

PERAC's FAQ about Pension Reform

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FAQS REGARDING CHAPTER 21 OF THE ACTS OF 2009

Are payments under the “Quinn Bill” regular compensation under Chapter 21?

“The Quinn Bill” established by G.L. c. 42, § 108L clearly provides that Quinn Bill payments become a permanent part of an individual’s base pay. Therefore, they are included in the new definition of regular compensation. Funding of the Quinn Bill is a separate issue.

Are other so called educational incentives regular compensation under Chapter 21?

If educational incentives for individuals are a permanent part of the base salary, such payments are included in the new definition of regular compensation. If not part of the base salary, no, unless provided for in a collective bargaining agreement or employment contract in effect on May 1, 2009, in which case it will remain regular compensation until the contract expires but no later than July 1, 2012.

Are longevity payments, EMT payments, HazMat payments, Defibrillator payments, Homeland Security payments, Stand-By payments, and other similar payments regular compensation under Chapter 21?

If longevity EMT, Hazardous Material, Defibrillator, Homeland Security, Stand-by payments, and other similar payments are permanent part of base pay, such payments are included in the new definition of regular compensation. If not part of the base salary, no, unless provided for in a collective bargaining agreement or employment contract in effect on May 1, 2009, in which case it will remain regular compensation until the contract expires but no later than July 1, 2012.

Do amounts paid for working holidays for certain public safety personnel continue to be regular compensation?

Yes.

A collective bargaining agreement or employment contract was in effect prior to May 1, 2009. There is no new contract as of July 1, 2009 and the parties are operating under the old agreement until a new one is executed. If a new agreement is executed after July 1, 2009 how will this be assessed under Chapter 21?

If the old contract was in effect prior to May 1, 2009, the successor contract would be effective on the date the old contract expired and payments that were regular compensation will retain that status until the end of the successor contract, but not later than June 30, 2012. Retirement contributions should continue to be withheld while the new

contract is being negotiated.

Does the definition of regular compensation impact payments made prior to June 30, 2009?

The new definition of regular compensation established by Chapter 21 does not impact payments made prior to July 1, 2009. Regular compensation status for payments made prior to July 1, 2009 will be determined according to the "old" definition. As a result there will be instances in which a member's three year average will include regular compensation which is determined under both definitions. For example, regular compensation for June 30, 2007 to June 30, 2008 and for July 1, 2008 to June 30, 2009 will be determined under the "old" definition and regular compensation for July 1, 2009 to June 30, 2010 will be determined under the definition established by Chapter 21. PERAC WILL CONTINUE TO POST ADDITIONAL QUESTIONS AND ANSWERS IN THE COURSE OF THE NEXT SEVERAL DAYS.

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