

Beacon Hill Byline by Mary Rogeness

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Early Retirement Plan

Early Retirement legislation has drawn more letters and phone calls to my office than almost any other issue in the past month. It is not a glamorous item, but many state employees have a strong interest in knowing whether or not they should plan to retire now or a few years down the road. The Governor rejected one such law at the end of 1991, so the legislature is now working with him to develop acceptable legislation this year. Here is a summary of the Early Retirement bill.

First, let me review the reasons behind the bill. The retirement incentive allows senior employees to leave their work force, lowering payroll costs because they are replaced by younger, lower salaried workers. Additional savings are assured by a provision that only 25 percent of the retiring staff can be replaced. The law revitalizes at the same time it downsizes state government.

The bill first appeared before the House and Senate in December. As it progressed toward passage, it was amended several times, and each amendment added a new benefit for another class of employees. By the time it had passed both branches of the legislature, the bill offered so many enhancements to so many people that Governor Weld vetoed it, promising in his veto message that he would introduce a new proposal early next year.

A few weeks ago I wrote in this column that one of the lessons of Beacon Hill was "It's not over till it's over." That is the situation with Early Retirement this week.

Governor Weld presented his new bill to the House in January. The wording of the bill is changing as it is amended by the legislature, but there are some aspects that most versions include.

Workers over 50 are eligible if they have 20 years of employment; younger workers can select a reduced pension with 15 years on the job.

Five years are added to seniority or age for determining benefits.

There is a 2 month window to select the early retirement option, flexible if the worker is employed at an institution that is closing.

A maximum of 7,000 workers are eligible to participate.

The House has amended the bill to include optional coverage of both teachers and municipal employees and 5 percent COLA for all retirees. Each item has a price tag. The COLA is of particular interest to all retirees, who have not received such an adjustment in the past four years.

It is, however, unrelated to the basic purpose of the bill and adds an additional \$60 million to the budget, negating all savings from any other provisions of the legislation. Gov. Weld has stated that any adjustments to the COLA should be addressed separately, and that he will not sign a bill that includes that issue.

Early Retirement is presently being debated by the Senate. Once it passes that body, any differences between the House and Senate versions will be reconciled so that one version is offered to the Governor.

The Senate, the House and the Governor are all working for the enactment of an early retirement law. Because of the complexity of formulas and computations, retirement counseling will be offered to help eligible employees assess the available benefits. It is my hope that the law will contribute to a downsized workforce for the government, a manageable budget for Massachusetts, and a long happy retirement for state workers.