

Municipal Modernization Bill Updates to OPEB: Chapter 32B, Section 20

	Prior to November 7, 2016	After November 7, 2016 (if adopted by governmental unit)
Adoption	The adoption under the existing law – or special legislation – remains in effect unless new legislation is formally adopted.	Section 238 of Act: Any city, town, district, municipal lighting plant or county that established an OPEB Fund pursuant to Section 20 of Chapter 32B of the General Laws before the effective date of this act shall continue said fund under the terms originally established unless such city, town, district or municipal lighting plant or county reaccepts said section 20 of said Chapter 32B after the effective date of this act.
Governmental Unit	City, town, district, county or municipal lighting plant	Any Political Subdivision of the Commonwealth, including municipal lighting plant, local housing or redevelopment authorities, regional councils and educational collaboratives
Acceptance of Section	Establish OPEB Trust Fund	Section 20 (b) Establish OPEB Trust Fund
	Appropriate amounts to be credited	Section 20 (b) Appropriate amount to be credited; accept gifts, grants and other contributions
	Funds segregated from other funds	Section 20 (b) Funds held solely to meet current and future liabilities of the governmental unit for group health insurance benefits of retirees and their dependents and account for separately
	Not subject to claims of general creditors	Section 20 (b) Not subject to claims of general creditors
Custodian	(i) Designee appointed by board of municipal light plant; (ii) treasurer of any other governmental unit; or (iii) Health Care Security Trust Board	Section 20 (c) Treasurer of any governmental unit
Trustee	Not mentioned	Section 20 (d) (i) the custodian (treasurer); (ii) retirement board; (iii) board of trustees pursuant to subsection (e); If no designation, defaults to custodian. Subsection (e) - board of trustees shall consist of 5 to 13 individual including a person or persons with the investment experience desired by the governmental unit, a citizen or citizens, an employee, a retiree or retirees and an officer or officers. The employee shall be selected by current employees by ballot; the retiree or retirees shall be selected by current retirees by ballot. The remainder shall be appointed by the CEO (i.e. Town Manager, City Mayor, etc.). The trustees will serve for 3 or 5 years and shall be eligible for reappointment.
Declaration of Trust	Not mentioned	Section 20 (d) Adopted by Trustee and filed with CEO (i.e. Town Manager, City Mayor, etc.) and clerk of governing body. Takes effect 90 days after date filed unless governing body votes to disapprove within that period.
Investment of Fund	Prudent Investor Rule: Chapter 203C	Section 20 (g) Per section 54 of Chapter 44 unless governmental unit authorizes investment under prudent investor rule Chapter 203C.
Distributions	Not mentioned	Section 20 (h) Appropriated by 2/3 vote of governing body for unit's share of retirees' health insurance benefits.