



MARTIN J. BENISON
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May 5, 2014

The Honorable Stephen M. Brewer, Chairman, Senate Ways and Means Committee
 The Honorable Brian S. Dempsey, Chairman, House Ways and Means Committee
 The Honorable James T. Welch, Senate Co-Chair of the Joint Committee on Health Care Financing
 The Honorable Jennifer Benson, House Co-Chair of the Joint Committee on Health Care Financing
 The Honorable John F. Keenan, Senate Co-Chair of the Joint Committee on Public Health
 The Honorable Jeffrey Sánchez, House Co-Chair of the Joint Committee on Public Health
 Emme Schultz, Assistant Secretary for Budget and Finance, Administration and Finance

Re: Tobacco Funds

In accordance with the requirement in Section 3 c. of Chapter 29D of the Massachusetts General Laws, I hereby certify the receipt of a deposit of Massachusetts' share pursuant to the master settlement agreement (MSA) resulting from the action known as Commonwealth of Massachusetts v. Phillip Morris, Inc. This amount is Massachusetts' share of the funds withheld in connection with the 2005 non-participating manufacturers.

On April 16, 2014, an annual payment of \$271,707,077.08 was received and confirmed by Treasury. On April 17, 2014, a payment was received for \$10,135,195.76 and on April 28th, an additional \$209,739.85 was received.¹

I have also enclosed a spreadsheet showing the base payments projected in the MSA, actual payments received, as well as projected and actual payments to the law firms that represented the Commonwealth in the case.

Total receipts for the fiscal year are as follows:

<u>Date</u>	<u>Amount</u>
4/16/14	\$ 271,707,077.08
4/17/14	\$ 10,135,196.75
4/28/14	\$ 206,739.85
Total Received for FY14 to date	\$ 282,049,012.69²

¹ In accordance with sections 203 and 204 of Chapter 38 of the Acts of 2013, an amount equal to 20% of such receipts, or \$56,409,802.54, is to be transferred to the State Retiree Benefits Trust Fund (SRBTF) from unspent FY 2014 debt service appropriations. To the extent such unspent debt service appropriations fall short of 20% of tobacco settlement revenues, Chapter 38 requires that the shortfall be transferred to the SRBTF from the tobacco settlement payments. The balance of the FY 2014 tobacco settlement payments are to be deposited in the General Fund. The transfers from the tobacco settlement payments to the SRBTF are to increase by 10% each year, until in FY 2022 100% of tobacco settlement payments are to be deposited in the SRBTF.

² This amount mount differs from the Attorney General's April 30th Certification that the Commonwealth was allotted \$282,124,397.24 through the manufacturer payments because there was an outstanding debt to the National Association of Attorneys General (NAAG) related to litigation costs, which was repaid through the disbursement of the 2013 funds, resulting in the slightly reduced cash to the Commonwealth of \$282,052,012.69

Sincerely,



Martin J. Benison
Comptroller

Enc.
MB/elh

Cc: Chair, Health Care Security Trust
Ashley Groffenberger, Budget Director, House Committee on Ways and Means
Douglas Howgate, Budget Director, Senate Committee on Ways and Means

Commonwealth of Massachusetts
Share of Master Settlement
Last Settlement Date: 4/14
Last Attorney Payment Date: 4/14

Commonwealth's Fiscal Year	Base Amounts from the Master Settlement Agreement							Attorneys Arbitration Payments				
	Nationwide Initial Payment (A)	Nationwide Annual payment (B)	Strategic Contribution	Initial Mass Share (C)	Annual Mass Share (D)	Mass Share of Strategic Contribution Payments (E)	Mass Share of all Payments (F) (C+D+E)	Actual Payments (G)	Percent (H) (G/F)	Cumulative Percent	Projected *	Actual to Date *
1999	\$ 2,400,000,000	\$ -		\$ 96,935,496	\$ -	\$ -	99 amounts included in 00					
2000	\$ 2,472,000,000	\$ 4,500,000,000		\$ 99,843,561	\$ 181,754,055	\$ -	\$ 378,533,112	326,235,129	86.18%	86.18%	51,355,388	51,355,388
2001	\$ 2,546,160,000	\$ 5,000,000,000		\$ 102,838,868	\$ 201,948,950	\$ -	\$ 304,787,818	242,469,511	79.55%	83.23%	31,976,288	31,976,288
2002	\$ 2,622,544,800	\$ 6,500,000,000		\$ 105,924,034	\$ 262,533,635	\$ -	\$ 368,457,669	304,517,550	82.65%	83.02%	27,275,898	27,275,898
2003	\$ 2,701,221,144	\$ 6,500,000,000		\$ 109,101,755	\$ 262,533,635	\$ -	\$ 371,635,390	300,038,924	80.73%	82.43%	30,228,933	30,228,933
2004		\$ 8,000,000,000		\$ -	\$ 323,118,320	\$ -	\$ 323,118,320	253,621,276	78.49%	81.70%	31,072,796	31,072,796
2005		\$ 8,000,000,000		\$ -	\$ 323,118,320	\$ -	\$ 323,118,320	257,416,845	79.67%	81.38%	31,072,796	36,613,368
2006		\$ 8,000,000,000		\$ -	\$ 323,118,320	\$ -	\$ 323,118,320	236,305,234	73.13%	80.27%	31,072,796	37,909,880
2007		\$ 8,000,000,000		\$ -	\$ 323,118,320	\$ -	\$ 323,118,320	247,340,051	76.55%	79.82%	31,072,796	37,722,444
2008		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	288,490,174	77.94%	79.60%	31,072,796	37,476,649
2009		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	315,153,115	85.14%	80.19%	31,072,796	37,205,371
2010		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	263,678,368	71.23%	79.33%	31,072,796	26,116,849
2011		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	248,741,127	67.20%	78.26%	31,072,796	26,861,324
2012		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	253,627,919	68.52%	76.68%	31,072,796	26,861,324
2013		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	253,497,834	68.48%	75.76%	31,072,796	26,861,324
2014		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	282,049,013	76.20%	75.20%	31,072,796	26,861,324
2015		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	-	0.00%		31,072,796	-
2016		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	-	0.00%		31,072,796	-
2017		\$ 8,139,000,000	\$ 861,000,000	\$ -	\$ 328,732,501	\$ 41,425,316	\$ 370,157,817	-	0.00%		31,072,796	-
2018		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	-	0.00%		31,072,796	-
2019		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	-	0.00%		31,072,796	-
2020		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	-	0.00%		31,072,796	-
2021		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	-	0.00%		31,072,796	-
2022		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	-	0.00%		31,072,796	-
2023		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	-	0.00%		31,072,796	-
2024		\$ 9,000,000,000		\$ -	\$ 363,508,110	\$ -	\$ 363,508,110	\$ -	0.00%		12,707,573	-
	\$ 12,741,925,944	\$ 198,890,000,000	\$ 8,610,000,000	\$ 514,643,713	\$ 8,033,125,333	\$ 414,253,163	\$ 8,962,022,209	\$ 4,073,182,070	45.45%		\$ 775,000,000	\$ 492,399,160

* Per Mintz Levin Cohn Ferris Glovsky and Popeo, PC, attorney for Brown Rudnick, et al.