established under the provisions of subdivision (2) of section twenty-two to provide for the payment of all annuities and other benefits payable from the accumulated total deductions transferred to such fund from the annuity savings fund of any system as retirement allowances of members become effective.

"Annuity savings fund", the fund established under the provisions of subdivision (1) of section twenty-two to provide for the accumulation of the regular deductions and additional deductions of the members of any system and from which their accumulated total deductions are paid or transferred upon their withdrawal, death or retirement, as the case may be.

"Beneficiary", any person entitled to any present or potential benefit on account of membership of a person other than himself, under the provisions of sections one to twenty-eight, inclusive.

"Board", the appropriate retirement board established under the provisions of section twenty having jurisdiction of any contributory retirement system established under the provisions of sections one to twenty-eight, inclusive, or under corresponding provisions of any special laws, or the pension reserves investment management board established under the provisions of section twenty-three, or the metropolitan water resources authority retirement board.

"Buyback interest", one-half of actuarial assumed interest.

"Commission", the public employee retirement administration commission established under section forty-nine of chapter seven.

"Commonwealth funding schedule", the plan established by the commissioner of administration after reviewing all reports prepared pursuant to section thirty-five H of chapter ten and subdivision (3) of section twenty-one of chapter thirty-two, and approved by the general court and the house and senate committees on ways and means pursuant to the provisions of section twenty-two C which establishes the schedule of payments necessary pursuant to said section twenty-two C to pay the normal cost of benefits for the commonwealth and amortizes over the forty year period beginning July first, nineteen hundred and eighty-eight any unfunded actuarial liability of the commonwealth, including any other pension obligations of a system or of the commonwealth relative to future pension liabilities which the commonwealth may by general or special law assume on behalf of any system other than the state employees' or teachers' retirement systems, and further including the commonwealth's share for the costs of any cost of living adjustments pursuant to section one hundred and two, and those which are associated either with teachers employed by the city of Boston or with cost-of-living adjustments or other benefits for members of systems other than the state employees' retirement system and the teachers' retirement system who are not teachers employed by the city of Boston. Said schedules shall be published by said commissioner and filed with the clerks of the senate and house of representatives, and with the retirement law commission.

The said commissioner shall revise such funding schedule after each actuarial valuation report prepared pursuant to section twenty-one to reflect any increase or decrease in the projected actuarial liability that may result from, without limitation, a review of the actuarial, economic and demographic assumptions on which such funding schedule is based; provided, however, that the house and senate committees on ways and means shall have reviewed and approved in advance such actuarial, economic, and demographic assumptions and the manner and methodology used in the development of the actuarial reports and recommendations, prior to the consideration of said actuarial valuations, reports, and schedules.

"Commonwealth's pension liability", the financial obligation of the commonwealth to pay all retirement benefits pursuant to this chapter for the state employees' and teachers' retirement systems, and to reimburse local retirement systems for cost of living adjustments pursuant to section one hundred and two and including any other pension obligations of a system or of the commonwealth relative to future pension liabilities which the commonwealth may assume by general or special law on behalf of any system other than the state employees' and teachers' retirement systems, and the commonwealth's financial obligations which are associated either with the teachers employed by the city of Boston or with cost-of-living adjustments or other benefits for members of systems other than the state employees retirement system and the teachers retirement system who are not teachers employed by the city of Boston.

"Commonwealth's Pension Liability Fund", the fund established under the provisions of subdivision (8) of section twenty-two for monies appropriated and set aside to meet all financial obligations for retirement benefits by the commonwealth, except such obligations as are payable from the Annuity Savings Fund and Annuity Reserve Fund of the state employees' and teachers' retirement systems.

"Constitutional officers", the governor, lieutenant governor, members of the governor's council, state secretary, state treasurer, state auditor and attorney general.

"Creditable service", all membership service, prior service and other service for which credit is allowable to any member under the provisions of sections one to twenty-eight inclusive.

"Date the system becomes operative", or other similar phrase, to the extent that the operation of the system pertains to any governmental unit which accepts the provisions of sections one to twenty-eight inclusive, as provided for in section twenty-eight, or which has accepted corresponding provisions of

earlier laws, shall mean the date subsequent to the acceptance of such provisions as of which the financial operations of such system commence and as of which membership therein may first become effective for employees of such governmental unit.

"District", any water, sewer, light, fire, mosquito control, veterans' services or other improvement district or public unit created within one or more political subdivisions of the commonwealth for the purpose of providing public services or conveniences including the county cooperative extension service of the county of Suffolk.

[Definition of "Employee" effective until June 16, 2008. For text effective June 16, 2008, see below.]

"Employee", as applied to persons whose regular compensation, except in the case of any register of probate, is paid by any political subdivision of the commonwealth, except the metropolitan district commission, shall mean any person who is regularly employed in the service of any such political subdivision, including members of the police and fire departments, teachers, and employees of any free public library or any public museum maintained in any city or town, to the support of which said city or town contributes not less than one half of the cost, employees of a school lunch program as authorized under the provisions of chapter five hundred and forty-eight of the acts of nineteen hundred and forty-eight, employees of a mosquito control project authorized under the provisions of section five A of chapter two hundred and fifty-two, employees of the county cooperative extension service of the county of Suffolk, members of the judiciary appointed on or after January second, nineteen hundred and seventy-five, and also including officials and public officers so paid whether employed, appointed or elected by popular vote for stated terms or otherwise. "Employee", as applied to persons whose regular compensation is paid by the commonwealth or the metropolitan district commission, as the case may be, shall mean any person whether employed or appointed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of either such governmental unit in each year during the ordinary working hours of regular and permanent employees, and who is regularly and permanently employed in such service, including employees of the general court, members of the judiciary, state officials, constitutional officers, member of the general court or other persons elected by popular vote, but excluding members of the judiciary appointed thereto prior to January second, nineteen hundred and seventy-five, and excluding any person whose compensation for service rendered to the commonwealth is derived from the subsidiary account 03 of the appropriation of any department, agency, board or commission of the commonwealth; provided, however, that solely for the purpose of determining the applicability of any adjustments made pursuant to section one hundred and two, subsequent to June thirtieth, nineteen hundred and eighty-six, to the retirement allowances, pensions or annuities received by any member of the judiciary appointed thereto prior to January second, nineteen hundred and seventy-five, or by the surviving spouse or other beneficiary of such member, such member shall be deemed to be an employee. "Employee" as applied to persons whose regular compensation is paid by the United States from funds allocated to the Massachusetts National Guard, shall mean any person who is regularly and permanently employed under the control of the military department of the commonwealth and whose duties in such employment require substantially all normal working hours. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Turnpike Authority, shall mean any person, including members of the authority, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees, but shall not include any member of the state police force assigned to the Massachusetts Turnpike Authority under section twenty-nine of chapter twenty-two C. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Bay Transportation Authority, shall mean any police officer of the police department of said Authority, established by chapter six hundred and sixty-four of the acts of nineteen hundred and sixty-eight. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts State College Building Authority, Massachusetts School Building Authority,

commonwealth health insurance connector or by the University of Lowell Building Authority, shall mean any person who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees. "Employee", as applied to persons whose regular compensation is paid by the Boston Arena Authority, shall mean any person who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Housing finance Agency, shall mean any person, including members of the agency, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the agency in each year during the ordinary working hours of regular and permanent employees. "Employee" shall also mean a person who is employed by a city or town as a traffic supervisor or school crossing guard. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Port Authority, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees, but shall not include any member of the state police force assigned to the Massachusetts Port Authority under the provisions of chapter two hundred and seventy-four of the acts of nineteen hundred and fifty-nine. "Employee", as applied to persons whose regular compensation is paid by the Greater Lawrence Sanitary District, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the district in each year during the ordinary working hours of regular and permanent employees. "Employee" as applied to persons whose regular compensation is paid by the Blue Hills Regional Vocational School System, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the system in each year during the ordinary working hours of regular and permanent employees. "Employee", as applied to persons whose regular compensation is paid by the Minuteman Regional Vocational Technical School District, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the district in each year during the ordinary working hours of regular and permanent employees.

[Definition of "Employee" as amended by 2008, 130, Sec. 15 effective June 16, 2008. For text effective until June 16, 2008, see above.]

"Employee", as applied to persons whose regular compensation, except in the case of any register of probate, is paid by any political subdivision of the commonwealth, except the metropolitan district commission, shall mean any person who is regularly employed in the service of any such political subdivision, including members of the police and fire departments, teachers, and employees of any free public library or any public museum maintained in any city or town, to the support of which said city or town contributes not less than one half of the cost, employees of a school lunch program as authorized under the provisions of chapter five hundred and forty-eight of the acts of nineteen hundred and forty-eight, employees of a mosquito control project authorized under the provisions of section five A of chapter two hundred and fifty-two, employees of the county cooperative extension service of the county of Suffolk, members of the judiciary appointed on or after January second, nineteen hundred and seventy-five, and also including officials and public officers so paid whether employed, appointed or elected by popular vote for stated terms or otherwise. "Employee", as applied to persons whose regular compensation is paid by the commonwealth or the metropolitan district commission, as the case may be, shall mean any person whether employed or appointed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of either such governmental unit in each year during the ordinary working hours of regular and permanent employees, and who is regularly and permanently employed in such service, including employees of the general court, members of the judiciary, state officials, constitutional officers, member of the general court or other persons elected by

popular vote, but excluding members of the judiciary appointed thereto prior to January second, nineteen hundred and seventy-five, and excluding any person whose compensation for service rendered to the commonwealth is derived from the subsidiary account 03 of the appropriation of any department, agency, board or commission of the commonwealth; provided, however, that solely for the purpose of determining the applicability of any adjustments made pursuant to section one hundred and two, subsequent to June thirtieth, nineteen hundred and eighty-six, to the retirement allowances, pensions or annuities received by any member of the judiciary appointed thereto prior to January second, nineteen hundred and seventy-five, or by the surviving spouse or other beneficiary of such member, such member shall be deemed to be an employee. "Employee" as applied to persons whose regular compensation is paid by the United States from funds allocated to the Massachusetts National Guard, shall mean any person who is regularly and permanently employed under the control of the military department of the commonwealth and whose duties in such employment require substantially all normal working hours. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Turnpike Authority, shall mean any person, including members of the authority, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees, but shall not include any member of the state police force assigned to the Massachusetts Turnpike Authority under section twenty-nine of chapter twenty-two C. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Bay Transportation Authority, shall mean any police officer of the police department of said Authority, established by chapter six hundred and sixty-four of the acts of nineteen hundred and sixty-eight. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts State College Building Authority, Massachusetts School Building Authority, commonwealth health insurance connector, the Massachusetts Life Sciences Center, except those employees of the center opting to participate in an optional retirement plan established by the center pursuant to section 17 of chapter 23I or by the University of Lowell Building Authority, shall mean any person who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees. "Employee", as applied to persons whose regular compensation is paid by the Boston Arena Authority, shall mean any person who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Housing finance Agency, shall mean any person, including members of the agency, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the agency in each year during the ordinary working hours of regular and permanent employees. "Employee" shall also mean a person who is employed by a city or town as a traffic supervisor or school crossing guard. "Employee", as applied to persons whose regular compensation is paid by the Massachusetts Port Authority, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the authority in each year during the ordinary working hours of regular and permanent employees, but shall not include any member of the state police force assigned to the Massachusetts Port Authority under the provisions of chapter two hundred and seventy-four of the acts of nineteen hundred and fifty-nine. "Employee", as applied to persons whose regular compensation is paid by the Greater Lawrence Sanitary District, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the district in each year during the ordinary working hours of regular and permanent employees. "Employee" as applied to persons whose regular compensation is paid by the Blue Hills Regional Vocational School System, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the system in each year during the ordinary working hours of regular and permanent employees. "Employee", as applied to persons whose regular compensation is paid by the Minuteman Regional Vocational Technical School District, shall mean any person, whether employed for a stated term or otherwise, who is engaged in duties which require that his time be devoted to the service of the district

in each year during the ordinary working hours of regular and permanent employees.

"Employees of the general court", secretaries to the president of the senate and the speaker of the house of representatives and their clerical assistants; counsel to the senate and the house of representatives, their assistants and clerical assistants; clerks of the senate and the house of representatives, their assistants and clerical assistants; the sergeant at arms and his assistant; door keepers, general court officers and pages; and employees of the legislative document room.

"Employer", any person, board, or commission with the power to appoint or employ personnel as employees of the commonwealth or any political subdivision subject to this chapter.

"Expense fund", the fund established under the provisions of subdivision (5) of section twenty-two to provide for the payment of all expenses of administration of any system.

"Fiduciary", any person who exercises any discretionary authority or discretionary control respecting management of the funds of any retirement system or exercises any authority or control respecting management or disposition of its assets.

"Funding system", any retirement system other than the state employees' retirement system and teachers' retirement system which accepts the provisions of section twenty-two D and adopts a funding schedule.

"Governmental unit", the commonwealth or any political subdivision thereof, except that a teacher who is a member of, or eligible for membership in, the teachers' retirement system shall, for the purpose of membership and the requirements in connection therewith, be deemed to be employed by the same governmental unit.

"Head of his department", or other similar phrase, when used to denote the authority having the power to apply for the retirement of any member or to institute any action against him, shall mean the governor in the case of any state official, and otherwise shall mean the board, commission, authority, committee of the general court, school committee, commissioner, superintendent or other person, as the case may be, having executive control over the department, commission, institution, board, authority or office in which such member is employed. "Head of his department", or other similar phrase, when used to denote any such person to be retired, shall mean a commissioner, superintendent or other person having executive control over a department or shall mean any member of a commission, board, authority or committee having such control.

"Hospital district", the district of any hospital established under the provisions of sections seventy-eight to ninety inclusive, of chapter one hundred and eleven.

"IV-D agency", the state agency that has the responsibility for administering or supervising the administration of the provision of child support enforcement services pursuant to Title IV, Part D of the Social Security Act and chapter 119A of the General Laws.

"Maximum age", the age on the last day of the month in which any member classified in *Group 3*, as provided for in paragraph (g) of subdivision (2) of section 3, attains age 55, or if classified in any of the following occupations or position classifications, for which the personnel administrator has determined, pursuant to section 2 of chapter 415 of the acts of 1987, that age is a bona fide occupational qualification, the last day of the month that a member in any such occupation or position classifications attains age 65: a uniformed member of a paid fire department or uniformed member of a police

department, or of the police force of the Massachusetts Bay Transportation Authority, or a member of the uniformed branch of the department of fisheries and wildlife as determined by the personnel administrator, or a correctional officer or a permanent crash crewman, crash boatman, fire control man, or assistant fire control man employed at the General Edward Lawrence Logan International Airport.

"Member", any employee included in the state employees' retirement system, in the teachers' retirement system or in any county, city, town, the Massachusetts Turnpike Authority, the Massachusetts Housing Finance Agency, or the Massachusetts Port Authority contributory retirement system, the Massachusetts Bay Transportation Authority police retirement system, the Blue Hills Regional Vocational school retirement system, the Minuteman Regional Vocational Technical School District Employees' retirement system, and the Greater Lawrence Sanitary District Employees' retirement system, established under the provisions of sections one to twenty-eight, inclusive, or under corresponding provisions of earlier laws, and if the context so requires, any member of any contributory retirement system established under the provisions of any special law.

"Membership service", service as an employee in any governmental unit rendered since becoming a member of any system pertaining to such governmental unit for which credit is allowable to such member under the provisions of sections one to twenty-eight inclusive.

"Normal cost", that portion of the actuarial present value of the retirement system benefits and expenses which is allocated by the funding method to the twelve-month period following the valuation date of the most recent actuarial valuation report pursuant to section twenty-one in such actuarial valuation report. In determining the normal cost, the actuary shall utilize the most recent actuarial valuation report whether prepared pursuant to section twenty-one or pursuant to section thirty-five H of chapter ten and pursuant to the provisions of section twenty-two C.

"Pension", payments dependent upon the continuance of life of any member or beneficiary and derived from contributions made by the appropriate governmental unit.

"Pension fund", the fund established under the provisions of subdivision (3) of section twenty-two to provide for the payment of all pensions payable on account of members from contributions made to any system by any governmental unit to which such system pertains.

"Pension reserve fund", the fund established under the provisions of subdivision (6A) of section twenty-two to provide for the reservation of monies for future pension liabilities of a system.

"PRIM board", the pension reserves investment management board established under the provisions of section twenty-three for the purpose of investing the assets of the state employees' and teachers' retirement systems and of other participating and purchasing systems.

"PRIT Fund", the Pension Reserves Investment Trust Fund established under the provisions of subdivision (8) of section twenty-two.

"Political subdivision", the metropolitan district commission or any county, hospital district, city, town, district or housing authority, established under the provisions of section five of chapter one hundred and twenty-one B, the Massachusetts Turnpike Authority, the Massachusetts Parking Authority, the Old Colony Planning Council, the Massachusetts Bay Transportation Authority, the Massachusetts State College Building Authority, the University of Lowell Building Authority, the Massachusetts Housing Finance Agency, the Massachusetts Port Authority, the Greater Lawrence Sanitary District, the Blue Hills Regional Vocational School system, the Minuteman Regional Vocational Technical School

District, or any other public unit in the commonwealth.

"Prescribed form", any form prescribed by any board and subject to the approval of the actuary.

"Prior service" or "creditable prior service", service as an employee in any governmental unit rendered prior to the date the system pertaining to such governmental unit became operative and for which credit is allowable to any member under the provisions of sections one to twenty-eight inclusive.

"Public school", any day school conducted in the commonwealth under the superintendence of a duly elected school committee and also any day school conducted under the provisions of sections one to thirty-seven inclusive of chapter seventy-four.

"Regional medical panel", the three member independent medical panel, established on a regional basis by the public employee retirement administration commission after consultation with the department of public health and the Massachusetts Medical Society to conduct medical examinations and reviews pursuant to this chapter.

"Regular compensation", during any period prior to January first, nineteen hundred and forty-six, shall mean the full salary, wages or other compensation in whatever form, lawfully determined for the individual service of the employee by the employing authority, from which regular deductions were made pursuant to the provisions of chapter thirty-two applicable from time to time prior to such date; provided, that if the amount of such salary, wages or other compensation has been reduced or increased during any such period as a general temporary adjustment due to the cost of living or to other economic conditions, and if the board has received from the appropriate authority a written notice of such fact or if the board is satisfied of such fact after an investigation which it shall make prior to July first, nineteen hundred and forty-six, or which it shall make thereafter and not later than six months after a system becomes operative for the employees of any governmental unit, such amount shall, for the purpose of any computations made under the provisions of sections one to twenty-eight, inclusive, involving the use of an annual or an average annual rate of regular compensation during any such period, but not for the purpose of affecting any regular deductions already made, remain unaffected by such general temporary adjustment. "Regular compensation", during any period subsequent to December thirty-first, nineteen hundred and forty-five **through June 30, 2009**, shall mean the salary, wages or other compensation in whatever form, lawfully determined for the individual service of the employee by the employing authority, not including bonus, overtime, severance pay for any and all unused sick leave, early retirement incentives, or any other payments made as a result of giving notice of retirement, but including evaluated maintenance as provided for in paragraph (c) of subdivision (1) of section twenty-two, and including any part of such salary, wages or other compensation derived from federal grants except as provided in clause (xi) of paragraph (a) of subdivision (2) of section three; provided, that during any period subsequent to June thirtieth, nineteen hundred and forty-eight, salary, wages or other compensation payable in the form of cost of living bonuses and cost of living pay adjustments shall be included in such term. In the case of a teacher employed in a public day school who is a member of the teachers' retirement system, salary payable under the terms of an annual contract for additional services in such a school and also compensation for services rendered by said teacher in connection with a school lunch program or for services in connection with a program of instruction of physical education and athletic contests as authorized by section forty-seven of chapter seventy-one shall be regarded as regular compensation rather than as bonus or overtime and shall be included in the salary on which deductions are to be paid to the annuity savings fund of the teachers' retirement system. In the case of police officers, firefighters and employees of a municipal department who are employed as fire alarm signal operators or signal maintenance repairmen, money paid for holidays shall be regarded as regular compensation rather than as overtime and shall be included in the salary on which deductions are to be paid to the annuity savings fund. Regular compensation shall also include all premiums paid by any

governmental unit for the purchase of an individual or group annuity contract as authorized by section eighteen A of chapter fifteen or section thirty-seven B of chapter seventy-one. Regular compensation shall also mean compensation received by any member having made the election provided for in section ninety G 1/2 or section ninety G 3/4 and serving after age seventy pursuant to section ninety F, ninety G or ninety H. **"Regular Compensation", during any period subsequent to June 30, 2009, shall be compensation received exclusively as wages by an employee for services performed in the course of employment for his employer.**

Notwithstanding any provision of this chapter to the contrary, after December 31, 1995, regular compensation for any member shall not include salary, wages or other compensation in whatever form in any calendar year in excess of any annual limitation that may be imposed pursuant to federal law on the amount of compensation that may be taken into account when calculating benefits under plans described in 26 U.S.C. section 401(a), including, but not limited to, the applicable limits for any calendar year under 26 U.S.C. section 401(a)(17). The limitations applicable in a calendar year to members who were members in service on or before December 31, 1995 shall be the limit provided in section 1.401(a)(17)-1(d)(4) of the United States Treasury Regulations. The limitations applicable to a member under the preceding 2 sentences shall be calculated and applied by the board of the system that pertains to such member based upon the applicable provisions of said section 401(a)(17) and the regulations promulgated under that section including said section 1.401(a)(17)-1(d)(4), as in effect and applicable to governmental plans from time to time.

If, as a result of a mistake in applying the limitations of the preceding paragraph, contributions or deductions are made by or on behalf of any member of a system based on compensation in excess of the limitations specified in such preceding paragraph, the board of the system that pertains to such member shall direct the taking of corrective action with respect to such excess which is consistent with such rules or procedures as may be established from time to time by the United States Internal Revenue Service.

"Regular deductions", the amounts withheld from the regular compensation of any member, as provided for in paragraphs (b) to (e) inclusive, of subdivision (1) of section twenty-two, or in corresponding provisions of earlier laws, including any amounts of make-up payments withheld from his regular compensation or deposited and credited to his account in the annuity savings fund of any system on account of his late entry into or reinstatement, transfer or re-establishment of membership, and including any payments so withheld or deposited for the purpose of establishing credit for out-of-state service for teachers or for service in any other governmental unit or credit for other service, but in any event excluding regular interest thereon.

"Regular interest", the interest credited to any member's account in the annuity savings fund of any system or to his account in the special fund for military service credit, as provided for in subdivision (6) of section twenty-two.

"Retirement allowance", the sum of the amount of the annuity and the amount of the pension provided for in sections one to twenty-eight inclusive.

"Retirement system funding schedule", the plan established by a retirement board, and approved by the actuary, after reviewing all reports prepared pursuant to section thirty-five H of chapter ten and subdivision (3) of section twenty-one of chapter thirty-two, which establishes the payments necessary pursuant to section twenty-two D to pay the normal cost of benefits for the system and amortizes over the forty-year period beginning July first, nineteen hundred and eighty-nine, or nineteen hundred and ninety, any unfunded actuarial liability of the system. Said schedule shall be published by said board and filed with the clerks of the government units participating in the system. The actuary may require said

board to revise such funding schedule after each actuarial valuation report prepared pursuant to section twenty-one to reflect any increase or decrease in the projected actuarial liability that may result from a review of the actuarial, economic and demographic assumptions on which such funding schedule is based.

"Service", service as an employee in any governmental unit for which regular compensation is paid.

"Special fund for military service credit", the fund established under the provisions of subdivision (4) of section twenty-two to provide for the accumulation of the special contributions made to any system by any governmental unit for the purpose of establishing retirement allowance credits for any member who is a veteran.

"State official", any person appointed by the governor to a position in the service of the commonwealth or metropolitan district commission for which such person receives regular compensation, except a member of the judiciary.

"State police surgeon", the physician designated by the colonel of the department of state police to serve as the physician for the department.

"System", the state employees' retirement system, the teachers' retirement system, the Massachusetts Turnpike Authority employees' retirement system, the Massachusetts Housing Finance Agency employees' retirement system, the Massachusetts Bay Transportation Authority police retirement system, the Massachusetts Port Authority employees' retirement system, the Greater Lawrence Sanitary District employees' retirement system, the Blue Hills Regional Vocational School retirement system, the Minuteman Regional Vocational Technical School District retirement system, or any county, city, or town contributory retirement system, as the case may be, established under the provisions of sections one to twenty-eight, inclusive, or under corresponding provisions of earlier laws and subject thereto, in which any member is included, and if the context so requires, any contributory retirement system established for the employees of any governmental unit under the provisions of any special law.

"Teacher", any person who is employed by one or more school committees or boards of trustees or by any combination of such committees and boards on a basis of not less than half-time service as a teacher, school psychologist, school psychiatrist, school adjustment counsellor or school social worker appointed under section forty-six G of chapter seventy-one, director of occupational guidance and placement appointed under section thirty-eight A or thirty-eight D of chapter seventy-one, principal, supervisor or superintendent in any public school as defined in this section, or as a supervisor or teacher of adult civic education, but excluding any person serving as an exchange teacher in any such public school unless he is a member of the teachers' retirement system at the time of entry into such service; provided, that "teacher" shall not be deemed to include, nor shall sections one to twenty-eight inclusive apply, to any person who is a teacher in the public schools of the city of Boston, except to such a teacher who on September first, nineteen hundred and twenty-three, was employed by the city of Boston and was then a member of the teachers' retirement system.

"Total deductions", the sum of the amount of the regular deductions and the amount of the additional deductions, if any, credited to any member's account in the annuity savings fund of any system.

"Veteran", any person who (a) is a veteran as defined in clause Forty-third of section seven of chapter four; or (b) meets all the requirements of said clause Forty-third except that instead of performing wartime service as so defined he has been awarded one of the campaign badges enumerated in the definition of "Veteran" in section one of chapter thirty-one; or (c) meets all the requirements of said

clause Forty-third except that instead of performing ninety days' active service, including ten days' wartime service, he has performed active service in the armed forces of the United States at any time between April sixth, nineteen hundred and seventeen and November eleventh, nineteen hundred and eighteen, inclusive.

“Wages”, the base salary or other base compensation of an employee paid to that employee for employment by an employer; provided, however, that “wages” shall not include, without limitation, overtime, commissions, bonuses other than cost of living bonuses, amounts derived from salary enhancements or salary augmentation plans which will recur for a limited or definite term, indirect, in kind or other payments for such items as housing, lodging, travel, clothing allowances, annuities, welfare benefits, lump sum buyouts for workers' compensation, job related expense payments, automobile usage, insurance premiums, dependent care assistance, 1 time lump sum payments in lieu of or for unused vacation or sick leave or the payment for termination, severance, dismissal or any amounts paid as premiums for working holidays, except in the case of police officers, firefighters and employees of a municipal department who are employed as fire alarm signal operators or signal maintenance repairmen money paid for holidays shall be regarded as regular compensation, amounts paid as early retirement incentives or any other payment made as a result of the employer having knowledge of the member's retirement, tuition, payments in kind and all payments other than payment received by an individual from his employing unit for services rendered to such employing unit, regardless of federal taxability; provided further, that notwithstanding the foregoing, in the case of a teacher employed in a public day school who is a member of the teachers' retirement system, salary payable under the terms of an annual contract for additional services in such school and compensation for services rendered by a teacher in connection with a school lunch program or for services in connection with a program of instruction of physical education and athletic contests as authorized by section 47 of chapter 71 shall be regarded as “regular compensation” rather than as bonus or overtime and shall be included in the salary on which deductions are to be paid to the annuity savings fund of the teachers' retirement system.

Notwithstanding any provision of this chapter to the contrary, after December 31, 1995, regular compensation for any member shall not include salary, wages or other compensation in whatever form in any calendar year in excess of any annual limitation that may be imposed pursuant to federal law on the amount of compensation that may be taken into account when calculating benefits under plans described in 26 U.S.C. section 401(a), including, but not limited to, the applicable limits for any calendar year under 26 U.S.C. section 401(a)(17). The limitations applicable in a calendar year to members who were members in service on or before December 31, 1995 shall be the limit provided in section 1.401(a)(17)-1(d)(4) of the United States Treasury Regulations. The limitations applicable to a member under the preceding 2 sentences shall be calculated and applied by the board of the system that pertains to such member based upon the applicable provisions of said section 401(a)(17) and the regulations promulgated under that section including said section 1.401(a)(17)-1(d)(4), as in effect and applicable to governmental plans from time to time.

If, as a result of a mistake in applying the limitations of the preceding paragraph, contributions or deductions are made by or on behalf of any member of a system based on compensation in excess of the limitations specified in such preceding paragraph, the board of the system that pertains to such member shall direct the taking of corrective action with respect to such excess which is consistent with such rules or procedures as may be established from time to time by the United States Internal Revenue Service.