

THE COMMONWEALTH OF MASSACHUSETTS

In the Year Two Thousand and Thirteen

AN ACT AUTHORIZING THE TOWN OF HOLLISTON TO ESTABLISH AN OTHER POST-EMPLOYMENT BENEFITS TRUST FUND.

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. As used in this act, the following words shall have the following meanings:

"GASB 43 and 45", statements 43 and 45 of the Governmental Accounting Standards Board as amended from time to time and their successors.

"Other post-employment benefits" or "OPEB", post-employment benefits other than pensions as that term is defined in GASB 43 and 45, including post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

SECTION 2. (a) There shall be in the town of Holliston an OPEB Trust Fund which shall be under the supervision and management of a 5-member board of trustees. The board of trustees shall be comprised of the chair of the board of selectmen, the town administrator, the town treasurer and tax collector, the chair of the school committee and a resident appointed by the board of selectmen. The town treasurer and tax collector shall be the custodian of the fund and may employ an outside custodial service.

(b) Beginning in fiscal year 2013, the OPEB Trust Fund shall be credited with all amounts appropriated or otherwise made available by the town to meet the current and future OPEB costs payable by the town. The fund shall be credited with all amounts contributed or otherwise made available by employees of the town to meet future OPEB costs payable by the town. Any interest or other income generated by the fund shall be added to and become part of the fund. Any reimbursements that the town receives as a participant in the Retiree Drug Subsidy Program created pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, Public Law 108-173, or in a qualified retiree prescription drug plan pursuant to 42 U.S.C. 1395w-132 may be added to and become part of the fund. Amounts in the fund, including any earnings or interest accruing from the investment of these amounts, shall be expended only for the payment of the costs payable by the town for OPEB in consultation with the retirement board. Subject in each instance to the approval of the board of trustees, the town treasurer and tax collector shall invest and reinvest the amounts in the fund not needed for current disbursement consistent with the prudent person rule and sections 3, 4, 5, 8

and 9 of chapter 203C of the General Laws, but no funds shall be invested directly in mortgages or collateral loans. All monies held in the fund shall be segregated from other funds and shall not be subject to the claims of any general creditor of the town.

(c) The board of trustees may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB Trust Fund and may pay from the fund for this advice and other services determined by the board of trustees. Procurement for these services shall be subject to chapter 30B of the General Laws.

SECTION 3. (a) An actuary, who shall be a member of the American Academy of Actuaries, shall perform an actuarial valuation of the town's OPEB liabilities and funding schedule, as of June 30, 2012, and no less frequently than every second year thereafter. The determinations shall be made in accordance with generally accepted actuarial standards and shall conform to the requirements of GASB 43 and 45 and the actuary shall make a report of the determinations to the town. The report shall, without limitation, detail the demographic and economic actuarial assumptions used in making the determinations and each report after the first report shall also include an explanation of the changes, if any, in the demographic and economic actuarial assumptions employed and the reasons for the changes.

(b) Beginning in fiscal year 2013, all payments for the purposes of meeting the town's costs of OPEB pursuant to this act shall be made from the OPEB Trust Fund. Disbursements from the fund, including any earnings or interest accruing from the investment of these amounts, shall only be in accordance with this act.

SECTION 4. This act shall take effect upon its passage.

House of Representatives, December 23, 2013.

Passed to be enacted,

Paul Morato Acting Speaker.

In Senate, December 23, 2013.

Passed to be enacted,

Stan Rosenberg Acting President.

30 December 2013.

Approved,

at 10 o'clock and 50 minutes, A. M.

[Signature]
Governor.