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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2011**

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A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES--RETIREMENT SYSTEM --  
CONTRIBUTION AND BENEFITS

Introduced By: Senators Paiva Weed, Goodwin, and Ruggerio

Date Introduced: October 18, 2011

Referred To: Senate FINANCE

It is enacted by the General Assembly as follows:

1           SECTION 1. Legislative intent and findings.

2           (a) It is the intention of the general assembly, in enacting this, the Rhode Island  
3 Retirement Security Act of 2011, to ensure the sustainability of the state's public retirement  
4 systems. In thoroughly reviewing the condition of the retirement systems throughout the State of  
5 Rhode Island and assessing the need for comprehensive reform thereof, the general assembly  
6 finds and declares that:

7           (1) The State of Rhode Island has one of the lowest funded and most vulnerable statewide  
8 pension systems in the country.

9           (2) The State of Rhode Island has suffered deeply through the recent recession and  
10 continues to endure some of the highest unemployment and foreclosure rates in the United States.

11           (3) The current condition of Rhode Island's critically underfunded pension system,  
12 combined with the state's continuing financial instability and existing onerous tax burden,  
13 threatens the base pensions of current and future public workers, hampers the ability of the state  
14 to provide its citizens with vital services necessary for the public's health, safety and welfare, and  
15 places an unsustainable financial burden on all Rhode Island citizens and taxpayers.

16           (4) The state retirement system's unfunded liability exceeds \$7 billion as measured by  
17 well-established and accepted public accounting standards.

18           (5) The largest portion of the retirement system, the Employees Retirement System of

1 Rhode Island (ERSRI) fund for teachers and state employees, is funded at a level of 48% which is  
2 well below benchmarks for a viable, sustainable and adequately funded system.

3 (6) Annual government contributions to ERSRI more than doubled between fiscal years  
4 2005 and 2011 and those contributions are estimated to double again in fiscal year 2013 to exceed  
5 over \$600 million. Without immediate and comprehensive legislative action future contributions  
6 will continue to grow dramatically and exceed \$1 billion dollars in necessary annual  
7 contributions.

8 (7) If pension contributions continue to grow at the current and projected levels, they will  
9 be unaffordable and the pension security of our valued public employees will be placed in  
10 jeopardy.

11 (8) It is critical and of paramount importance to ensure that the public pension plans in  
12 Rhode Island can provide secure pension benefits to our public employees.

13 (9) Life expectancy is increasing dramatically as evidenced by the significant changes  
14 made to the mortality tables in the most recent experience study conducted by the actuary for the  
15 ERSRI and the Municipal Employees Retirement System (MERS). It is essential that these new  
16 life expectancy trends be recognized and that retirement ages be increased in a manner that will  
17 provide for a fiscally sound balance between the career length of active employees and the  
18 expected length of years in which a retiree will receive plan benefits.

19 (10) The vast majority of the unfunded liability for ERSRI is attributable to service  
20 rendered by employees who have already retired, and a very significant portion of this unfunded  
21 liability is represented by future cost of living adjustments (COLAs). Although the pension  
22 benefits of active employees have been reduced by recent legislative reforms, retirees still receive  
23 all the benefits that were in place before the legislative changes. In order to provide a sound  
24 benefit program for all members of the retirement system, and to provide current and future  
25 employees with adequate benefit levels that will enable the state and its cities and towns to attract  
26 and retain a highly qualified workforce, it is essential that the COLA benefits for retirees be  
27 impacted as part of this comprehensive reform of the retirement system.

28 (11) The national credit rating agencies that evaluate the security of Rhode Island's debt  
29 offerings have consistently and unanimously emphasized the significant threat posed by the  
30 unfunded liabilities of the state's current retirement system. Rapidly escalating pension costs  
31 were a critical factor in the negative outlook for the state's credit rating recently issued by  
32 Moody's Investors Service.

33 (12) Future downgrades in the public debt markets related to the rising costs and  
34 expenses of the currently existing state pension system will substantially increase Rhode Island's

1 capital cost structure and adversely affect and greatly diminish the state's ability to address  
2 critical infrastructure needs for education, transportation and other crucial public projects.

3 (13) While plans in the Municipal Employees Retirement System (MERS), with an  
4 average funding level of 73%, are generally more adequately funded than the ERS plans, annual  
5 contributions to the MERS plans will increase dramatically in Fiscal Year 2013 at an average rate  
6 of more than 90% for MERS police and fire plans, and greater than 60% for MERS general  
7 municipal employee plans. The dramatically increasing costs from rising contributions to the  
8 MERS plan will result in the further erosion of the ability of towns and cities to provide services  
9 necessary for the health, safety and welfare of their residents.

10 (14) The fiscal peril related to the growing and substantial unfunded pension liabilities  
11 may necessitate other Rhode Island communities filing for bankruptcy protection which has  
12 already been shown to jeopardize and result in the reduction of significant percentages of the base  
13 of pensions of its retired public servants.

14 (15) The looming pension crisis has also impacted the ability of many Rhode Island  
15 communities to access the debt markets and has resulted in Moody's Investors Service taking  
16 negative action on numerous localities which adversely impacts the taxpayers and their ability to  
17 provide vital public services.

18 (16) The myriad of pension program designs throughout Rhode Island creates  
19 inefficiencies and it is efficient, equitable and fiscally prudent, wherever feasible, to promote  
20 similar plan designs for public employees in similar employment positions.

21 (b) To advance and maintain the long-term stability of the public pension programs  
22 sponsored by the State of Rhode Island and its municipalities, the general assembly further finds  
23 and declares that it is of critical and immediate public importance that these public pension  
24 programs be restructured:

25 (1) To ensure that the state and its cities and towns will be able to provide retirement  
26 benefits that will enable our public employees to enjoy a dignified retirement.

27 (2) To ensure a secure and adequate source of retirement funds for public retiree benefits.

28 (3) To ensure that the cost of current and future benefits is not so great and onerous that it  
29 jeopardizes the ability and obligation of the state and its town and cities to fund the costs of  
30 providing our children with an excellent public education; rebuilding and sustaining our  
31 economy; maintaining roads and bridges; providing assistance, care, and support of our neediest  
32 and most vulnerable citizens; and addressing other essential public programs and purposes.

33 (4) The general assembly expressly finds and declares that the situation currently  
34 confronting the State of Rhode Island's publicly financed pension systems has reached an

1 [emergency stage and must be addressed without delay and the enactment of the Rhode Island](#)  
2 [Retirement Security Act of 2011 is reasonable and necessary to achieve and protect the](#)  
3 [compelling public interests listed herein. The general assembly further finds and declares that the](#)  
4 [achievement of those compelling public interests, on balance, far outweigh any impact that such](#)  
5 [enactment might have upon the expectations of active and retired members of the affected](#)  
6 [pension systems as to potential future pension benefits.](#)

7 SECTION 2. Section 36-8-1 of the General Laws in Chapter 36-8 entitled "Retirement  
8 System - Administration" is hereby amended to read as follows:

9 **36-8-1. Definition of terms.** -- The following words and phrases as used in chapters 8 to  
10 10 of this title unless a different meaning is plainly required by the context, shall have the  
11 following meanings:

12 (1) "Accumulated contributions" shall mean the sum of all the amounts deducted from  
13 the compensation of a member and credited to his or her individual [pension](#) account ~~together with~~  
14 ~~regular interest thereon.~~

15 (2) "Active member" shall mean any employee of the State of Rhode Island as defined in  
16 this section for whom the retirement system is currently receiving regular contributions pursuant  
17 to sections 36-10-1 and 36-10-1.1.

18 (3) "Actuarial equivalent" shall mean an allowance or benefit of equal value to any other  
19 allowance or benefit when computed upon the basis of the actuarial [assumptions and](#) tables in use  
20 by the system .

21 (4) "Annuity reserve" shall mean the present value of all payments to be made on account  
22 of any annuity, benefit, or retirement allowance granted under the provisions of chapter 10 of this  
23 title computed upon the basis of such mortality tables as shall be adopted from time to time by the  
24 retirement board with regular interest.

25 (5) [\(a\)](#) "Average compensation" for members eligible to retire as of September 30, 2009  
26 shall mean the average of the highest three (3) consecutive years of compensation, within the total  
27 service when the average compensation was the highest. For members eligible to retire on or after  
28 October 1, 2009, "Average compensation" shall mean the average of the highest five (5)  
29 consecutive years of compensation within the total service when the average compensation was  
30 the highest.

31 [\(b\) For members who become eligible to retire on or after July 1, 2012, if more than one](#)  
32 [half \(1/2\) of the member's total years of service consist of years of service during which the](#)  
33 [member devoted less than thirty \(30\) business hours per week to the service of the state, but the](#)  
34 [member's average compensation consists of three \(3\) or more years during which the member](#)

1 devoted more than thirty (30) business hours per week to the service of the state, such member's  
2 average compensation shall mean the average of the highest ten (10) consecutive years of  
3 compensation within the total service when the average compensation was the highest.

4 (6) "Beneficiary" shall mean any person in receipt of a pension, an annuity, a retirement  
5 allowance, or other benefit as provided by chapter 10 of this title.

6 (7) "Casual employee" shall mean those persons hired for a temporary period, a period of  
7 emergency or an occasional period ~~to perform special jobs or functions not necessarily related to~~  
8 ~~the work of regular employees.~~

9 (8) "Compensation" as used in chapters 8 through 10 of this title, chapters 16 and 17 of  
10 title 16, and chapter 21 of title 45 shall mean salary or base wages earned and paid for the  
11 performance of duties for covered employment, including regular longevity or incentive plans  
12 approved by the board, but shall not include payments made for overtime or any other reason  
13 other than performance of duties ~~reasons other than performance of duties or activities~~, including  
14 but not limited to the types of payments listed below:

15 (i) Payments contingent on the employee having terminated or died;

16 (ii) Payments made at termination for unused sick leave, vacation leave, or compensatory  
17 time;

18 (iii) Payments contingent on the employee terminating employment at a specified time in  
19 the future to secure voluntary retirement or to secure release of an unexpired contract of  
20 employment;

21 (iv) Individual salary adjustments which are granted primarily in anticipation of the  
22 employee's retirement;

23 (v) Additional payments for performing temporary or extra duties beyond the normal or  
24 regular work day or work year.

25 (9) "Employee" shall mean any officer or employee of the state of Rhode Island whose  
26 business time is devoted exclusively to the services of the state, but shall not include one whose  
27 duties are of a casual or seasonal nature. The retirement board shall determine who are employees  
28 within the meaning of this chapter. The governor of the state, the lieutenant governor, the  
29 secretary of state, the attorney general, the general treasurer, and the members of the general  
30 assembly, ex officio, shall not be deemed to be employees within the meaning of that term unless  
31 and until they elect to become members of the system as provided in § 36-9-6, but in no case shall  
32 it deem as an employee, for the purposes of this chapter, any individual who devotes less than  
33 twenty (20) business hours per week to the service of the state and who receives less than the  
34 equivalent of minimum wage compensation on an hourly basis for his or her services, except as

1 provided in § 36-9-24. Any commissioner of a municipal housing authority any member of a part-  
2 time state, municipal or local board, commission, committee or other public authority shall not be  
3 deemed to be an employee within the meaning of this chapter.

4 (10) "Full actuarial costs" or "full actuarial value" shall mean the lump sum payable by a  
5 member claiming service credit for certain employment for which that payment is required which  
6 is determined according to the age of the member and the employee's annual rate of  
7 compensation at the time he or she applies for service credit and which is expressed as a rate  
8 percent of the employee's annual rate of compensation to be multiplied by the number of years  
9 for which he or she claims service credit as prescribed in a schedule adopted by the retirement  
10 board from time to time on the basis of computation by the actuary. Except as provided in  
11 sections 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, 45-21-53, 36-10-8, 45-21-29, 8-3-16(b), 8-8-  
12 10.1(b), 42-28-22.1(b) and 28- 30-18.1(b).

13 (i) all AH service credit purchases requested after June 16, 2009 and prior to July 1, 2012,  
14 ~~except military credit a provided by § 36-9-31 and 16-16-7.1,~~ shall be at full actuarial value. and

15 (ii) all service credit purchases requested after June 30, 2012 shall be at full actuarial  
16 value which shall be determined using the system's assumed investment rate of return minus one  
17 percent (1%).

18 The rules applicable to a service credit purchase shall be the rules of the retirement  
19 system in effect at the time the purchase application is submitted to the retirement system.

20 (11) "Inactive member" shall mean a member who has withdrawn from service as an  
21 employee but who has not received a refund of contributions.

22 (12) ~~Member~~ Members shall mean any person included in the membership of the  
23 retirement system as provided in sections 36-9-1 -- 36-9-7.

24 (13) "Prior service" shall mean service as a member rendered before July 1, 1936,  
25 certified on his or her prior service certificate and allowable as provided in section 36-9-28.

26 (14) "Regular interest" shall mean interest ~~at the rate of two percent (2%) per annum,~~  
27 ~~compounded annually, or at such other rate determined from the actual experience of the system~~  
28 ~~as may be prescribed from time to time by the board.~~ at the assumed investment rate of return,  
29 compounded annually, as may be prescribed from time to time by the retirement board.

30 (15) "Retirement allowance" shall mean annual payments for life made after retirement  
31 under and in accordance with chapters 8 to 10 of this title. All allowances shall be paid in equal  
32 monthly installments beginning as of the effective date thereof; provided, that a smaller pro rata  
33 amount may be paid for part of a month where separation from service occurs during the month  
34 in which the application was filed, and when the allowance ceases before the last day of the

1 month.

2 (16) "Retirement board" or "board" shall mean the board provided in section 36-8-3 to  
3 administer the retirement system.

4 (17) "Retirement system" shall mean the employees' retirement system of the State of  
5 Rhode Island as defined in section 36-8-2.

6 (18) "Service" shall mean service as an employee of the State of Rhode Island as  
7 described in subdivision ~~(8)~~ (9) of this section.

8 (19) "Social Security retirement age" shall mean a member's full retirement age as  
9 determined in accordance with the federal Old Age, Survivors and Disability Insurance Act, not  
10 to exceed age sixty-seven (67).

11 (20) ~~(19)~~ "Total service" shall mean prior service as defined above, plus service rendered  
12 as a member on or after July 1, 1936.

13 SECTION 3. Chapter 36-8 of the General Laws entitled "Retirement System -  
14 Administration" is hereby amended by adding thereto the following section:

15 **36-8-4.1. Fiduciary and continuing education requirements.** -- (a) A member of the  
16 board shall discharge duties with respect to the retirement system:

17 (1) Solely in the interest of the participants and beneficiaries;

18 (2) For the exclusive purpose of providing benefits to participants and beneficiaries and  
19 paying reasonable expenses of administering the system;

20 (3) With the care, skill, and caution under the circumstances then prevailing which a  
21 prudent person acting in a like capacity and familiar with those matters would use in the conduct  
22 of an activity of like character and purpose;

23 (4) Impartially, taking into account any differing interests of participants and  
24 beneficiaries;

25 (5) Incurring only costs that are appropriate and reasonable; and

26 (6) In accordance with a good-faith interpretation of the law governing the retirement  
27 system.

28 (b) The retirement board shall establish mandatory continuing education requirements for  
29 members of the board.

30 (c) In the event the retirement board takes any action(s) contrary to the recommendation  
31 of the plan actuary, the executive director shall within thirty (30) days, provide notice of such  
32 action(s) to all plan members, the governor, the speaker of the house of representatives and the  
33 president of the senate. The notice shall also be posted electronically on the retirement board's  
34 website.

1 SECTION 4. Section 36-8-8.1 of the General Laws in Chapter 36-8 entitled "Retirement  
2 System - Administration" is hereby repealed.

3 ~~**36-8-8.1. Disclosure of special pension benefits.** --- (a) (1) The retirement board is~~  
4 ~~directed to conduct an audit of all special pension benefits conferred on or after January 1, 1970,~~  
5 ~~to date by statute, by the retirement board, or by other public officials or agencies, and report its~~  
6 ~~findings to the governor and to the general assembly no later than March 15, 1993. The report~~  
7 ~~shall disclose all beneficiaries of special pension benefits and shall describe in detail, by~~  
8 ~~beneficiary, the nature of the special pension benefits received, including pension credits or~~  
9 ~~retirement benefits that were purchased by, awarded to, conferred on, or obtained by individuals~~  
10 ~~other than for full time service as a paid employee of the state of Rhode Island. In addition, the~~  
11 ~~report shall describe the manner and method by which those special pension benefits were~~  
12 ~~conferred. For each beneficiary of special pension benefits, the report will calculate the~~  
13 ~~contribution actuarially required to support the special pension benefits conferred and the actual~~  
14 ~~contribution of the beneficiary, adjusted for the ordinary contribution of the state to the retirement~~  
15 ~~system under section 36-10-2 and the investment return of the fund. The report will:~~

16 ~~(i) Disclose for each beneficiary the difference between the actual contribution of the~~  
17 ~~member and the contribution actuarially required to fund the special pension benefit;~~

18 ~~(ii) Render a judgment as to whether the conferral of each benefit, by legislation or~~  
19 ~~otherwise, was correct, lawful and appropriate; and~~

20 ~~(iii) Recommend appropriate remedial legislation and/or administrative action including,~~  
21 ~~where warranted, the repeal of specific legislation conferring inappropriate and/or unwarranted~~  
22 ~~retirement benefits upon individuals.~~

23 ~~(2) The report will include a description by the actuary of the effect on the retirement~~  
24 ~~fund of the special pension benefits described and quantified in the report, and will be certified as~~  
25 ~~true and accurate.~~

26 ~~(3) The cost of the audit and the report shall not exceed the sum of five hundred~~  
27 ~~thousand dollars (\$500,000).~~

28 ~~(b) In each subsequent annual report filed pursuant to section 36-8-8, the retirement~~  
29 ~~board will disclose all special pension benefits awarded to any individual or group during the~~  
30 ~~reporting period and disclose for each member receiving the special pension benefits the~~  
31 ~~difference between the actual contribution of the member and the contribution actuarially~~  
32 ~~required to fund the special pension benefits awarded. The report will include a description by the~~  
33 ~~actuary of the effect on the retirement fund of the special pension benefits described and~~  
34 ~~quantified in the report.~~



1 ~~-(c) The retirement board shall take all steps necessary and proper to timely implement~~  
2 ~~the provisions of this section, and shall, through March 15, 1993, report to the governor and the~~  
3 ~~general assembly on a continuing basis its progress towards and means of effectuating these~~  
4 ~~legislative purposes.~~

5 SECTION 5. Section 36-8-9 of the General Laws in Chapter 36-8 entitled "Retirement  
6 System - Administration" is hereby amended to read as follows:

7 **36-8-9. Legal adviser – Treasurer – Executive officers and secretary.** – (a) There shall  
8 be a legal counsel to the board who shall be appointed by the general treasurer. The general  
9 treasurer shall be ex-officio chairperson and treasurer of the retirement board and he or she shall  
10 be responsible for appointing the custodian of the funds ~~and the treasurer thereof~~. There shall also  
11 be an executive director who shall be appointed by the retirement board. The executive director  
12 shall be in charge of administration of the retirement system and shall serve as secretary to the  
13 retirement board. In addition, the retirement board shall appoint an assistant director who shall  
14 serve as director and/or secretary in the absence of the director.

15 (b) Any negotiated agreement entered into after June 1, 1992, between any state or  
16 municipal agency or department and an employee or employees, whose conditions are contrary to  
17 the general laws or the rules, regulations, and policies as adopted and promulgated by the  
18 retirement board shall be null and void unless and until approved by formal action of the  
19 retirement board for good cause shown.

20 SECTION 6. Sections 36-9-2, 36-9-5, 36-9-20, 36-9-21, 36-9-25.1, 36-9-26 and 36-9-  
21 31.1 of the General Laws in Chapter 36-9 entitled "Retirement System-Membership and Service  
22 Credits" are hereby amended to read as follows:

23 **36-9-2. Membership of persons employed after establishment of system.** – All  
24 employees as defined in chapter 8 of this title who became employees on or after July 1, 1936,  
25 shall, under contract of their employment become members of the retirement system and shall  
26 receive no pension or retirement allowance from any other pension or retirement system  
27 supported wholly or in part by the State of Rhode Island, except as provided in chapter 10.3 of  
28 title 36 and section 36-9-3, nor shall they be required to make contributions under any other  
29 pension or retirement system of the state except as provided in chapter 10.3 of title 36, anything  
30 to the contrary notwithstanding; provided, however, that this section shall not apply to those  
31 employees who may be required or elect to participate in a retirement program existing by virtue  
32 of chapter 17.1 of title 16 or section 36-10-9.1.

33 **36-9-5. Officers and employees exempt – Former court judges and clerks.** – (a) The  
34 members of the general assembly and the general officers of the state, except to the extent herein

1 provided, the judges of the supreme, superior, family, district courts, the traffic tribunal, judges of  
2 the workers' compensation court except to the extent herein provided, school teachers as defined  
3 by section 16-16-1 except to the extent provided by chapter 17 of title 16, and members of the  
4 Rhode Island state police shall be exempt from the provisions of chapters 8 – 10 of this title;  
5 provided, however, that any justice or associate justice or judge of the supreme court, superior  
6 court, family court, district court, or traffic tribunal, chairperson of the workers' compensation  
7 court, or judge of the workers' compensation court who was a member of the retirement system  
8 prior to becoming a justice or associate justice or judge, shall, upon his or her filing with the  
9 retirement board a written waiver of all benefits under the provisions of section 8-3-7 – 8-3-11 or  
10 28-30-15 – 28-30-18 be permitted to elect to remain a member of the retirement system by paying  
11 into the retirement system such sums as provided in section 36-10-1 computed on his or her  
12 salary as a justice, associate justice, or judge and shall be eligible for all benefits under this title.

13 (b) Any justice, associate justice, or judge who shall have retired in accordance with the  
14 provisions of this section and who shall be recalled to service shall be recalled in accordance with  
15 the provisions of section 8-3-7~~(b)~~(c), section 28-30-15(b), or section 28-30-16, or section 28-30-  
16 16.1.

17 **36-9-20. Credit for service as a teacher, municipal employee, or legislator.** – (a) Any  
18 state employee who shall have rendered service as a teacher as defined under the provisions of  
19 chapters 16 and 17 of title 16 shall be entitled to credit for that service for the various purposes of  
20 this system, provided the member shall have been a contributing member of this system for that  
21 period. Any state employee who shall have been a contributing member of the municipal system  
22 as defined under the provisions of chapter 21 of title 45 shall be given credit for that service for  
23 the various purposes of this system, provided the member's contributions are transferred to this  
24 system. All contributions made by the member shall be transferred into this system for the periods  
25 of service and the retirement system shall calculate the full actuarial value of the accrued benefit  
26 with the former employer. If the full actuarial value of the accrued benefit with the former  
27 employer is greater than the total employee contributions transferred, the retirement system shall  
28 also transfer the difference between the full actuarial value of the accrued benefit with the former  
29 employer and the employee's contributions from the account of the former employer to the  
30 account of the current employer. In any case in which a member shall have received a refund or  
31 refunds of contributions made to the system, the allowance of the aforesaid credit for service shall  
32 be conditioned upon the payment of the full actuarial cost as defined in subsection 36-8-1(910).  
33 Any service as defined herein for which no contributions were made may be granted provided the  
34 member pays to the retirement system the full actuarial cost as defined in section 36-8-1(910).

1 Any state employee or teacher as defined under the provisions of chapters 16 and 17 of title 16  
2 who shall have been employed by a municipality which did not elect to accept chapter 21 of title  
3 45 as provided in section 45-21-4 shall be given credit for that service for the various purposes of  
4 this system, provided that the employee shall have met the definitional requirements of  
5 "employee" as stated in section 45-21-2(5) and provided the member pays to the retirement  
6 system an amount equal to the full actuarial value of the credit as certified by the retirement  
7 board; provided, however, that any state employee who shall have been employed by a  
8 municipality which did not elect to accept chapter 21 of title 45 as provided in section 45-21-4  
9 shall be given credit for that service for the various purposes of this system, to a maximum period  
10 of four (4) years, provided the member pays to the retirement system the full actuarial cost as  
11 defined in subsection 36-8-1(910). Nothing in this section shall be deemed to allow the purchase  
12 of four (4) years of service for credit in more than one retirement system.

13 (b) The retirement board shall fix and determine rules and regulations to govern the  
14 provisions of this section.

15 **36-9-21. Service information submitted by department heads.** – It shall be the duty of  
16 the head of each department and agency to ~~submit~~ furnish at the times and in the manner that the  
17 retirement board and/or the retirement system may direct, to the retirement board a statement  
18 showing information concerning the name, title, compensation, duties, date of birth, and length of  
19 service of each member employed, and ~~such~~ any other information which the retirement board or  
20 retirement system considers necessary for the proper execution of this chapter, and to give prompt  
21 notice of all appointments, removals, deaths, resignations, leaves of absence and changes in pay  
22 of members as the retirement board may require.

23 **36-9-25.1. Leave service credits.** -- (a) Notwithstanding any other provisions of the  
24 retirement law or rulings of the retirement board in accordance with the powers vested therein,  
25 state employees with at least one year of service who have been granted by their appointing  
26 authority a leave of absence without pay to further their education in the field of their state  
27 employment, shall be entitled to credit as service for the various purposes of their retirement  
28 system, provided the person, upon completion of his or her educational leave, returns to state  
29 service for at least one year; and provided further that the employee makes arrangements to pay  
30 into the retirement system on or before the date of retirement and in such manner as the  
31 retirement board may prescribe an amount equal to the full actuarial cost as defined in subsection  
32 36-8-1(9 10) based upon his or her expected compensation but for the granting of leave without  
33 pay.

34 (b) Any state employee who is granted a leave of absence without pay for illness, injury,

1 or any other reason may receive credit therefor by making the full actuarial cost as defined in  
2 subsection 36-8-1 (~~9~~ [10](#)); provided the employee returns to state service for at least one year  
3 upon completion of the leave. Credit for leaves of absence shall be limited in the aggregate during  
4 the total service of an employee to a period of four (4) years.

5 **36-9-26. Credits for layoffs. --** (a) Members who are laid off for any reason and are not  
6 on leave without pay may purchase up to one years' credit for retirement purposes; provided the  
7 member did not withdraw his or her retirement contributions while on layoff, and returns to active  
8 membership; provided, further, that the member purchases that credit upon his or her return to  
9 service from the layoff and pays into the retirement system the full actuarial cost as defined in  
10 subsection 36-8-1 (~~9~~ [10](#)).

11 (b) The retirement board shall fix and determine rules and regulations to govern the  
12 provisions of this section.

13 **36-9-31.1. Peace corps, teacher corps, and volunteers in service to America. --**

14 (a) Any active member who served in the peace corps, teacher corps, or in Volunteers in  
15 service to America may purchase credit for that service up to a maximum of four (4) years in the  
16 aggregate; provided, that any member on an official leave of absence for illness or injury shall be  
17 eligible to purchase those credits while on the leave of absence.

18 (b) The cost to purchase these credits shall be the full actuarial cost as defined in  
19 subsection 36-8-1(~~9~~ [10](#)) of that service in the peace corps, teacher corps, or VISTA, up to a  
20 maximum of four (4) years.

21 SECTION 7. Sections 36-10-1, 36-10-2, 36-10-2.1, 36-10-8, 36-10-9, 36-10-9.1, 36-10-  
22 9.2, 36-10-9.3, 36-10-9.6, 36-10-10, 36-10-10.2, 36-10-10.4, 36-10-11, 36-10-18, 36-10-19.1, 36-  
23 10-33, 36-10-35 and 36-10-37 of the General Laws in Chapter 36-10 entitled "Retirement  
24 System-Contributions and Benefits" are hereby amended to read as follows:

25 **36-10-1. Member contributions – Deduction from compensation. –** (a) Prior to July 1,  
26 2012, each ~~Each~~ member of the retirement system shall contribute an amount equal to eight and  
27 ~~one-half~~ three-quarters percent (8.75%) (~~8.5%~~) of his or her compensation as his or her share of  
28 the cost of annuities, benefits, and allowances. Effective July 1, 2012, each member of the  
29 retirement system shall contribute an amount equal to three and three quarters percent (3.75%) of  
30 his or her compensation, except for correctional officers as defined in section 36-10-9.2 who shall  
31 contribute an amount equal to eight and three quarters percent (8.75%) of his or her  
32 compensation. ~~;provided, however, that each member will also initially contribute one-eighth of~~  
33 ~~one percent (0.125%) in the fiscal year beginning July 1, 1989, and one-eighth of one percent~~  
34 ~~(0.125%) in the fiscal year beginning July 1, 1990. Any contributions made by employees prior to~~

~~July 1, 1990, for the purpose of providing health benefits to retirees as provided in section 36-12-4 shall be transferred to each employee's retirement annuity account. Every person being a member of the general assembly and electing to participate in the benefits provided of section 36-9-6, shall contribute an amount equal to thirty percent (30%) of his or her compensation.~~ The contributions shall be made in the form of deductions from compensation.

(b) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt of ~~for~~ his or her full compensation and payment of compensation, less the deductions, shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by the person during the period covered by the payment except as to the benefit provided under this chapter.

**36-10-2. State contributions.** – (a) The State of Rhode Island shall make its contribution for the maintenance of the system, including the proper and timely payment of benefits in accordance with the provisions of this chapter and chapters 8, 16, 28, 31 and 42 of this title, by annually appropriating an amount equal to a percentage of the total compensation paid to the active membership. The percentage shall be computed by the actuary employed by the retirement system and shall be certified by the retirement board to the director of administration on or before the fifteenth day of October in each year. In arriving at the yearly employer contribution the actuary shall determine the value of:

- (1) The contributions made by the members;
- (2) Income on investments; and
- (3) Other income of the system.

(b) The Actuary shall thereupon compute the yearly employer contribution that will:

- (1) Pay the actuarial estimate of the normal cost for the next succeeding fiscal year;
- (2) Amortize the unfunded liability of the system ~~as of June 30, 1999 utilizing a time period not to exceed thirty (30) years~~ in accordance with section 36-10-2.1(b).

~~(3) Provided, that the employer contribution shall be deferred from the effective date of this act until June 15, 2010. The amounts that would have been contributed shall be deposited in a special fund and not used for any purpose.~~

(c) The State of Rhode Island shall remit to the general treasurer the employer's share of the contribution for state employees, state police, and judges on a payroll frequency basis, and for teachers in a manner pursuant to section 16-16-22.

(d) In accordance with the intent of section 36-8-20 that the retirement system satisfy the

1 requirements of section 401(a) of the Internal Revenue Code of 1986, the state shall pay to the  
2 retirement system:

3 (i) By June 30, 1995, an amount equal to the sum of the benefits paid to state legislators  
4 pursuant to section 36-10-10.1 in excess of ten thousand dollars (\$10,000) per member (plus  
5 accrued interest on such amount at eight percent (8%)) for all fiscal years beginning July 1, 1991,  
6 and ending June 30, 1995, but this amount shall be paid only if section 36-10-10.1(e) becomes  
7 effective January 1, 1995; and

8 (ii) By December 31, 1994, twenty million seven hundred eighty eight thousand eight  
9 hundred twelve dollars and nineteen cents (\$20,788,812.19) plus accrued interest on that amount  
10 at eight percent (8%) compounded monthly beginning March 1, 1991, and ending on the date this  
11 payment is completed (reduced by amortized amounts already repaid to the retirement system  
12 with respect to the amounts withdrawn by the state during the fiscal year July 1, 1990 – June 30,  
13 1991); and

14 (iii) By June 30, 1995, the sum of the amounts paid by the retirement system for retiree  
15 health benefits described in section 36-12-4 for all fiscal years beginning July 1, 1989, and ending  
16 June 30, 1994, to the extent that the amounts were not paid from the restricted fund described in  
17 subsection (c).

18 (2) Any and all amounts paid to the retirement system under this subsection shall not  
19 increase the amount otherwise payable to the system by the State of Rhode Island under  
20 subsection (a) for the applicable fiscal year. The actuary shall make such adjustments in the  
21 amortization bases and other accounts of the retirement system as he or she deems appropriate to  
22 carry out the provisions and intent of this subsection.

23 (e) In addition to the contributions provided for in subsection (a) through (c) and in order  
24 to provide supplemental employer contributions to the retirement system, commencing in fiscal  
25 year 2006, and each year thereafter:

26 (1) Except for fiscal year 2009, fiscal year 2010 and fiscal year 2011, for each fiscal year  
27 in which the actuarially determined state contribution rate for state employees, [including state](#)  
28 [contributions under chapter 36-10.3](#), is lower than that for the prior fiscal year, the governor shall  
29 include an appropriation to that system equivalent to twenty percent (20%) of the rate reduction  
30 for the state's contribution rate for state employees to be applied to the actuarial accrued liability  
31 of the state employees' retirement system for state employees for each fiscal year.

32 (2) Except for fiscal year 2009, fiscal year 2010 and fiscal year 2011, for each fiscal year  
33 in which the actuarially determined state contribution rate for teachers, [including state](#)  
34 [contributions under chapter 36-10.3](#), is lower than that for the prior fiscal year, the governor shall

1 include an appropriation to that system equivalent to twenty percent (20%) of the rate reduction  
2 for the state's share of the contribution rate for teachers to be applied to the actuarial accrued  
3 liability of the state employees' retirement system for teachers for each fiscal year.

4 (3) The amounts to be appropriated shall be included in the annual appropriation bill and  
5 shall be paid by the general treasurer into the retirement system.

6 (4) Assessments pursuant to section 42-149-3.1 shall be included in the annual  
7 appropriation bill and shall be paid by the general treasurer into the retirement system beginning  
8 FY2013.

9 (f) While the retirement system's actuary shall not adjust the computation of the annual  
10 required contribution for the year in which supplemental contributions are received, such  
11 contributions once made may be treated as reducing the actuarial liability remaining for  
12 amortization in the next following actuarial valuation to be performed.

13 **36-10-2.1. Actuarial cost method.** – (a) To determine the employer contribution rate for  
14 the State of Rhode Island for fiscal year 2002 and for all fiscal years subsequent, the actuary shall  
15 compute the costs under chapter 10 of title 36 using the entry age normal cost method. Effective  
16 July 1, 2012, the entry age normal cost method shall be as defined in Accounting Standard No. 27  
17 of the Governmental Accounting Standards Board as in effect from time to time.

18 (b) The determination of the employer contribution rate for fiscal year ~~2013~~ 2002 and  
19 ~~thereafter~~ shall include a reamortization of the current Unfunded Actuarial Accrued Liability  
20 (UAAL) over a closed twenty-five (25) year period. After an initial period of five (5) years, future  
21 actuarial gains and losses occurring within a plan year will be amortized over individual new  
22 twenty (20) year closed periods ~~period not to exceed thirty (30) years.~~

23 **36-10-8. Refund of contributions – Repayment and restoration of credits.** – A  
24 member who withdraws from service or ceases to be a member for any reason other than death or  
25 retirement shall be paid on demand a refund consisting of the accumulated contributions standing  
26 to his or her credit in his or her individual account ~~in the annuity savings account~~, without  
27 interest. Any member receiving a refund shall thereby forfeit and relinquish all accrued rights as a  
28 member of the system together with credits for total service previously granted to the member;  
29 provided, however, that if any member who has received a refund shall subsequently reenter the  
30 service and again become a member of the system, he or she shall have the privilege of restoring  
31 all money previously received or disbursed to his or her credit as a refund of contributions, plus  
32 regular interest for the period from the date of refund to the date of the restoration. Upon the  
33 repayment of such refund including accrued interest as herein provided, the member shall again  
34 receive credit for the amount of total service which he or she had previously forfeited by the



1 acceptance of the refund. The restoration of that credit shall be permitted only after the member  
2 shall have rendered at least one year of continuous service following his or her latest reentry into  
3 service for which he or she shall have made contributions to this system.

4 **36-10-9. Retirement on service allowance – In general.** – Retirement of a member on a  
5 service retirement allowance shall be made by the retirement board as follows:

6 (1)(a)(i) Any member may retire upon his or her written application to the retirement  
7 board as of the first day of the calendar month in which the application was filed; provided, the  
8 member was separated from service prior thereto; and further provided, however, that if  
9 separation from service occurs during the month in which application is filed, the effective date  
10 shall be the first day following that separation from service; and provided further that the member  
11 on his or her retirement date attained the age of sixty (60) and completed at least ten (10) years of  
12 contributory service on or before July 1, 2005 or who, regardless of age, has completed twenty-  
13 eight (28) years of total service and has completed at least ten (10) years of contributory service  
14 on or before July 1, 2005, and who retire before October 1, 2009 or are eligible to retire as of  
15 September 30, 2009.

16 (ii) For members who become eligible to retire on or after October 1, 2009 and prior to  
17 July 1, 2012, benefits are available to members who have attained the age of sixty-two (62) and  
18 completed at least ten (10) years of contributory service. For members in service as of October 1,  
19 2009 who were not eligible to retire as of September 30, 2009 but become eligible to retire prior  
20 to July 1, 2012, the minimum retirement age of sixty-two (62) will be adjusted downward in  
21 proportion to the amount of service the member has earned as of September 30, 2009. The  
22 proportional formula shall work as follows:

23 (1) The formula shall determine the first age of retirement eligibility under the laws in  
24 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of  
25 sixty-two (62).

26 (2) The formula shall then take the member's total service credit as of September 30,  
27 2009 as the numerator and the years of service credit determined under (1) as the denominator.

28 (3) The fraction determined in (2) shall then be multiplied by the age difference  
29 determined in (1) to apply a reduction in years from age sixty-two (62).

30 (b)(i) Any member, who has not completed at least ten (10) years of contributory service  
31 on or before July I, 2005, may retire upon his or her written application to the retirement board as  
32 of the first day of the calendar month in which the application was filed; provided, the member  
33 was separated from service prior thereto; and further provided, however, that if separation from  
34 service occurs during the month in which application is filed, the effective date shall be the first



1 day following that separation from service; provided, the member or his or her retirement date  
2 had attained the age of fifty-nine (59) and had completed at least twenty-nine (29) years of total  
3 service or provided that the member on his or her retirement date had attained the age of sixty-  
4 five (65) and had completed at least ten (10) years of contributory service; or provided, that the  
5 member on his or her retirement date had attained the age of fifty-five (55) and had completed  
6 twenty (20) years of total service provided, that the retirement allowance, as determined  
7 according to the formula in § 36-10-10 is reduced actuarially for each month that the age of the  
8 member is less than sixty-five (65) years, and who retire before October 1, 2009 or are eligible to  
9 retire as of September 30, 2009.

10 (ii) For members who become eligible to retire on or after October 1, 2009 and prior to  
11 July 1, 2012, benefits are available to members who have attained the age of sixty-two (62) and  
12 completed at least twenty-nine (29) years of total service or have attained the age of sixty-five  
13 (65) and completed at least ten (10) years of contributory service. For members in service as of  
14 October 1, 2009 who were not eligible to retire as of September 30, 2009 but become eligible to  
15 retire prior to July 1, 2012, who have a minimum retirement age of sixty-two (62), the retirement  
16 age will be adjusted downward in proportion to the amount of service the member has earned as  
17 of September 30, 2009. The proportional formula shall work as follows:

18 (1) The formula shall determine the first age of retirement eligibility under the laws in  
19 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of  
20 sixty-two (62).

21 (2) The formula shall then take the member's total service credit as of September 30,  
22 2009 as the numerator and the years of service credit determined under (1) as the denominator.

23 (3) The fraction determined in (2) above shall then be multiplied by the age difference  
24 determined in (1) to apply a reduction in years from age sixty-two (62).

25 (c) Effective July 1, 2012, the following shall apply to all members not eligible to retire  
26 prior to July 1, 2012:

27 (i) A member with contributory service on or after July 1, 2012, shall be eligible to retire  
28 upon the completion of at least five (5) years of contributory service and attainment of the  
29 member's Social Security retirement age.

30 (ii) For members with five (5) or more years of contributory service as of June 30, 2012,  
31 with contributory service on and after July 1, 2012, who have a retirement age of Social Security  
32 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of  
33 service the member has earned as of June 30, 2012, but in no event shall a member's retirement  
34 age under this subparagraph (ii) be prior to the attainment of age fifty-nine (59) or prior to the

1 member's retirement age determined under the laws in effect on June 30, 2012. The proportional  
2 formula shall work as follows:

3 (1) The formula shall determine the first age of retirement eligibility under the laws in  
4 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

5 (2) The formula shall then take the member's total service credit as of June 30, 2012 as  
6 the numerator and the projected service at retirement age in effect on June 30, 2012 as the  
7 denominator;

8 (3) The fraction determined in (2) shall then be multiplied by the age difference  
9 determined in (1) to apply a reduction in years from Social Security retirement age.

10 (iii) A member who has completed twenty (20) or more years of total service and who  
11 has attained an age within five (5) years of the eligible retirement age under subparagraphs (c)(i)  
12 or (c)(ii) above, may elect to retire provided that the retirement allowance shall be reduced  
13 actuarially for each month that the age of the member is less than the eligible retirement age  
14 under subparagraphs (c)(i) or (c)(ii) above.

15 (iv) Notwithstanding any other provisions of section 36-10-9(c), a member who has  
16 completed ten (10) or more years of contributory service as of June 30, 2012, may elect to retire  
17 at his or her eligible retirement date as determined under paragraphs (1)(a) and (1)(b) above  
18 provided that a member making an election under this paragraph shall receive the member's  
19 retirement benefit determined and calculated based on the member's service and average  
20 compensation as of June 30, 2012. This provision shall be interpreted and administered in a  
21 manner to protect a member's accrued benefit on June 30, 2012.

22 (2) Any faculty employee at a public institution of higher education under the jurisdiction  
23 of the board of governors for higher education shall not be involuntarily retired upon attaining the  
24 age of seventy (70) years.

25 (3) Except as specifically provided in section 36-10-9.1, section 36-10-12 – 36-10-15,  
26 and section 45-21-19 – 45-21-22, (I) On or prior to June 30, 2012 no member shall be eligible for  
27 pension benefits under this chapter unless the member shall have been a contributing member of  
28 the employee's retirement system for at least ten (10) years, or (II) For members in active  
29 contributory service on or after July 1, 2012, the member shall have been a contributing member  
30 of the retirement system for at least five (5) years.

31 (ii) Provided, however, a person who has ten (10) years service credit on or before June  
32 16, 1991, shall be vested.

33 (iii) Furthermore, any past service credits purchased in accordance with section 36-9-38  
34 shall be counted towards vesting.

1 (iv) Any person who becomes a member of the employees' retirement system pursuant to  
2 section 45-21-4 shall be considered a contributing member for the purpose of chapter 21 of title  
3 45 and this chapter.

4 (v) Notwithstanding any other provision of law, no more than five (5) years of service  
5 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any  
6 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years  
7 of service credits before January 1, 1995, shall be permitted to apply those purchases towards the  
8 member's service retirement. However, no further purchase will be permitted. Repayment in  
9 accordance with applicable law and regulation of any contribution previously withdrawn from the  
10 system shall not be deemed a purchase of service credit.

11 (vi) Notwithstanding any other provision of law, effective July 1, 2012, except for  
12 purchases under sections 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53, (A) For service  
13 purchases for time periods prior to a member's initial date of hire, the purchase must be made  
14 within three (3) years of the member's initial date of hire, (B) For service purchases for time  
15 periods for official periods of leave as authorized by law, the purchase must be made within three  
16 (3) years of the time the official leave was concluded by the member. Notwithstanding the  
17 preceding sentence, service purchases from time periods prior to June 30, 2012 may be made on  
18 or prior to June 30, 2015.

19 (4) No member of the employees' retirement system shall be permitted to purchase  
20 service credits for casual, ~~or~~ seasonal, or temporary employment, or emergency appointment, for  
21 employment as a page in the general assembly, or for employment at any state college or  
22 university while the employee is a student or graduate assistant of the college or university.

23 (5) Except as specifically provided in section 16-16-6.2 and 16-16-6.4, a member shall  
24 not receive service credit in this retirement system for any year or portion of it, which counts as  
25 service credit in any other retirement system in which the member is vested or from which the  
26 member is receiving a pension and/or any annual payment for life. This subsection shall not apply  
27 to any payments received pursuant to the federal Social Security Act or to payments from a  
28 military pension earned prior to participation in state or municipal employment, or to military  
29 service credits earned prior to participation in state or municipal employment.

30 (6) A member who seeks to purchase or receive service credit in this retirement system  
31 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a  
32 vested member in any other retirement system and/or is receiving a pension, retirement  
33 allowance, or any annual payment for life. The retirement board shall have the right to investigate  
34 as to whether or not the member has utilized the same time of service for credit in any other

1 retirement system. The member has an affirmative duty to cooperate with the retirement board  
2 including, by way of illustration and not by way of limitations the duty to furnish or have  
3 furnished to the retirement board any relevant information which is protected by any privacy act.

4 (7) A member who fails to cooperate with the retirement board shall not have the time of  
5 service counted toward total service credit until such time as the member cooperates with the  
6 retirement board and until such time as the retirement board determines the validity of the service  
7 credit.

8 (8) A member who knowingly makes a false statement to the retirement board regarding  
9 service time or credit shall not be entitled to a retirement allowance and is entitled only to the  
10 return of his or her contributions without interest.

11 **36-10-9.2. Retirement on service allowance – Correctional officers.** – (a) This section  
12 shall apply to the retirement of members employed as assistant director (adult services), assistant  
13 deputy director, chief of inspection, and associate directors, correctional officer, chief of security,  
14 work rehabilitation program supervisor, supervisor of custodial records and reports, and  
15 classification counselor within the department of corrections.

16 (b)(i) Any member who has attained the age of fifty (50) years may be retired subsequent  
17 to the proper execution and filing of a written application; provided, however, that the member  
18 shall have completed twenty (20) years of total service within the department of corrections and  
19 who retires before October 1, 2009 or is eligible to retire as of September 30, 2009.

20 (ii) For members who become eligible to retire on or after October 1, 2009 benefits are  
21 available to members who have attained the age of fifty-five (55) and have completed at least  
22 twenty-five (25) years of total contributory service within the department of corrections. For  
23 members in service as of October 1, 2009 who were not eligible to retire as of September 30,  
24 2009 but who are eligible to retire on or prior to June 30, 2012, the minimum retirement age of  
25 fifty-five (55) will be adjusted downward in proportion to the amount of service the member has  
26 earned as of September 30, 2009. The proportional formula shall work as follows:

27 (1) The formula shall determine the first age of retirement eligibility under the laws in  
28 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of  
29 fifty-five (55).

30 (2) The formula shall then take the member's total service credit as of September 30,  
31 2009 as the numerator and the years of service credit determined under (1) as the denominator.

32 (3) The fraction determined in (2) shall then be multiplied by the age difference  
33 determined in (1) to apply a reduction in years from age fifty-five (55).

34 (c) Any member with contributory service on or after July 1, 2012, who has completed at

1 [least five \(5\) years of contributory service but who has not completed twenty-five \(25\) years of](#)  
2 [contributory service, shall be eligible to retire upon the attainment of the member's Social](#)  
3 [Security retirement age.](#)

4 **36-10-9.3. Retirement on service allowance - Registered nurses. --** (a) This section  
5 shall apply to the retirement of members employed as registered nurses within the department of  
6 behavioral healthcare, developmental disabilities and hospitals.

7 (b) Any member who has attained the age of fifty (50) years may be retired subsequent to  
8 the proper execution and filing of written application; provided, however, that the member shall  
9 have completed twenty-five (25) years of total service within the department of behavioral  
10 healthcare, developmental disabilities and hospitals and who retires before October 1, 2009 or is  
11 eligible to retire as of September 30, 2009.

12 (c) For members who become eligible to retire on or after October 1, 2009, benefits are  
13 available to members who have attained the age of fifty-five (55) and have completed at least  
14 twenty-five (25) years of total service within the department of behavioral healthcare,  
15 developmental disabilities and hospitals. For members in service as of October 1, 2009 who were  
16 not eligible to retire as of September 30, 2009 [but who are eligible to retire on or prior to June 30,](#)  
17 [2012,](#) the minimum retirement age of fifty-five (55), the retirement age will be adjusted  
18 downward in proportion to the amount of service the member has earned as of September 30,  
19 2009. The proportional formula shall work as follows:

20 (1) The formula shall determine the first age of retirement eligibility under the laws in  
21 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of  
22 fifty-five (55).

23 (2) The formula shall then take the member's total service credit as of September 30,  
24 2009 as the numerator and the years of service credit determined under (1) as the denominator.

25 (3) The fraction determined in (2) shall then be multiplied by the age difference  
26 determined in (1) to apply a reduction in years from age fifty-five (55).

27 **36-10-9.6. Aeronautics inspectors – Retirement. –** (a) This section shall only apply to  
28 the retirement of members employed as aeronautics inspectors.

29 (b) In determining the [creditable](#) ~~eredible~~ service of any aeronautics inspector employed  
30 by the State of Rhode Island for the purpose of retirement of a service retirement allowance, not  
31 including a deferred retirement allowance, there may be added to, and included in, total service as  
32 defined in this chapter, not more than four (4) years of applied work experience, the experience to  
33 be defined as a pilot or aeronautics inspector. The service shall not be counted as credible service  
34 unless the member shall pay into the retirement system the contribution equal to ten percent

1 (10%) of the member's first year earnings as an aeronautics inspector for the first year purchased,  
2 ten percent (10%) of the member's second year earnings as an aeronautics inspector for the  
3 second year purchased, ten percent (10%) of the member's third year earnings as an aeronautics  
4 inspector for the third year purchased, and ten percent (10%) of the member's fourth year  
5 earnings as an aeronautics inspector for the fourth year purchased. Application to purchase credit  
6 and payment for each year of the year for which he or she claims credit shall be made on or  
7 before December 31, 1987. Thereafter, a member applying for credits shall pay full actuarial  
8 costs.

9 **36-10-10. Amount of service retirement allowance.** – (a)(1)(i) For employees eligible  
10 to retire on or before September 30, 2009, upon retirement for service under section 36-10-9, a  
11 member whose membership commenced before July 1, 2005 and who has completed at least ten  
12 (10) years of contributory service on or before July 1, 2005 shall receive a retirement allowance  
13 which shall be determined in accordance with schedule A below [for service prior to July 1, 2012](#):

14 Schedule A

15 Years of Service Percentage Allowance

16 1<sup>st</sup> through 10<sup>th</sup> inclusive 1.7%

17 11<sup>th</sup> through 20<sup>th</sup> inclusive 1.9%

18 21<sup>st</sup> through 34<sup>th</sup> inclusive 3.0%

19 35<sup>th</sup> 2.0%

20 (ii) For employees eligible to retire on or after October 1, 2009, who were not eligible to  
21 retire on or before September 30, 2009, upon retirement from service under section 36-10-9, a  
22 member whose membership commenced before July 1, 2005 and who has completed at least ten  
23 (10) years of contributory service on or before July 1, 2005 shall receive a retirement allowance  
24 which shall be determined in accordance with schedule A above for service on before September  
25 30, 2009, and shall be determined in accordance with schedule B in subsection (a)(2) below for  
26 service on or after October 1, 2009 [and prior to July 1, 2012](#).

27 (2) Upon retirement for service under section 36-10-9, a member whose membership  
28 commenced after July 1, 2005, or who has not completed at least ten (10) years of contributory  
29 service as of July 1, 2005, shall, receive a retirement allowance which shall be determined in  
30 accordance with Schedule B below [for service prior to July 1, 2012](#):

31 Schedule B

32 Years of Service Percentage Allowance

33 1<sup>st</sup> through 10<sup>th</sup> inclusive 1.60%

34 11<sup>th</sup> through 20<sup>th</sup> inclusive 1.80%

1 21<sup>st</sup> through 25<sup>th</sup> inclusive 2.0%

2 26<sup>th</sup> through 30<sup>th</sup> inclusive 2.25%

3 31<sup>st</sup> through 37<sup>th</sup> inclusive 2.50%

4 38<sup>th</sup> 2.25%

5 (b) The retirement allowance of any member whose membership commenced before July  
6 1, 2005 and who has completed at least ten (10) years of contributory service on or before July 1,  
7 2005 shall be in an amount equal to the percentage allowance specified in subsection (a)(1) of his  
8 or her average highest three (3) consecutive years of compensation multiplied by the number of  
9 years of total service, but in no case to exceed eighty percent (80%) of the compensation payable  
10 at completion of thirty-five (35) years of service; provided, however, for employees retiring on or  
11 after October 1, 2009 who were not eligible to retire as of September 30, 2009 the calculation  
12 shall be based on the average highest five (5) consecutive years of compensation. Any member  
13 who has in excess of thirty-five (35) years on or before June 2, 1985, shall not be entitled to any  
14 refund, and any member with thirty-five (35) years or more on or after June 2, 1985, shall  
15 contribute from July 1, 1985, until his or her retirement. The retirement allowance of any member  
16 whose membership commenced after July 1, 2005 or who had not completed at least ten (10)  
17 years of contributory service as of July 1, 2005, shall, be in an amount equal to the percentage  
18 allowance specified in Schedule B of his or her average highest three (3) consecutive years of  
19 compensation multiplied by the number of years of total service, but in no case to exceed  
20 seventy-five percent (75%) of the compensation payable at the completion of thirty-eight (38)  
21 years of service; provided, however, for employees retiring on or after October 1, 2009 who were  
22 not eligible to retire as of September 30, 2009 the calculation shall be based on the average  
23 highest five (5) consecutive years of compensation.

24 (c) Any member with thirty-eight (38) years or more of service prior to December 31,  
25 1985, shall not be required to make additional contributions. Contributions made between  
26 December 31, 1985, and July 1, 1987, by members with thirty-eight (38) or more years of service  
27 prior to December 31, 1985, shall be refunded by the retirement board to the persons, their heirs,  
28 administrators, or legal representatives.

29 (d) For service prior to July 1, 2012, the retirement allowance of a member shall be  
30 determined in accordance with subsections (a)(1)and (a)(2) above. For service on and after July 1,  
31 2012, a member's retirement allowance shall be equal to one percent (1%) of the member's  
32 average compensation multiplied by the member's years of service on and after July 1 2012. In  
33 no event shall a member's retirement allowance exceed the maximum limitations set forth in  
34 paragraph (b) above.



1 **36-10-10.2. Amount of service retirement allowance – Correctional officers.** – (a)

2 Upon retirement for service under section 36-10-9.2, a member with twenty-five (25) or more  
3 years of service as of June 30, 2012 shall receive a retirement allowance of an amount determined  
4 under (i) below. All other members shall receive a retirement allowance of an amount equal to the  
5 sum of (i) below for service prior to July 1, 2012, plus (ii) below for service on and after July 1,  
6 2012.

7 (i) ~~two~~ Two percent (2%) of his or her average compensation multiplied by his or her first  
8 thirty (30) years of total service within the department of corrections; any and all years of  
9 remaining service shall be issued to the member at a retirement allowance of an amount equal to  
10 his or her average compensation multiplied by the percentage allowance determined in  
11 accordance with Schedule A below:

12 Schedule A

13 Years of Service Percentage Allowance

14	1 <sup>st</sup> through 30 <sup>th</sup> inclusive	2%
15	31 <sup>st</sup>	6%
16	32 <sup>nd</sup>	5%
17	33 <sup>rd</sup>	4%
18	34 <sup>th</sup>	3%
19	35 <sup>th</sup>	2%,

20 (ii) Two percent (2%) of his or her average compensation multiplied by his or her years  
21 of service on and after July 1, 2012 within the department of corrections.

22 (b) In no case shall a retirement percentage allowance exceed the greater of the member's  
23 retirement percentage allowance on June 30, 2012 or ~~eighty percent (80%)~~ seventy-five percent  
24 (75%). Any member who has in excess of thirty-five (35) years on or before July 1, 1987, shall  
25 not be entitled to any refund. Any member with thirty-five (35) years or more on or after July 1,  
26 1987, shall contribute from July 1, 1987, until his or her retirement, provided, however, that any  
27 member with thirty-eight (38) years of service prior to July 1, 1987, shall not be required to  
28 contribute.

29 **36-10-10.4. Effect of deferral and/or reduction of salary.** – (a) If subsequent to January  
30 1, 1991, a member sustains a loss of salary due to a deferral of salary or a reduction in salary in  
31 order to avoid shutdowns, layoffs, or because of a retrenchment of state or local finances, then in  
32 calculating the service retirement allowance of the member, the amount of salary deferred and/or  
33 the amount of the reduction of salary shall not reduce the amount of annual compensation of the  
34 member for the purpose of establishing his or her highest three (3) consecutive years of



1 compensation for members eligible to retire on or before September 30, 2009, or his or her  
2 highest five (5) consecutive years of compensation for members who are not eligible to retire on  
3 or before September 30, 2009. This provision is subject to subsection (c) of this section.

4 (b) For purposes of subsection (a), reduction of salary shall mean:

5 (i) The actual dollar amount which represents the difference between the employee's  
6 salary prior to the voluntary reduction of salary and the employee's salary after the voluntary  
7 reduction of salary; or

8 (ii) The actual dollar amount which represents the difference between the employee's  
9 salary prior to the renegotiation and/or alteration of an existing collective bargaining agreement  
10 and the employee's salary after the renegotiation and/or alteration of an existing collective  
11 bargaining agreement.

12 (2) Reduction of salary also means the voluntary or negotiated reduction in the number of  
13 hours that an employee works in a pay period and for which he or she is paid.

14 (c) An employee who has sustained a reduction in salary in accordance with subsection  
15 (a) shall pay, prior to retirement, to the retirement board an amount equal to the difference  
16 between the amount of contribution the employee would have paid on his or her salary prior to  
17 the reduction in salary and the amount that the employee actually contributed plus interest.

18 **36-10-11. Service allowance to member withdrawing from service before retirement**

19 **age.** – ~~(a)~~ The right of a service retirement allowance under the provisions of this chapter shall  
20 vest in a member who shall withdraw from service prior to his or her attainment of the minimum  
21 age of retirement specified in section 36-10-9 – 36-10-9.3 who shall not have received a refund,  
22 provided the member shall have completed at least ten (10) years of contributory service on or  
23 before ~~July 1, 2005~~ June 30, 2012, for members terminating service or retiring on or before June  
24 30, 2012, or at least five (5) years of contributory service for members terminating service or  
25 retiring on or after July 1, 2012. The member shall become entitled to a service retirement  
26 allowance upon his or her attainment of the age established in section 36-10-9 or at his or her  
27 option at any date subsequent thereto. The rate of service retirement allowance payable in the  
28 case of any member shall be that provided in section 36-10-10, for the period of total service  
29 earned and accrued at the date of withdrawal from service of the member.

30 ~~(b) For a member who shall not have completed at least ten (10) years of contributory~~  
31 ~~service on or before July 1, 2005, the right of a service retirement allowance under the provisions~~  
32 ~~of this chapter shall vest in a member who shall withdraw from service prior to his or her~~  
33 ~~attainment of the minimum age of retirement specified in section 36-10-9 – 36-10-9.3 who shall~~  
34 ~~not have received a refund, provided, the member shall have completed at least ten (10) years of~~

~~contributory service. The member shall become entitled to a service retirement allowance upon his or her attainment of the age of sixty five (65) years or at his or her option at any date subsequent thereto. The rate of service retirement allowance payable in the case of any member shall be that provided in section 36-10-10, Schedule B, for the period of total service earned and accrued at the date of withdrawal from service of the member.~~

**36-10-18. Optional benefits.** -- (a) A beneficiary, or, if the beneficiary be an incompetent, then the beneficiary's spouse or domestic partner or if there is no spouse or domestic partner, a guardian of the beneficiary's estate, may elect to receive the benefit in a retirement allowance, payable throughout life, or the beneficiary may then elect to receive the actuarial equivalent, at that time, of the beneficiary's retirement allowance in a lesser retirement allowance as determined by actuarial calculation, which shall be payable throughout life with the provision that:

(1) *Option 1.* Upon the beneficiary's death, the beneficiary's lesser retirement allowance shall be continued throughout the life of and paid to such person having an insurable interest in the beneficiary's life, as the beneficiary, the beneficiary's spouse or domestic partner, or the beneficiary's guardian so electing, shall nominate by written designation duly acknowledged and filed with the retirement board at the time of his or her retirement.

(2) *Option 2.* Upon the beneficiary's death, one-half (1/2) of the beneficiary's lesser retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in the beneficiary's life, as the beneficiary, the beneficiary's spouse or domestic partner, or the beneficiary's guardian so electing, shall nominate by written designation duly acknowledged and filed with the retirement board at the time of the beneficiary's retirement.

(b)(1) For purposes of any election under this section or section 36-10-19.1, the member, member's spouse or domestic partner, or guardian, as the case may be, may designate more than one person to receive benefits after the member's death, provided that the designation shall specify the portion of the actuarial equivalent of the member's retirement allowance to be paid to each person, and provided further that the aggregate actuarial value of the portions shall not exceed the actuarial equivalent of the member's retirement benefit determined:

(i) In the case of an election under this section) as of the date of the member's retirement;  
or

(ii) In the case of an election under section 36-10-19.1 as of the member's date of death.

(2) A member selecting more than one person to receive benefits under this section or section 36-10-19.1 may only select beneficiaries from among his or her children, adopted children, step-children, and/or spouse or domestic partner.

1 (c) If prior to July 1, 2012, a member elected an optional form of benefit other than a life  
2 annuity in accordance with paragraph (a)(1) or (2) above, the member may elect to change his or  
3 her form of benefit to a life annuity by filing an election with the retirement board on or before  
4 June 30, 2013, provided that the member's beneficiary is still alive at the time the election is  
5 filed.

6 **36-10-19.1. Optional annuity protection - In service. --** (a) Upon the death of a  
7 member having: (1) ~~At~~ At least ten (10) years of membership service on or before June 30, 2012;  
8 or (2) For active contributing members on or after July 1, 2012, at least five (5) years of  
9 membership service, the spouse or domestic partner of the member shall have the option to elect  
10 to receive option one as provided in section 36-10-18(a) in lieu of a return of contributions,  
11 provided the spouse or domestic partner is the designated beneficiary of the member's retirement  
12 account. The election shall be based upon the amount of retirement allowance or actuarial  
13 equivalent that may accrue at the date of death of the member.

14 (b) The election under option one of section 36-10-18(a) for a person other than the  
15 spouse or domestic partner of the member may be made by the member, while in service,  
16 provided the member has (1) ~~At~~ At least ten (10) years of membership service on or before June  
17 30, 2012 and before retirement; or (2) For active contributing members on or after July 1, 2012, at  
18 least five (5) years of membership service and before retirement, on a form prescribed by the  
19 retirement board. The election shall be based upon the amount of retirement allowances or  
20 actuarial equivalents that may accrue at the date of death of the member, provided that the  
21 election form is executed and filed with the retirement board prior to the date of death. The  
22 election may be revoked or modified by the member at any time prior to the date of retirement on  
23 a form prescribed by the retirement board.

24 (c) Upon the death of a member, the option shall become effective thirty (30) days after  
25 the first day of the calendar month next following the date of death of the member if death occurs  
26 while in an employee status. Should death occur while in an inactive member status, the option  
27 under this section shall become payable on the first of the month next succeeding that in which  
28 the designated beneficiary attains the age of sixty (60) years.

29 **36-10-33. Penalty for fraudulent claim or statement. --** Every person who knowingly  
30 or willfully makes, presents, or in anyway procures the making or presentation of any false or  
31 fraudulent affidavit or affirmation concerning any claim for pension or payment thereof, shall, in  
32 every case, forfeit a sum not exceeding ten thousand dollars (\$10,000) ~~one thousand dollars~~  
33 ~~(\$1,000)~~, in addition to the repayment of any and all money received from the retirement system  
34 because of a false or fraudulent claim or statement, with interest, at the rate of twelve percent

1 (12%) per annum, to be sued and recovered by and in the name of the retirement board of the  
2 retirement system, and when recovered, paid over to and thereupon become a part of the funds of  
3 the retirement system.

4 **36-10-35. Additional benefits payable to retired employees.** – (a) All state employees  
5 and all beneficiaries of state employees receiving any service retirement or ordinary or accidental  
6 disability retirement allowance pursuant to the provisions of this title on or before December 31,  
7 1967, shall receive a cost of living retirement adjustment equal to one and one-half percent  
8 (1.5%) per year of the original retirement allowance, not compounded, for each calendar year the  
9 retirement allowance has been in effect. For the purposes of computation, credit shall be given for  
10 a full calendar year regardless of the effective date of the retirement allowance. This cost of living  
11 adjustment shall be added to the amount of the retirement allowance as of January 1, 1968, and an  
12 additional one and one-half percent (1.5%) shall be added to the original retirement allowance in  
13 each succeeding year during the month of January, and provided further, that this additional cost  
14 of living increase shall be three percent (3%) for the year beginning January 1, 1971, and each  
15 year thereafter, through December 31, 1980. Notwithstanding any of the above provisions, no  
16 employee receiving any service retirement allowance pursuant to the provisions of this title on or  
17 before December 31, 1967, or the employee's beneficiary, shall receive any additional benefit  
18 hereunder in an amount less than two hundred dollars (\$200) per year over the service retirement  
19 allowance where the employee retired prior to January 1, 1958.

20 (b) All state employees and all beneficiaries of state employees retired on or after January  
21 1, 1968, who are receiving any service retirement or ordinary or accidental disability retirement  
22 allowance pursuant to the provisions of this title shall, on the first day of January next following  
23 the third anniversary date of the retirement, receive a cost of living retirement adjustment, in  
24 addition to his or her retirement allowance, in an amount equal to three percent (3%) of the  
25 original retirement allowance. In each succeeding year thereafter through December 31, 1980,  
26 during the month of January, the retirement allowance shall be increased an additional three  
27 percent (3%) of the original retirement allowance, not compounded, to be continued during the  
28 lifetime of the employee or beneficiary. For the purposes of computation, credit shall be given for  
29 a full calendar year regardless of the effective date of the service retirement allowance.

30 (c)(1) Beginning on January 1, 1981, for all state employees and beneficiaries of the state  
31 employees receiving any service retirement and all state employees, and all beneficiaries of state  
32 employees, who have completed at least ten (10) years of contributory service on or before July 1,  
33 2005 pursuant to the provisions of this chapter, and for all state employees, and all beneficiaries  
34 of state employees who receive a disability retirement allowance pursuant to section 36-10-12 –

1 36-10-15, the cost of living adjustment shall be computed and paid at the rate of three percent  
2 (3%) of the original retirement allowance or the retirement allowance as computed in accordance  
3 with section 36-10-35.1, compounded annually from the year for which the cost of living  
4 adjustment was determined to be payable by the retirement board pursuant to the provisions of  
5 subsection (a) or (b) of this section. Such cost of living adjustments are available to members who  
6 retire before October 1, 2009 or are eligible to retire as of September 30, 2009.

7 (2) The provisions of this subsection shall be deemed to apply prospectively only and no  
8 retroactive payment shall be made.

9 (3) The retirement allowance of all state employees and all beneficiaries of state  
10 employees who have not completed at least ten (10) years of contributory service on or before  
11 July 1, 2005 or were not eligible to retire as of September 30, 2009, shall, on the month following  
12 the third anniversary date of retirement, and on the month following the anniversary date of each  
13 succeeding year be adjusted and computed by multiplying the retirement allowance by three  
14 percent (3%) or the percentage of increase in the Consumer Price Index for all Urban Consumers  
15 (CPI-U) as published by the United States Department of Labor Statistics determined as of  
16 September 30 of the prior calendar year, whichever is less; the cost of living adjustment shall be  
17 compounded annually from the year for which the cost of living adjustment was determined  
18 payable by the retirement board; provided, that no adjustment shall cause any retirement  
19 allowance to be decreased from the retirement allowance provided immediately before such  
20 adjustment.

21 (d) For state employees not eligible to retire in accordance with this chapter as of  
22 September 30, 2009 and not eligible upon passage of this article, and for their beneficiaries, the  
23 cost of living adjustment described in subsection (3) above shall only apply to the first thirty-five  
24 thousand dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon  
25 the third (3rd) anniversary of the date of retirement or when the retiree reaches age sixty-five  
26 (65), whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase annually by  
27 the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) as  
28 published by the United States Department of Labor Statistics determined as of September 30 of  
29 the prior calendar year or three percent (3%), whichever is less. The first thirty-five thousand  
30 dollars (\$35,000) of retirement allowance, as indexed, shall be multiplied by the percentage of  
31 increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the  
32 United States Department of Labor Statistics determined as of September 30 of the prior calendar  
33 year or three percent (3%), whichever is less, on the month following the anniversary date of each  
34 succeeding year. For state employees eligible to retire as of September 30, 2009 or eligible upon

1 passage of this article, and for their beneficiaries, the provisions of this subsection (d) shall not  
2 apply.

3 (e) All legislators and all beneficiaries of legislators who are receiving a retirement  
4 allowance pursuant to the provisions of section 36-10-9.1 for a period of three (3) or more years,  
5 shall, commencing January 1, 1982, receive a cost of living retirement adjustment, in addition to  
6 a retirement allowance, in an amount equal to three percent (3%) of the original retirement  
7 allowance. In each succeeding year thereafter during the month of January, the retirement  
8 allowance shall be increased an additional three percent (3%) of the original retirement  
9 allowance, compounded annually, to be continued during the lifetime of the legislator or  
10 beneficiary. For the purposes of computation, credit shall be given for a full calendar year  
11 regardless of the effective date of the service retirement allowance.

12 (f) The provisions of section 45-13-7 – 45-13-10 shall not apply to this section.

13 (g)(1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (g)  
14 (2) below, for all present and former employees, active and retired members, and beneficiaries  
15 receiving any retirement, disability or death allowance or benefit of any kind, the annual benefit  
16 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by  
17 (B) where (A) is equal to the percentage determined by subtracting five and one-half percent  
18 (5.5%) (the “subtrahend”) from the Five-Year Average Investment Return of the retirement  
19 system determined as of the last day of the plan year preceding the calendar year in which the  
20 adjustment is granted, said percentage not to exceed four percent (4%) and not to be less than  
21 zero percent (0%), and (B) is equal to the lesser of the member’s retirement allowance or the first  
22 twenty-five thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand  
23 dollars (\$25,000) amount to be indexed annually in the same percentage as determined under  
24 (g)(1)(A) above. The “Five-Year Average Investment Return” shall mean the average of the  
25 investment returns of the most recent five (5) plan years as determined by the retirement board.  
26 Subject to paragraph (g)(2) below, the benefit adjustment provided by this paragraph shall  
27 commence upon the third (3rd) anniversary of the date of retirement or the date on which the  
28 retiree reaches his or her Social Security retirement age, whichever is later. In the event the  
29 retirement board adjusts the actuarially assumed rate of return for the system, either upward or  
30 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

31 (2) Except as provided in paragraph (g)(3), the benefit adjustments under this section for  
32 any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the  
33 Employees’ Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the  
34 State Police Retirement Benefits Trust, calculated by the system’s actuary on an aggregate basis,

1 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all  
2 members for such plan year.

3 In determining whether a funding level under this paragraph (g)(2) has been achieved, the  
4 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
5 current or future benefit adjustment provided under this section. "GASB Funded Ratio" shall  
6 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

7 (3) Notwithstanding paragraph (g)(2), in each fifth plan year commencing after June 30,  
8 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five  
9 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (g)(1)  
10 above until the GASB Funded Ratio of the Employees' Retirement System of Rhode Island, the  
11 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by  
12 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

13 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph  
14 (g) of Section 36-10-35 shall become effective July 1, 2012 and shall apply to any benefit  
15 adjustment not granted on or prior to June 30, 2012.

16 **36-10-37. Retirement benefits for certain general state officers.** -- Any person who  
17 has served as governor, lieutenant governor, attorney general, secretary of state, or general  
18 treasurer for a period of twenty (20) consecutive years shall be entitled, upon his or her  
19 resignation or retirement, to receive annually during his or her life a sum equal to three quarters  
20 (3/4) of the salary he or she was receiving at the time of his or her resignation or retirement. This  
21 section shall not apply to any person initially elected as governor, lieutenant governor, attorney  
22 general, secretary of state, or general treasurer on or after July 1, 2012.

23 SECTION 8. Title 36 of the General Laws entitled "PUBLIC OFFICERS AND  
24 EMPLOYEES" is hereby amended by adding thereto the following chapter:

25 CHAPTER 10.2

26 PENSION PROTECTION ACT

27 **36-10.2-1. Short title.** – This chapter shall be known and may be cited as the "Rhode  
28 Island Pension Protection Act".

29 **36-10.2-2. Purpose.** – The purpose of the Rhode Island Pension Protection Act is to  
30 provide current, retired and future public employees financial retirement security by codifying  
31 procedures that will promote the sustainability and longevity of the state's retirement systems.  
32 The act will implement a fair process to be used to facilitate needed changes in times of fiscal  
33 distress.

34 **36-10.2-3. Definitions.** – As used in this chapter, the following terms, unless the context

1 requires a different interpretation, have the following meanings:

2 (1) “Retirement board” or “board” means the retirement board of the Employees’  
3 Retirement System of the State of Rhode Island as defined in Chapter 36-8.

4 (2) “Actuary” means the actuary selected from time to time and employed by the board in  
5 accordance with Chapter 36-8.

6 (3) “Plan” or “plans” means any plan or plans that are part of the following public  
7 retirement systems: the Employees’ Retirement System of Rhode Island (ERS); the Municipal  
8 Employees’ Retirement System of Rhode Island (MERS); the Rhode Island State Police  
9 Retirement Benefits Trust (SPRBT); and the Rhode Island Judicial Retirement Benefits Trust  
10 (JRBT).

11 (4) “Funded percentage” means the percentage equal to a fraction— the numerator of  
12 which is the actuarial value of the plan’s assets, as determined by the actuary, and the  
13 denominator of which is the accrued liability of the plan, determined by the actuary using  
14 actuarial assumptions approved by the board.

15 **36-10.2-4. Actuarial valuation methodology.** – Actuarial accounting methods used by  
16 the actuary in determining the funded percentage shall be determined by the board in compliance  
17 with all applicable public pension accounting laws, rules and regulations. The actuary or the  
18 board shall not, year to year, change actuarial methods for the sole purpose of achieving a more  
19 favorable funding or fiscal result. Any actuarial assumptions not determined by the board shall  
20 be made by the actuary in good faith and in accordance with accepted actuarial standards.

21 **36-10.2-5. Determination of endangered status.** – A plan is in endangered status for a  
22 plan year if the retirement board determines, in consultation with the plan actuary, that the plan:

23 (i) Has a funded percentage of fifty percent (50%) or less; and (ii) The plan’s funded  
24 percentage has decreased for five (5) consecutive plan years.

25 **36-10.2-6. Annual certification and notice requirements.** – (1) Not later than  
26 November 1<sup>st</sup> of each plan year of a plan, the actuary shall certify to the board and the executive  
27 director of the retirement system whether or not a plan is in endangered status for such a plan  
28 year.

29 (2) In any case in which the actuary certifies that a plan is in endangered status for a plan  
30 year, the executive director of the retirement system shall, not later than thirty (30) business days  
31 following the certification, provide notification of the endangered status to the members,  
32 beneficiaries, the general assembly, the governor, the general treasurer and any local or municipal  
33 employer of a MERS plan determined to be in endangered status. The notification shall also be  
34 posted electronically on the retirement board’s website.



1           **36-10.2-7. Funding improvement strategy procedure.** – (1) In any case in which a plan  
2 is in endangered status for a plan year, except for a plan year where a plan is already in a funding  
3 improvement period and meeting its scheduled funding targets for the three (3) consecutive prior  
4 plan years, a funding improvement strategy shall be implemented not later than June 30<sup>th</sup>  
5 following the date the plan was certified as being in endangered status under section 36-10.2-6.  
6 The plan actuary shall submit preliminary funding improvement strategies including a default  
7 strategy as described in subparagraphs (3) and (4) to the board for review not later than January  
8 1<sup>st</sup> following the date the plan was certified as being in endangered status under section 36-10.2-  
9 6.

10           (2) The funding improvement strategy shall be formulated to achieve, based on  
11 reasonably anticipated experience and reasonable actuarial assumptions, the following  
12 requirements:

13           (a) The plan’s funded percentage shall improve in accordance with paragraph (i) or  
14 paragraph (ii), applying the paragraph that produces the greater funded percentage increase for  
15 the plan in a ten (10) year period.

16           (i) As of the close of a ten (10) year funding improvement period, the plan’s funded  
17 percentage shall equal or exceed the sum of:

18           (I) The plan’s funded percentage as of the beginning of the plan year that the actuary  
19 initially certified the plan as endangered; plus

20           (II) Fifty percent (50%) of the difference between eighty percent (80%) and the plan’s  
21 funded percentage under paragraph (I); or

22           (ii) The plan’s funded percentage shall improve at the rate of at least one percent (1%)  
23 annually until the plan’s funded percentage equals or exceeds eighty percent (80%).

24           (b) In the event that the state or a local municipality, as the employer of a plan,  
25 determines that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable  
26 measures, the plan cannot reasonably be expected to meet the guidelines of subdivisions (i) and  
27 (ii), then the employer’s legislative governing body shall provide a report to the retirement board,  
28 no later than March 1<sup>st</sup> following the date the plan was certified as being in endangered status  
29 under section 36-10.2-6, explaining why the plan is not reasonably expected to meet the  
30 guidelines of subdivisions (i) or (ii) and provide a reasonable funding improvement strategy to  
31 emerge from endangered status.

32           (3) Not later than January 1<sup>st</sup> following the date the plan was certified as being in  
33 endangered status under 36-10.2-6, the actuary shall provide to the board, and in the case of  
34 MERS plan shall also provide to the impacted local municipality’s legislative governing body, at

1 least five (5) funding improvement strategies but no more than ten (10) funding improvement  
2 strategies showing revised benefit structures, revised contribution structures, or both, which, if  
3 adopted, may reasonably be expected to enable the plan to meet the applicable requirements  
4 found in subparagraph (2).

5 (4) In addition to any funding improvement strategies provided by the board in  
6 subparagraph (3), the board shall include a default funding improvement strategy (“Default A”)  
7 that shall show increases in employer and employee contributions under the plan necessary to  
8 achieve the applicable requirements found in subsection (2), assuming no amendments to reduce  
9 future benefit accruals under the plan.

10 (5) Not later than April 1<sup>st</sup> following the date the plan was certified as being in  
11 endangered status under section 36-10.2-6, the board shall submit the “Default A” strategy as  
12 described in subparagraph (4) and one additional funding improvement strategy, as selected by  
13 the board, to the general assembly.

14 (6) Not later than June 30<sup>th</sup> following the date the plan was certified as being in  
15 endangered status under section 36-10.2-6, the general assembly shall select and enact into law  
16 one of the two (2) submitted funding improvement strategies. If no funding improvement strategy  
17 is approved by the general assembly by June 30<sup>th</sup>, the “Default A” strategy as described in  
18 subparagraph (4) shall be enacted into law effective July 1<sup>st</sup> following the date the plan was  
19 certified as being in endangered status under section 36-10.2-6. “Default A” shall remain in  
20 effect until either the actuary certifies under section 36-10.2-6 for a plan year that the plan is no  
21 longer in endangered status or the general assembly selects a funding improvement strategy  
22 consistent with the provisions of this chapter.

23 (7) Notwithstanding any other law to the contrary, any reports and funding strategies  
24 submitted to the board pursuant to this section shall be public records

25 **36-10.2-8. Funding improvement period.** – (1) The funding improvement period for  
26 any funding improvement strategy adopted pursuant to this chapter shall begin on the first day of  
27 July immediately after the adoption date of the funding improvement strategy.

28 (2) The funding improvement period shall be a ten (10) year period unless the actuary  
29 certifies under section 36-10.2-6 for a plan year that the plan is no longer in endangered status. In  
30 such a case, the funding improvement period shall end as of the close of the preceding plan year.

31 (3) A plan may not be amended during the funding improvement period so as to be  
32 inconsistent with the funding improvement strategy.

33 **36-10.2-9. Transition period.** – Effective for plan years beginning July 1, 2012 any new  
34 legislation enacted contemporaneously with this chapter that is expected to improve the funding

1 percentage of such a plan to eighty percent (80%) or greater within a reasonable funding  
2 improvement period not to exceed twenty (20) years shall be considered to constitute a funding  
3 improvement strategy. The funding improvement period shall be governed by such enacted  
4 legislation and shall begin July 1, 2012.

5 **36-10.2-10. Severability.** – The holding of any section or sections or parts hereof to be  
6 void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other section  
7 or part hereof.

8 SECTION 9. Title 36 of the General Laws entitled "PUBLIC OFFICERS AND  
9 EMPLOYEES" is hereby amended by adding thereto the following chapter:

10 CHAPTER 10.3

11 DEFINED CONTRIBUTION RETIREMENT PLAN

12 **36-10.3-1. Definitions.** – As used in this chapter, the following terms, unless the context  
13 requires a different interpretation, shall have the following meanings:

14 (1) "Compensation" means compensation as defined in section 36-8-1(8).

15 (2) "Employee" means an employee as defined in section 36-8-1(9) effective July 1,  
16 2012.

17 (3) "Employer" means the State of Rhode Island or the local municipality which employs  
18 a member of the Employees Retirement System under chapters 8 through 10 of title 36 or chapter  
19 16 of title 16 (ERS) or the Municipal Employees Retirement System under chapters 21 and 21.2  
20 of title 45 (MERS).

21 (4) "Plan" means the retirement plan established by this chapter.

22 (5) A "public safety member" shall mean a member of MERS who is a municipal fire  
23 fighter or a municipal policeman or policewoman as defined in section 45-21.2-2 who does not  
24 participate in Social Security under the Federal Old Age, Survivors, and Disability income  
25 program.

26 (6) "Regular member" means: (i) An employee who is a member of ERS other than  
27 correctional officers as defined in section 36-10-9.2; or (ii) A member of MERS other than a  
28 public safety member.

29 (7) The "retirement board" or "board" shall mean the retirement board of the Employees  
30 Retirement System of Rhode Island as defined in Chapter 36-8. The retirement board shall be the  
31 plan administrator and plan trustee and shall administer the plan in accordance with section 36-8-  
32 4.1.

33 (8) "State investment commission" or "commission" means the state investment  
34 commission as defined in section 35-10-1.

1           (9) “Supplemental employer” includes any employer that provides supplemental  
2 contributions to the defined contribution retirement plan as provided in section 36-10.3-3.

3           (10) “Supplemental member” is defined in section 36-10.3-3.

4           **36-10.3-2. Establishment.** – (1) A defined contribution retirement plan is established for  
5 members of the of the Employees’ Retirement System of Rhode Island (ERS) and the Municipal  
6 Employees’ Retirement System of Rhode Island (MERS).

7           (2) The defined contribution retirement plan is a plan in which retirement savings are  
8 accumulated in an individual account for the exclusive benefit of the member or beneficiaries.  
9 The plan is established effective July 1, 2012, at which time contributions by employers and  
10 members begin.

11           (3) The defined contribution plan established by this chapter is intended to qualify under  
12 26 U.S.C. 401(a), 414(d), and 414(k) (Internal Revenue Code) in effect from time to time as a  
13 qualified governmental retirement plan established and maintained by the state for its employees,  
14 for the employees of participating political subdivisions, public corporations, and public  
15 organizations of the state, and for the employees of other employers whose participation is  
16 authorized by this chapter.

17           (4) (a) *Exclusive benefit.* All funds of the plan shall be held in one or more trusts, in one  
18 or more custodial accounts treated as trusts in accordance with section 401(f) of the Internal  
19 Revenue Code, or in a combination thereof. Under any trust or custodial account, it shall be  
20 impossible at any time prior to the satisfaction of all liabilities with respect to employees and their  
21 beneficiaries, for any part of the corpus or income to be used for, or diverted to, purposes other  
22 than the payment of retirement savings benefits to employees and their beneficiaries. However,  
23 this requirement shall not prohibit: (i) The return of a contribution within six (6) months after the  
24 plan administrator determines that the contribution was made by a mistake of fact; or (ii) The  
25 payment of expenses of the plan in accordance with applicable law.

26           (b) *Vesting on plan termination.* In the event of the termination (within the meaning of  
27 the Internal Revenue Code) of the plan, the amounts credited to members’ accounts shall become  
28 fully and immediately vested.

29           (c) *Forfeitures.* Amounts forfeited by an employee shall not be applied to increase the  
30 benefits of any other employee, and shall reduce employer contributions as shall be set forth in  
31 the plan document.

32           (d) *Required distributions.* In no event shall a member receive contributions in any year  
33 that exceed the limitation set forth in section 415(c) of the Internal Revenue Code.

34           (e) *Limitation on benefits.* Benefits shall not be payable to the extent that they exceed the

1 limitations imposed by section 415 of the Internal Revenue Code, 26 U.S.C. section 415, as  
2 adjusted from time to time pursuant to section 415(d) of the Internal Revenue Code. In no event  
3 shall the member receive a retirement benefit in any year that exceeds the limitations set forth in  
4 section 415(b) of the Internal Revenue Code.

5 (f) *Limitation on compensation.* Benefits and contributions shall not be computed with  
6 reference to any compensation that exceeds the maximum dollar amount permitted by section  
7 401(a)(17) of the Internal Revenue Code as adjusted for increases in the cost-of-living.

8 (5) The state investment commission shall select an appropriate third-party administrator  
9 for the plan and shall adopt such plan, trust and/or custodial documents, with such features and  
10 attributes as the commission determines necessary or advisable in its discretion to effectuate the  
11 provisions of this chapter in accordance with the following:

12 (a) The commission shall select one or more firm(s) or company(ies) to provide  
13 retirement plan investment, plan administration, and communication services to employees who  
14 participate in the defined contribution plan. The plan shall provide for appropriate long-term  
15 retirement oriented investments, and shall include annuity or annuity-like options as determined  
16 by the commission. In determining the firm or the company to provide these plan services, the  
17 commission shall consider all of the following:

18 (i) The financial stability of the company or firm.

19 (ii) The cost of the investments, plan administration, and services to the members.

20 (iii) The experience of the company or firm in providing defined contribution retirement  
21 plans.

22 (iv) The experience of the company or firm in providing plan education, counseling, and  
23 advice to participants of defined contribution plans.

24 (v) Any criminal convictions, securities or antitrust law violations, material civil or  
25 regulatory fines or judgments against the company or firm which the company or firm shall be  
26 required to disclose to the commission as part of the selection process.

27 (b) The defined contribution retirement plan shall include an option that any  
28 disbursement of the accumulated assets in a participant's defined contribution plan account or  
29 accounts may be made as a life annuity. The defined contribution retirement plan may offer  
30 participants a menu of lifetime annuity options, either fixed or variable, or a combination of both.

31 (c) Accumulations in the defined contribution plan are intended to be for retirement  
32 purposes and loans or hardship distribution options permitted under the plan, if any, shall be  
33 structured for the primary purpose of this plan to support members in their retirement.

34 (d) The plan shall provide education, counseling and objective employee-specific plan

1 advice to employees.

2 (e) The plan shall include a limited number of investment options which shall include  
3 either: (i) Investment portfolio options that are constructed to reflect different risk profiles such as  
4 conservative, moderate and aggressive; and/or (ii) Options constructed to reflect different risk  
5 profiles that automatically reallocate and rebalance contributions as an employee ages.

6 **36-10.3-3. Supplemental participation for local public employers.** – Employers that  
7 include job positions, other than public safety positions, that do not participate in Social Security  
8 under the Federal Old Age, Survivors and Disability Income program, but which currently  
9 contribute to ERS or MERS on behalf of such positions, shall make supplemental contributions to  
10 the plan on behalf of regular members in such positions as a supplemental employer in  
11 accordance with subsection 36-10.3-6(a). A supplemental employer may request a different level  
12 of supplemental contributions in accordance with subsection 36-10.3-6(b) by an ordinance or  
13 resolution of its governing body. A regular member in such positions shall be referred to as a  
14 “supplemental member” in section 36-10.3-6.

15 **36-10.3-4. Member contributions.** – (1) Each regular member shall contribute to the  
16 member's individual account in the plan an amount equal to five percent (5%) of the member's  
17 compensation from July 1 to the following June 30.

18 (2) Each public safety member not participating in Social Security under the Federal Old  
19 Age, Survivors and Disability Income program, shall contribute to the member's individual  
20 account an amount equal to three percent (3%) of the member's compensation from July 1 to the  
21 following June 30.

22 (3) Contributions by supplemental members shall be governed by section 36-10.3-6.

23 (4) The employer shall deduct the contribution from the member's compensation at the  
24 end of each payroll period, and the contribution shall be credited by the plan to the member's  
25 individual account. The contributions shall be deducted from the member's compensation before  
26 the computation of applicable federal taxes and shall be treated as employer contributions under  
27 26 U.S.C. 414(h)(2). A member shall not have the option of making the payroll deduction directly  
28 in cash instead of having the contribution picked up by the employer.

29 (5) Contributions of employees shall be made by payroll deductions. Every member shall  
30 be considered to consent to payroll deductions. It is of no consequence that a payroll deduction  
31 may cause the compensation paid in cash to an employee to be reduced below the minimum  
32 required by law. Payment of an employee's compensation, less payroll deductions, is a full and  
33 complete discharge and satisfaction of all claims and demands by the employee relating to  
34 remuneration of services during the period covered by the payment, except with respect to the

1 benefits provided under the plan.

2 (6) Additional voluntary member contributions may be permitted in accordance with this  
3 section in such manner as determined in the discretion of the commission.

4 **36-10.3-5. Employer contributions.** – (1) An employer shall contribute to each regular  
5 member's individual account an amount equal to one percent (1%) of the member's  
6 compensation at the end of each payroll period from July 1 to the following June 30.

7 (2) An employer shall contribute to the individual account of each public safety member,  
8 not participating in Social Security under the Federal Old Age, Survivors and Disability Income  
9 program, an amount equal to three percent (3%) of the member's compensation from July 1 to the  
10 following June 30.

11 (3) Contributions by supplemental employers shall be governed by section 36-10.3-6.

12 **36-10.3-6. Supplemental employer and member contributions.** – (a) A supplemental  
13 member shall contribute to the member's individual account an amount equal to two percent (2%)  
14 of the member's compensation from July 1 to the following June 30 in addition to the  
15 requirements of section 36-10.3-4. For such members, a supplemental employer shall contribute  
16 to the member's individual account an amount equal to two percent (2%) of the member's  
17 compensation from July 1 to the following June 30 in addition to the requirements of section 36-  
18 10.3-5.

19 (b) A supplemental employer may request a different level of supplemental member  
20 contributions and supplemental employer contributions subject to the approval of the state  
21 investment commission.

22 **36-10.3-7. Vesting of contributions.** – (1) The total amount contributed by the member,  
23 including associated investment gains and losses, shall immediately vest in the member and is  
24 non-forfeitable.

25 (2) The total amount contributed by the employer, including associated investment gains  
26 and losses, vests with the member and is nonforfeitable upon completion of three (3) years of  
27 contributory service. Service credited under ERS or MERS prior to the effective date of this plan  
28 shall be credited to members for vesting purposes.

29 **36-10.3-8. Investments.** – The state investment commission shall determine from time to  
30 time the investment options available under the plan and a member may direct his or her account  
31 among the investment options offered under the plan pursuant to the plan documents.

32 **36-10.3-9. Distributions.** – The plan documents shall specify the distribution options  
33 available under the plan which shall include a lump sum and rollover distribution option, and may  
34 include such installment, annuity, hardship, loan or death benefit options as determined by the

1 state investment commission in its discretion subject to section 36-10.3-2(5).

2 **36-10.3-10. Rollover contributions and distributions.** – (1) An employee entering the  
3 plan may elect, at the time and in the manner prescribed by the administrator, to have all or part  
4 of a direct rollover distribution from an eligible retirement plan owned by the member paid  
5 directly into the member's individual account.

6 (2) Rollover contributions do not count as a purchase of membership service for the  
7 purpose of determining years of service.

8 (3) A distributee may elect, at the time and in the manner prescribed by the administrator,  
9 to have all or part of an eligible rollover distribution paid directly to an eligible retirement plan  
10 specified by the distributee in the direct rollover.

11 (4) In this section:

12 (a) "Direct rollover" means the payment of an eligible rollover distribution by the plan to  
13 an eligible retirement plan specified by a distributee who is eligible to elect a direct rollover;

14 (b) "Distributee" means a member, or a beneficiary who is the surviving spouse or  
15 domestic partner of the member, or an alternate payee;

16 (c) "Eligible retirement plan" means:

17 (i) An individual retirement account described in 26 U.S.C. 408(d)(3)(A);

18 (ii) An annuity plan described in 26 U.S.C. 403(a);

19 (iii) A qualified trust described in 26 U.S.C. 401(a);

20 (iv) An annuity plan described in 26 U.S.C. 403(b);

21 (v) A governmental plan described in 26 U.S.C. 457(b);

22 (vi) An individual retirement annuity defined in 26 U.S.C. 408(b); or

23 (vii) On or after January 1, 2008, a Roth IRA described in 26 U.S.C. 408A;

24 (d) "Eligible rollover distribution" means a distribution of all or part of a total account to  
25 a distributee, except for:

26 (i) A distribution that is one of a series of substantially equal installments payable not less  
27 frequently than annually over the life expectancy of the distributee or the joint and last survivor  
28 life expectancy of the distributee and the distributee's designated beneficiary, as defined in 26  
29 U.S.C. 401(a)(9);

30 (ii) A distribution that is one of a series of substantially equal installments payable not  
31 less frequently than annually over a specified period of ten (10) years or more;

32 (iii) A distribution that is required under 26 U.S.C. 401(a)(9);

33 (iv) The portion of any distribution that is not includable in gross income; however, a  
34 portion under this paragraph may be transferred only to an individual retirement account or



1 annuity described in 26 U.S.C. 408(a) or (b), to a qualified plan described in 26 U.S.C. 401(a) or  
2 403(a), or to an annuity contract described in 26 U.S.C. 403(b), that agrees to separately account  
3 for amounts transferred, including separately accounting for the portion of the distribution that is  
4 includable in gross income and the portion of the distribution that is not includable in gross  
5 income; and

6 (v) Other distributions that are reasonably expected to total less than two hundred dollars  
7 (\$200) during a year.

8 **36-10.3-11. Annual report and statement.** – The retirement board shall submit to the  
9 governor, the general treasurer, the auditor general, the speaker of the house of representatives  
10 and the president of the senate, on or before the first day of December of each fiscal year, an  
11 annual report including a financial statement of the plan for the fiscal year of the state next  
12 preceding said date. The retirement board shall cause to be published for distribution among the  
13 members of the system a financial statement summarizing the results of operations for the fiscal  
14 year. The report and financial statement shall also be posted electronically on the retirement  
15 board's website.

16 **36-10.3-12. Severability.** – The holding of any section or sections or parts hereof to be  
17 void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other section  
18 or part hereof.

19 SECTION 10. Sections 16-16-1, 16-16-5, 16-16-6.1, 16-16-6.2, 16-16-6.4, 16-16-7.2, 16-  
20 16-8, 16-16-12, 16-16-13, 16-16-22, 16-16-22.1 and 16-16-40 of the General Laws in Chapter 16-  
21 16 entitled "Teachers' Retirement" are hereby amended to read as follows:

22 **16-16-1. Definitions.** – (a) The following words and phrases used in this chapter, unless a  
23 different meaning is plainly required by the context, have the following meanings:

24 (1) "Active member" means any teacher as defined in this section for whom the  
25 retirement system is currently receiving regular contributions pursuant to section 16-16-22 and  
26 16-16-22.1.

27 Except as otherwise provided in this section, the words and phrases used in this chapter,  
28 so far as applicable, have the same meanings as they have in chapters 8 to 10 of title 36.

29 (2) "Beneficiary" means any person in receipt of annuity, benefit, or retirement allowance  
30 from the retirement system as provided in this chapter.

31 (3) "Child" includes a stepchild of a deceased member who has been a stepchild for at  
32 least one year immediately preceding the date on which the member died or an adopted child of a  
33 deceased member without regard to the length of time the child has been adopted.

34 (4) "Former spouse divorced" means a person divorced from a deceased member, but

1 only if the person meets one of the following conditions:

2 (i) Is the mother or father of the deceased member's child(ren);

3 (ii) Legally adopted the deceased member's child(ren) while married to the deceased  
4 member and while the child(ren) was under the age of eighteen (18) years; or

5 (iii) Was married to the deceased member at the time both of them legally adopted a  
6 child(ren) under the age of eighteen (18) years.

7 (5) "Member" means any person included in the membership of the retirement system  
8 under the provisions of this chapter.

9 (6) "Prior service" means service as a teacher rendered prior to the first day of July, 1949,  
10 certified on his or her prior service certificate and allowable as prior service under the provisions  
11 of this chapter.

12 (7) "Retired teacher" means any teacher who retired prior to July 1, 1949, pursuant to the  
13 provisions of G.L. 1938, ch. 195, as amended, and who on June 30, 1949, was in receipt of a  
14 pension under the provisions of that chapter.

15 (8) "Retirement system" and "system" means the employees' retirement system of the  
16 State of Rhode Island created by chapter 8 of title 36, and "retirement board" means the board  
17 established under that chapter.

18 (9) "Salary" or "compensation" includes any and all salary paid for teaching services  
19 regardless of whether any part of the salary or compensation is derived from any state or federal  
20 grant or appropriation for teachers' salaries, as the term is defined in section 36-8-1~~(7)~~(8).  
21 "Average compensation" shall be defined in accordance with section 36-8-1(5)(a).

22 (10) "Service" means service as a teacher as described in subdivision (12) of this section.  
23 Periods of employment as teacher, principal, assistant principal, supervisor, superintendent, or  
24 assistant superintendent shall be combined in computing periods of service and employment.

25 (11) "Spouse" means the surviving person who was married to a deceased member, but  
26 only if the surviving person meets one of the following conditions:

27 (i) Was married to the deceased member for not less than one year immediately prior to  
28 the date on which the member died;

29 (ii) Is the mother or father of the deceased member's child(ren);

30 (iii) Legally adopted the deceased member's child(ren) while married to the deceased  
31 member and while the child(ren) was under the age of eighteen (18) years; or

32 (iv) Was married to the deceased member at the time both of them legally adopted a  
33 child(ren) under the age of eighteen (18) years.

34 (12) "Teacher" means a person required to hold a certificate of qualification issued by or

1 under the authority of the board of regents for elementary and secondary education and who is  
2 engaged in teaching as his or her principal occupation and is regularly employed as a teacher in  
3 the public schools of any city or town in the state, or any formalized, commissioner approved,  
4 cooperative service arrangement. The term includes a person employed as a teacher, supervisor,  
5 principal, assistant principal, superintendent, or assistant superintendent of schools, director,  
6 assistant director, coordinator, consultant, dean, assistant dean, educational administrator, nurse  
7 teacher, and attendance officer or any person who has worked in the field of education or is  
8 working in the field of education that holds a teaching or administrative certificate, ~~and any~~  
9 ~~teacher who serves during a school year at least three quarters (3/4) of the number of days that the~~  
10 ~~public schools are required by law to be in session during the year.~~ In determining the number of  
11 days served by a teacher the total number of days served in any public school of any city or town  
12 in the state may be combined for any one school year. The term also includes a school business  
13 administrator whether or not the administrator holds a teaching or administrative certificate, and  
14 also includes occupational therapists and physical therapists licensed by the department of health  
15 and employed by a school committee in the state, or by any formalized, commissioner approved,  
16 cooperative service arrangement

17 (13) "Teaching" includes teaching, supervising, and superintending or assistant  
18 superintending of schools.

19 (14) "Total service" means prior service as defined in subdivision (6) of this section, plus  
20 service rendered as a member of the system on or after the first day of July, 1949.

21 (15) For purposes of this chapter, "domestic partner" shall be defined as a person who,  
22 prior to the decedent's death, was in an exclusive, intimate and committed relationship with the  
23 decedent, and who certifies by affidavit that their relationship met the following qualifications:

24 (i) Both partners were at least eighteen (18) years of age and were mentally competent to  
25 contract;

26 (ii) Neither partner was married to anyone else;

27 (iii) Partners were not related by blood to a degree which would prohibit marriage in the  
28 State of Rhode Island;

29 (iv) Partners resided together and had resided together for at least one year at the time of  
30 death; and

31 (v) Partners were financially interdependent as evidenced by at least two (2) of the  
32 following:

33 (A) Domestic partnership agreement or relationship contract;

34 (B) Joint mortgage or joint ownership of primary residence;

1 (C) Two (2) of: (I) joint ownership of motor vehicle; (II) joint checking account; (III)  
2 joint credit account; (IV) joint lease; and/or

3 (D) The domestic partner had been designated as a beneficiary for the decedent's will,  
4 retirement contract or life insurance.

5 (b) The masculine pronoun wherever used shall also include the feminine pronoun.

6 (c) Any term not specifically defined in this chapter and specifically defined in chapters  
7 36-8 through 36-10 shall have the same definition as set forth in chapters 36-8 through 36-10.

8 **16-16-5. Service creditable.** – (a) In calculating "service", "prior service", or "total  
9 service" as defined in section 16-16-1, every teacher shall be given credit for a year of service for  
10 each year in which he or she shall have served as a teacher; provided, that any teacher who  
11 through illness or leave of absence without pay does not serve a full school year may receive  
12 credit for a full school year of service by paying the full actuarial cost as defined in section 36-8-  
13 1(9). Credit for leaves of absence shall be limited, in the aggregate, during the total service of a  
14 teacher to a period of four (4) years; provided, however, every teacher who had been required to  
15 resign for maternity reasons may receive credit for maternity reasons by making contribution to  
16 the system upon her return to teaching the amount she would have contributed to the retirement  
17 system, with regular interest, based upon her expected compensation but for her absence due to  
18 maternity reasons.

19 (b) The retirement board shall fix and determine the time when and the conditions under  
20 which the payments shall be made.

21 (c) Any teacher who serves or who has served during a school year ~~at least three quarters~~  
22 ~~(3/4) of~~ the number of days that the public schools are required by law to be in session during the  
23 year shall be given credit for a year of service for that year. In determining the number of days  
24 served by a substitute teacher the total number of days served in any public school of any city or  
25 town in the state may be combined for any one school year. Any teacher shall be entitled to "prior  
26 service" credit for service prior to July 1, 1949, provided the teacher shall have been in service  
27 during the school year 1949-1950. The teacher shall be entitled to service credit for any year  
28 subsequent to July 1, 1949 in accordance with this chapter, by making contribution to the  
29 retirement system of the full actuarial cost for any such service credit. ~~amount he or she would~~  
30 ~~have contributed to the retirement system had he or she been a member, plus regular interest~~  
31 ~~compounded annually to date of payment, payable at a time or in any manner that may be~~  
32 ~~provided by the rules of the retirement board.~~

33 (d) Any teacher employed in at least a half (1/2) program including a job share program,  
34 or working at least half the number of days that the public schools are required to be in session,

1 shall remain a contributing member and shall receive credit for that ~~part-time~~ part-time service  
2 on a proportional basis. The purchase of any remaining program or job share time in which the  
3 teacher did not work shall not be permitted.

4 (e) In computing service or in computing compensation, the retirement board shall credit  
5 no more than one year of service on account of all service in one calendar year.

6 (f) Notwithstanding any other section of law, no member of the retirement system shall  
7 be permitted to purchase service credit for any portion of a year for which he or she is already  
8 receiving service credit in this retirement system.

9 **16-16-6.1. Credit for service outside state.** – (a) In determining the creditable service of  
10 any teacher employed in any city or town for the purpose of retirement, there may be added to,  
11 and included in, total service as defined in this chapter not more than five (5) years of service as a  
12 teacher in the public school outside this state; provided, however, this service shall not be counted  
13 as creditable service unless the member shall pay into the retirement system a contribution equal  
14 to the full actuarial value of each year of credit for which application is made based upon the  
15 teacher's compensation at the time he or she makes application to purchase credit for each year of  
16 service for which he or she claims credit.

17 (b) Credit for service outside the state which is purchased under paragraph (a) above may  
18 also be used for retirement purposes under the provisions of subsection (a) for teachers who retire  
19 on ordinary disability under ~~section 36-10-13~~ section 16-16-14 provided these teachers have at  
20 least ten (10) years creditable service within the state.

21 (c) The term "outside this state" means service in any state college, university, school, or  
22 public school in any other state of the United States, or in any territory or possession of the  
23 United States, including the Philippine Islands, or in any school under the jurisdiction of the  
24 United States government.

25 (d) The retirement board shall fix and determine by rules and regulations the time when  
26 and the conditions under which payments shall be made.

27 **16-16-6.2. Service credit for appropriate work experience – Contributions.** – (a) In  
28 determining the creditable service of any vocational education teacher employed in any city or  
29 town or by the state for the purpose of retirement or a service retirement allowance (not including  
30 a deferred retirement allowance), there may be added to, and included in, total service as defined  
31 in this chapter not more than five (5) years of "appropriate work experience" pursuant to section  
32 16-60-4(9)(ii). This service shall not be counted as creditable service unless the member shall pay  
33 into the retirement system a contribution equal to the full actuarial costs for each year of service  
34 for which he or she claims credit.

1 (b) Credit for “appropriate work experience” [which is purchased under paragraph \(a\)](#)  
2 [above](#) may also be used for retirement purposes under the provisions of subsection (a) for  
3 teachers who retire on ordinary disability under ~~section 36-10-13~~ [section 16-16-14](#), provided those  
4 teachers have at least ten (10) years’ creditable service.

5 (c) The term "appropriate work experience" means service in any industry, business, or  
6 other appropriate enterprise for which certification credit has been given pursuant to the  
7 "standards and qualifications for certification of teachers" as provided in section 16-60-4(9)(ii).

8 **16-16-6.4. Service credit for appropriate work experience – Certified nurse teachers**

9 **– Contributions.** – (a) In determining the creditable service of any certified nurse teacher  
10 employed by the state or by any city or town for the purpose of retirement or a service retirement  
11 allowance (not including a deferred retirement allowance), there may be added to, and included  
12 in, total service as defined in this chapter not more than four (4) years of "appropriate work  
13 experience." The service shall not be counted as creditable service unless the member shall pay  
14 into the retirement system a contribution equal to the full actuarial costs for each year of the  
15 service for which the member claims credit.

16 (b) Credit for "appropriate work experience" [which is purchased under paragraph \(a\)](#)  
17 [above](#) may also be used for retirement purposes under the provisions of subsection (a) for  
18 certified nurse teachers who retire on ordinary disability under section 36-10-13 [or section 16-16-](#)  
19 [14](#), provided the certified nurse teachers have at least ten (10) years' creditable service.

20 (c) The term "appropriate work experience" for the purposes of a certified nurse teacher  
21 means service in any industry, business, or other appropriate enterprise where a member has  
22 worked as a registered nurse and for which no credit for the purposes of retirement has been  
23 granted for either teaching in a school of nursing or for any other appropriate work experience;  
24 provided, however, that no member shall be allowed credit for more than a total of four (4) years  
25 of service credit.

26 **16-16-7.2. Peace corps, teacher corps, and volunteers in service to America – Credit.**

27 **–** (a) Any active teacher who served in the peace corps, teacher corps, or in volunteers in service  
28 to America may purchase credit for that service, up to a maximum of four (4) years. Any teacher  
29 on an official leave of absence for illness or injury shall be eligible to purchase the credits while  
30 on the leave of absence.

31 (b) The cost to purchase these credits shall be the full actuarial cost as defined in section  
32 36-8-1~~(9)~~[\(10\)](#).

33 **16-16-8. Credit for service as a state or municipal employee.** – Any member who shall

34 have rendered service as a state employee as defined by the provisions of chapter 17 of this title

1 and chapters 8 – 10 of title 36 or who shall have rendered service as an employee of a  
2 participating municipality, as defined by chapter 21 of title 45, shall be entitled to credit for his or  
3 her service for the various purposes of this system, provided the member shall have been a  
4 contributing member for that period. All contributions made by the member shall be transferred  
5 into this system for the periods of service and the retirement system shall calculate the full  
6 actuarial value of the accrued benefit with the former employer. If the full actuarial value of the  
7 accrued benefit with the former employer is greater than the total employee contributions  
8 transferred, the retirement system shall also transfer the difference between full actuarial value of  
9 the accrued benefit with the former employer and the employee's contributions from the account  
10 of the former employer to the account of the current employer. In any case in which a member  
11 shall have received a refund or refunds of contributions made to the system, the allowance of the  
12 credit for service shall be conditioned upon the repayment of the full actuarial cost as defined in  
13 section 36-8-1~~(9)~~(10). Any service as defined in this section for which no contributions were  
14 made may be granted provided the member pays to the retirement system the full actuarial cost as  
15 defined in section 36-8-1~~(9)~~(10). The retirement board shall fix and determine the rules and  
16 regulations needed to govern the provisions of this section.

17 **16-16-12. Procedure for service retirement.** – Retirement of a member on a service  
18 retirement allowance shall be made by the retirement board as follows:

19 (a)(i) Any member may retire upon his or her written application to the retirement board  
20 as of the first day of the calendar month in which the application was filed, provided the member  
21 was separated from service prior to filing the application, and further provided however, that if  
22 separation from service occurs during the month in which the application is filed, the effective  
23 date shall be the first day following the separation from service, and provided further that the  
24 member on retirement date has attained the age of sixty (60) years and has completed at least ten  
25 (10) years of contributory service on or before July 1, 2005, or regardless of age has completed  
26 twenty-eight (28) years of total service and has completed at least ten (10) years of contributory  
27 service on or before July 1, 2005, and who retire before October 1, 2009 or are eligible to retire as  
28 of September 30, 2009.

29 (ii) For teachers who become eligible to retire on or after October 1, 2009 and prior to  
30 July 1, 2012, benefits are available to teachers who have attained the age of sixty-two (62) and  
31 completed at least ten (10) years of contributory service. For teachers in service as of October 1,  
32 2009 who were not eligible to retire as of September 30, 2009 but became eligible to retire prior  
33 to July 1, 2012, the minimum retirement age of sixty-two (62) will be adjusted downward in  
34 proportion to the amount of service the member has earned as of September 30, 2009. The



1 proportional formula shall work as follows:

2 (A) The formula shall determine the first age of retirement eligibility under the laws in  
3 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of  
4 sixty-two (62).

5 (B) The formula shall then take the teacher's total service credit as of September 30, 2009  
6 as the numerator and the years of service credit determined under (A) as the denominator.

7 (C) The fraction determined in (B) shall then be multiplied by the age difference in (1) to  
8 apply a reduction in years from age sixty-two (62).

9 (b) Any member, who has not completed at least ten (10) years of contributory service on  
10 or before July 1, 2005, may retire upon his or her written application to the retirement board as of  
11 the first day of the calendar month in which the application was filed; provided, the member was  
12 separated from service prior thereto; and further provided, however, that if separation from  
13 service occurs during the month in which application is filed, the effective date shall be the first  
14 day following that separation from service; provided, the member on his or her retirement date  
15 had attained the age of fifty-nine (59) and had completed at least twenty-nine (29) years of total  
16 service; or provided, that the member on his or her retirement date had attained the age of sixty-  
17 five (65) and had completed at least ten (10) years of contributory service; or provided, that the  
18 member on his or her retirement date had attained the age of fifty-five (55) and had completed  
19 twenty (20) years of total service and provided, that the retirement allowance, as determined  
20 according to the formula in section 16-16-13 is reduced actuarially for each month that the age of  
21 the member is less than sixty-five (65) years and who retire before October 1, 2009 or are eligible  
22 to retire as of September 30, 2009.

23 (ii) For teachers who become eligible to retire on or after October 1, 2009 [and prior to](#)  
24 [July 1, 2012](#), benefits are available to teachers who have attained the age of sixty-two (62) and  
25 have completed at least twenty-nine (29) years of total service or have attained the age of sixty-  
26 five (65) and completed at least ten (10) years of contributory service. For teachers in service as  
27 of October 1, 2009 who were not eligible to retire as of September 30, 2009 [but become eligible](#)  
28 [to retire prior to July 1, 2012](#), who have a minimum retirement age of sixty-two (62), the  
29 retirement age will be adjusted downward in proportion to the amount of service the member has  
30 earned as of September 30, 2009. The proportional formula shall work as follows:

31 (A) The formula shall determine the first age of retirement eligibility under the laws in  
32 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of  
33 sixty-two (62).

34 (B) The formula shall then take the teacher's total service credit as of September 30, 2009



1 as the numerator and the years of service credit determined under (A) as the denominator.

2 (C) The fraction determined in (B) shall then be multiplied by the age difference  
3 determined in (A) to apply a reduction in years from age sixty-two (62).

4 (c) Effective July 1, 2012, the following shall apply to all teachers not eligible to retire  
5 prior to July 1, 2012:

6 (i) A teacher with contributory service on or after July 1, 2012, shall be eligible to retire  
7 upon the completion of at least five (5) years of contributory service and attainment of the  
8 teacher's Social Security retirement age.

9 (ii) For teachers with five (5) or more years of contributory service as of June 30, 2012,  
10 with contributory service on and after July 1, 2012, who have a retirement age of Social Security  
11 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of  
12 service the teacher has earned as of June 30, 2012, but in no event shall a teacher's retirement age  
13 under this subparagraph (ii) be prior to the attainment of age fifty-nine (59) or prior to the  
14 teacher's retirement age determined under the laws in effect on June 30, 2012. The proportional  
15 formula shall work as follows:

16 (1) The formula shall determine the first age of retirement eligibility under the laws in  
17 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

18 (2) The formula shall then take the teacher's total service credit as of June 30, 2012 as the  
19 numerator and the projected service at retirement age in effect on June 30, 2012 as the  
20 denominator;

21 (3) The fraction determined in (2) shall then be multiplied by the age difference  
22 determined in (1) to apply a reduction in years from Social Security retirement age.

23 (iii) A teacher who has completed twenty (20) or more years of total service and who has  
24 attained an age within five (5) years of the eligible retirement age under subdivisions (c)(i) or  
25 (c)(ii) above, may elect to retire provided that the retirement allowance shall be reduced  
26 actuarially for each month that the age of the teacher is less than the eligible retirement age under  
27 subdivisions (c)(i) or (c)(ii) above.

28 (iv) Notwithstanding any other provisions of this section, a teacher who has completed  
29 ten (10) or more years of contributory service as of June 30, 2012, may elect to retire at his or her  
30 eligible retirement date as determined under subsections (a) and (b) above provided that a teacher  
31 making an election under this paragraph shall receive the teacher's retirement benefit determined  
32 and calculated based on the teacher's service and average compensation as of June 30, 2012.  
33 This provision shall be interpreted and administered in a manner to protect a teacher's accrued  
34 benefit on June 30, 2012.

1 ~~(e) Any member also paying into the retirement system under the provisions of chapter 9~~  
2 ~~of title 36 shall not be disqualified from receiving benefits provided by that chapter and the~~  
3 ~~provisions of this chapter simultaneously.~~

4 (d) Except as specifically provided in section 36-10-9.1, 36-10-12 through 36-10-15, and  
5 45-21-19 through 45-21-22, no member shall be eligible for pension benefits under this chapter  
6 unless

7 (i) the The member shall have been a contributing member of the employees' retirement  
8 system for at least ten (10) years; or

9 (ii) For teachers in active contributory service on or after July 1, 2012, the teacher shall  
10 have been a contributing member of the employees' retirement system for at least five (5) years.

11 (2) Provided, however, a person who has ten (10) years service credit shall be vested;  
12 provided that for teachers in active contributory service on or after July 1, 2012, a teacher who  
13 has five (5) years of contributory service shall be vested.

14 (3) Furthermore, any past service credits purchased in accordance with section 36-9-38  
15 shall be counted towards vesting.

16 (4) Any person who becomes a member of the employees' retirement system pursuant to  
17 section 45-21-8 shall be considered a contributing member for the purpose of chapter 21 of title  
18 45 and this chapter.

19 (5) Notwithstanding any other provision of law, no more than five (5) years of service  
20 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any  
21 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years  
22 of service credit before January 1, 1995, shall be permitted to apply the purchases towards the  
23 member's service retirement. However, no further purchase will be permitted. ~~Repayment, in~~  
24 ~~accordance with applicable law and regulation, of any contribution previously withdrawn from~~  
25 ~~the system shall not be deemed a purchase of service credit.~~

26 (6) Notwithstanding any other provision of law, effective July 1, 2012, except for  
27 purchases under sections 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53:

28 (i) For service purchases for time periods prior to a teacher's initial date of hire, the  
29 purchase must be made within three (3) years of the teacher's initial date of hire; and

30 (ii) For service purchases for time periods for official periods of leave as authorized by  
31 law, the purchase must be made within three (3) years of the time the official leave was  
32 concluded by the teacher. Notwithstanding paragraphs (i) and (ii) above, service purchases from  
33 time periods prior to June 30, 2012 may be made on or prior to June 30, 2015.

34 (e) No member of the teachers' retirement system shall be permitted to purchase service

1 credits for casual or seasonal employment, for employment as a [temporary or emergency](#)  
2 [employee](#), a page in the general assembly, or for employment at any state college or university  
3 while the employee is a student or graduate of the college or university.

4 (f) Except as specifically provided in section 16-16-6.2 and 16-16-6.4, a member shall  
5 not receive service credit in this retirement system for any year or portion of a year which counts  
6 as service credit in any other retirement system in which the member is vested or from which the  
7 member is receiving a pension and/or any annual payment for life. This subsection shall not apply  
8 to any payments received pursuant to the federal Social Security Act, 42 U.S.C. section 301 et  
9 seq.

10 (g) A member who seeks to purchase or receive service credit in this retirement system  
11 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a  
12 vested member in any other retirement system and/or is receiving a pension, retirement  
13 allowance, or any annual payment for life. The retirement board shall have the right to investigate  
14 as to whether or not the member has utilized the same time of service for credit in any other  
15 retirement system. The member has an affirmative duty to cooperate with the retirement board  
16 including, by way of illustration and not by way of limitation, the duty to furnish or have  
17 furnished to the retirement board any relevant information that is protected by any privacy act.

18 (h) A member who fails to cooperate with the retirement board shall not have the time of  
19 service credit counted toward total service credit until the time the member cooperates with the  
20 retirement board and until the time the retirement board determines the validity of the service  
21 credit.

22 (i) A member who knowingly makes a false statement to the retirement board regarding  
23 service time or credit shall not be entitled to a retirement allowance and is entitled only to the  
24 return of his or her contributions without interest.

25 **16-16-13. Amount of service retirement allowance.** – (a)(1)(i) For teachers eligible to  
26 retire on or before September 30, 2009, upon retirement from service under section 16-16-12 a  
27 teacher whose membership commenced before July 1, 2005 and who has completed at least ten  
28 (10) years of contributory service on or before July 1, 2005, shall, receive a retirement allowance  
29 which shall be determined in accordance with schedule A [for service prior to July 1, 2012](#).

30 SCHEDULE A

31 YEARS OF SERVICE PERCENTAGE ALLOWANCE

- 32 1<sup>st</sup> through 10<sup>th</sup> inclusive 1.7%  
33 11<sup>th</sup> through 20<sup>th</sup> inclusive 1.9%  
34 21<sup>st</sup> through 34<sup>th</sup> inclusive 3.0%

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5<sup>th</sup> 2.0%

(ii) For teachers eligible to retire on or after October 1, 2009 who were not eligible to retire on or before September 30, 2009, upon retirement for service under section 16-16-12, a teacher whose membership commenced before July 1, 2005 and who has completed at least ten (10) years of contributory service on or before July 1, 2005 shall receive a retirement allowance which shall be determined in accordance with schedule A above for service on before September 30, 2009, and shall be determined in accordance with schedule B in subsection (a)(2) below for service on or after October 1, 2009 [and prior to July 1, 2012](#):

(2) Upon retirement from service under section 16-16-12 a teacher whose membership commenced after July 1, 2005 or who has not completed at least ten (10) years of contributory service as of July 1, 2005 shall receive a retirement allowance which shall be determined in accordance with Schedule B [for service prior to July 1, 2012](#).

SCHEDULE B

YEARS OF SERVICE PERCENTAGE ALLOWANCE

1 <sup>st</sup> through 10 <sup>th</sup> inclusive	1.60%
11 <sup>th</sup> through 20 <sup>th</sup> inclusive	1.80%
21 <sup>st</sup> through 25 <sup>th</sup> inclusive	2.0%
26 <sup>th</sup> through 30 <sup>th</sup> inclusive	2.25%
31 <sup>st</sup> through 37 <sup>th</sup> inclusive	2.50%
38 <sup>th</sup>	2.25%

(b) The retirement allowance of any teacher whose membership commenced before July 1, 2005 and who has completed at least ten (10) years of contributory service on or before July 1, 2005 shall be in an amount equal to the percentage allowance specified in subsection (a)(1) of his or her average highest three (3) consecutive years of compensation multiplied by the number of years of total service, but in no case to exceed eighty percent (80%) of the compensation, payable at completion of thirty-five (35) years of service; provided, however, for teachers retiring on or after October 1, 2009 who were not eligible to retire as of September 30, 2009 the calculation shall be based on the average highest five (5) consecutive years of compensation.

The retirement allowance of any teacher whose membership commenced after July 1, 2005 or who has not completed at least ten (10) years of contributory service as of July 1, 2005 shall be in an amount equal to the percentage allowance specified in Schedule B of his or her average highest three (3) consecutive years of compensation multiplied by the number of years of total service, but in no case to exceed seventy-five percent (75%) of the compensation, payable at completion of thirty-eight (38) years of service; provided, however, for teachers retiring on or

1 after October 1, 2009 who were not eligible to retire as of September 30, 2009 the calculation  
2 shall be based on the average highest five (5) consecutive years of compensation.

3 Any teacher who has in excess of thirty-five (35) years on or before June 2, 1985 shall  
4 not be entitled to any refund, and any teacher with thirty-five (35) years or more on or after June  
5 2, 1985 shall contribute from July 1, 1985 until his or her retirement.

6 (c) For service prior to July 2012, the retirement allowance of a teacher shall be  
7 determined in accordance with subsections (a)(1) and (a)(2) above. For service on and after July  
8 1, 2012, a teacher's retirement allowance shall be equal to one percent (1%) of the teacher's  
9 average compensation multiplied by the teacher's years of service on and after July 1, 2012. In no  
10 event shall a teacher's retirement allowance exceed the maximum limitations set forth in  
11 subsection (b) above.

12 **16-16-22. Contributions to state system.** – (a) Prior to July 1, 2012, each ~~Each~~ teacher  
13 ~~member~~ shall contribute into the system nine and one-half percent (9.5%) of compensation as his  
14 or her share of the cost of annuities, benefits, and allowances. Effective July 1, 2012, each teacher  
15 shall contribute an amount equal to three and three quarters percent (3.75%) of his or her  
16 compensation. The employer contribution on behalf of teacher members of the system shall be in  
17 an amount that will pay a rate percent of the compensation paid to the members, according to the  
18 method of financing prescribed in the State Retirement Act in chapters 8 – 10 and 10.3 of title 36.  
19 This amount shall be paid forty percent (40%) by the state, and sixty percent (60%) by the city,  
20 town, local educational agency, or any formalized commissioner approved cooperative service  
21 arrangement by whom the teacher members are employed, with the exception of teachers who  
22 work in federally funded projects and further with the exception of any supplemental  
23 contributions by a local municipality employer under chapter 36-10.3 which supplemental  
24 employer contributions shall be made wholly by the local municipality. Provided, however, that  
25 the rate percent paid shall be rounded to the nearest hundredth of one percent (.01%).

26 (b) The employer contribution on behalf of teacher members of the system who work in  
27 fully or partially federally funded programs shall be prorated in accordance with the share of the  
28 contribution paid from the funds of the federal, city, town, or local educational agency, or any  
29 formalized commissioner approved cooperative service arrangement by whom the teacher  
30 members are approved.

31 (c) In case of the failure of any city, town, or local educational agency, or any formalized  
32 commissioner approved cooperative service arrangement to pay to the state retirement system the  
33 amounts due from it under this section within the time prescribed, the general treasurer is  
34 authorized to deduct the amount from any money due the city, town, or local educational agency

1 from the state.

2 (d) The employer's contribution shared by the state shall be paid in the amounts  
3 prescribed in this section for the city, town, or local educational agency and under the same  
4 payment schedule. Notwithstanding any other provisions of this chapter, the city, town, or local  
5 educational agency or any formalized commissioner approved cooperative service arrangement  
6 shall remit to the general treasurer of the state the local employer's share of the teacher's  
7 retirement payments on a monthly basis, payable by the fifteenth (15th) of the following month;  
8 ~~provided that the employer contribution shall be deferred from the effective date of this act until~~  
9 ~~June 15, 2010.~~ The amounts that would have been contributed shall be deposited by the state in a  
10 special fund and not used for any purpose. The general treasurer, upon receipt of the local  
11 employer's share, shall effect transfer of a matching amount of money from the state funds  
12 appropriated for this purpose by the general assembly into the retirement fund, ~~provided that for~~  
13 ~~the period from the effective date of this act until June 15, 2010, the general treasurer shall not~~  
14 ~~make such transfer.~~

15 Upon reconciliation of the final amount owed to the retirement fund for the employer  
16 share, the state shall ensure that any local education aid reduction assumed for the FY 2010  
17 revised budget in excess of the actual savings is restored to the respective local entities.

18 **16-16-22.1. City or town payment of teacher member contributions.** -- (a) Each city  
19 or town, pursuant to the provisions of section 414(h)(2) of the United States Internal Revenue  
20 Code, 26 U.S.C. section 414(h)(2), may, pursuant to appropriate local action by the city or town,  
21 pick up and pay the contributions which would be payable by the employees as teacher members  
22 under section 16-16-22. The contributions so picked up shall be treated as employer contributions  
23 in determining tax treatment under the United States Internal Revenue Code; ~~however, each city~~  
24 ~~or town shall continue to withhold federal and state income taxes based upon these contributions~~  
25 ~~until the internal revenue service rules that pursuant to 26 U.S.C. section 414(h)(2) these~~  
26 ~~contributions shall not be included as gross income of the employee until the time they are~~  
27 ~~distributed.~~ Employee contributions picked up pursuant to this section shall be treated and  
28 identified as teacher member contributions for all purposes of the retirement system except as  
29 specifically provided to the contrary in this section.

30 (b) Teacher member contributions picked up by a city or town shall be paid from the  
31 same source of funds used for the payment of compensation to a teacher member. A deduction  
32 shall be made from a teacher member's compensation equal to the amount of his or her  
33 contributions picked up by his or her city or town employer. This deduction, however, shall not  
34 reduce his or her compensation for purposes of computing benefits under the retirement system

1 pursuant to this chapter or chapter 10 of title 36. Picked up contributions shall be transmitted to  
2 the retirement system in accordance with the provisions of section 16-16-22 and section 36-10-1.

3 **16-16-40. Additional benefits payable to retired teachers.** – (a) All teachers and all  
4 beneficiaries of teachers receiving any service retirement or ordinary [or accidental](#) disability  
5 retirement allowance pursuant to the provisions of this chapter and chapter 17 of this title, on or  
6 before December 31, 1967, shall receive a cost of living retirement adjustment equal to one and  
7 one-half percent (1.5%) per year of the original retirement allowance, not compounded, for each  
8 year the retirement allowance has been in effect. For purposes of computation credit shall be  
9 given for a full calendar year regardless of the effective date of the retirement allowance. This  
10 cost of living retirement adjustment shall be added to the amount of the service retirement  
11 allowance as of January 1, 1970, and payment shall begin as of July 1, 1970. An additional cost  
12 of living retirement adjustment shall be added to the original retirement allowance equal to three  
13 percent (3%) of the original retirement allowance on the first day of January, 1971, and each year  
14 thereafter through December 31, 1980.

15 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary  
16 disability retirement allowance pursuant to the provisions of this title who retired on or after  
17 January 1, 1968, shall, on the first day of January, next following the third (3rd) year on  
18 retirement, receive a cost of living adjustment, in addition to his or her retirement allowance, an  
19 amount equal to three percent (3%) of the original retirement allowance. In each succeeding year  
20 thereafter, on the first day of January, the retirement allowance shall be increased an additional  
21 three percent (3%) of the original retirement allowance, not compounded, to be continued through  
22 December 31, 1980.

23 (c)(1) Beginning on January 1, 1981, for all teachers and beneficiaries of teachers  
24 receiving any service retirement and all teachers and all beneficiaries of teachers who have  
25 completed at least ten (10) years of contributory service on or before July 1, 2005, pursuant to the  
26 provisions of this chapter, and for all teachers and beneficiaries of teachers who receive a  
27 disability retirement allowance pursuant to section 16-16-14 – 16-16-17, the cost of living  
28 adjustment shall be computed and paid at the rate of three percent (3%) of the original retirement  
29 allowance or the retirement allowance as computed in accordance with section 16-16-40.1,  
30 compounded annually from the year for which the cost of living adjustment was determined to be  
31 payable by the retirement board pursuant to the provisions of subsection (a) or (b) of this section.  
32 Such cost of living adjustments are available to teachers who retire before October 1, 2009 or are  
33 eligible to retire as of September 30, 2009.

34 (2) The provisions of this subsection shall be deemed to apply prospectively only and no



1 retroactive payment shall be made.

2 (3) The retirement allowance of all teachers and all beneficiaries of teachers who have  
3 not completed at least ten (10) years of contributory service on or before July 1, 2005 or were not  
4 eligible to retire as of September 30, 2009, shall, on the month following the third anniversary  
5 date of the retirement, and on the month following the anniversary date of each succeeding year  
6 be adjusted and computed by multiplying the retirement allowance by three percent (3%) or the  
7 percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as  
8 published by the United States Department of Labor Statistics, determined as of September 30 of  
9 the prior calendar year, whichever is less; the cost of living adjustment shall be compounded  
10 annually from the year for which the cost of living adjustment was determined payable by the  
11 retirement board; provided, that no adjustment shall cause any retirement allowance to be  
12 decreased from the retirement allowance provided immediately before such adjustment.

13 (d) For teachers not eligible to retire in accordance with this chapter as of September 30,  
14 2009 and not eligible upon passage of this article, and for their beneficiaries, the cost of living  
15 adjustment described in subsection (3) above shall only apply to the first thirty-five thousand  
16 dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon the third  
17 (3rd) anniversary of the date of retirement or when the retiree reaches age sixty-five (65),  
18 whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase annually by the  
19 percentage increase in the Consumer Price Index for all Urban Consumer (CPI-U) as published  
20 by the United States Department of Labor Statistics determined as of September 30 of the prior  
21 calendar year or three percent (3%), whichever is less. The first thirty-five thousand dollars  
22 (\$35,000), as indexed, of retirement allowance shall be multiplied by the percentage of increase  
23 in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States  
24 Department of Labor Statistics determined as of September 30 of the prior calendar year or three  
25 percent (3%), whichever is less, on the month following the anniversary date of each succeeding  
26 year. For teachers eligible to retire as of September 30, 2009 or eligible upon passage of this  
27 article, and for their beneficiaries, the provisions of this subsection (d) shall not apply.

28 (e)(1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (e)  
29 (2) below, for all present and former teachers, active and retired teachers, and beneficiaries  
30 receiving any retirement, disability or death allowance or benefit of any kind, the annual benefit  
31 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by  
32 (B) where (A) is equal to the percentage determined by subtracting five and one-half percent  
33 (5.5%) (the “subtrahend”) from the Five-Year Average Investment Return of the retirement  
34 system determined as of the last day of the plan year preceding the calendar year in which the



1 adjustment is granted, said percentage not to exceed four percent (4%) and not to be less than  
2 zero percent (0%), and (B) is equal to the lesser of the teacher's retirement allowance or the first  
3 twenty-five thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand  
4 dollars (\$25,000) amount to be indexed annually in the same percentage as determined under  
5 paragraph (e)(1)(A) above. The "Five-Year Average Investment Return" shall mean the average  
6 of the investment returns of the most recent five (5) plan years as determined by the retirement  
7 board. Subject to paragraph (e)(2) below, the benefit adjustment provided by this paragraph shall  
8 commence upon the third (3rd) anniversary of the date of retirement or the date on which the  
9 retiree reaches his or her Social Security retirement age, whichever is later. In the event the  
10 retirement board adjusts the actuarially assumed rate of return for the system, either upward or  
11 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

12 (2) Except as provided in paragraph (e)(3), the benefit adjustments under this section for  
13 any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the  
14 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the  
15 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,  
16 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all  
17 teachers for such plan year.

18 In determining whether a funding level under this paragraph (e)(2) has been achieved, the  
19 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
20 current or future benefit adjustment provided under this section. "GASB Funded Ratio" shall  
21 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

22 (3) Notwithstanding paragraph (e)(2), in each fifth plan year commencing after June 30,  
23 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five  
24 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (e)(1)  
25 above until the GASB Funded Ratio of the Employees' Retirement System of Rhode Island, the  
26 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by  
27 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

28 (4) Notwithstanding any other provisions of this chapter, the provisions of this paragraph  
29 (e) of section 16-16-40 shall become effective July 1, 2012, and shall apply to any benefit  
30 adjustments not granted on or prior to June 30, 2012.

31 SECTION 11. Sections 45-21-2, 45-21-6, 45-21-7, 45-21-8, 45-21-8.1, 45-21-9, 45-21-  
32 12.1, 45-21-14.2, 45-21-16, 45-21-17, 45-21-17.2, 45-21-18, 45-21-30, 45-21-35, 45-21-41, 45-  
33 21-46, 45-21-51.1, 45-21-52, 45-21-58 and 45-21-66 of the General Laws in Chapter 45-21  
34 entitled "Retirement of Municipal Employees are hereby amended to read as follows:

1           **45-21-2. Definitions.** -- The following words and phrases as used in this chapter have the  
2 following meanings unless a different meaning is plainly required by the context:

3           (1) "Accumulated contributions" means the sum of all amounts deducted from the  
4 compensation of a member and credited to his or her individual account in the members'  
5 contribution reserve account.

6           (2) "Active member" means any employee of a participating municipality as defined in  
7 this section for whom the retirement system is currently receiving regular contributions pursuant  
8 to sections 45-21-41, 45-21-41.1 or 45-21.2-14.

9           (3) "Actuarial reserve" means the present value of all payments to be made on account of  
10 any annuity, retirement allowance, or benefit, computed upon the basis of mortality tables  
11 adopted by the retirement board with regular interest.

12           (4) "Beneficiary" means any person in receipt of a retirement allowance, annuity, or  
13 other benefit as provided by this chapter.

14           (5) For purposes of this chapter, "domestic partner" shall be defined as a person who,  
15 prior to the decedent's death, was in an exclusive, intimate and committed relationship with the  
16 decedent, and who certifies by affidavit that their relationship met the following qualifications:

17           (i) Both partners were at least eighteen (18) years of age and were mentally competent to  
18 contract;

19           (ii) Neither partner was married to anyone else;

20           (iii) Partners were not related by blood to a degree which would prohibit marriage in the  
21 state of Rhode Island;

22           (iv) Partners resided together and had resided together for at least one year at the time  
23 of death; and

24           (v) Partners were financially interdependent as evidenced by at least two (2) of the  
25 following:

26           (A) Domestic partnership agreement or relationship contract;

27           (B) Joint mortgage or joint ownership of primary residence;

28           (C) Two (2) of: (I) Joint ownership of motor vehicle; (II) Joint checking account; (III)  
29 Joint credit account; (IV) Joint lease; and/or

30           (D) The domestic partner had been designated as a beneficiary for the decedent's will,  
31 retirement contract or life insurance.

32           (6) "Effective date of participation" means the date on which the provisions of this  
33 chapter have become applicable to a municipality accepting the provisions of the chapter in the  
34 manner stated in § 45-21-4.

1 (7) "Employee means any regular and permanent employee or officer of any  
2 municipality, whose business time at a minimum of twenty (20) hours a week is devoted to the  
3 service of the municipality, including elective officials and officials and employees of city and  
4 town housing authorities. Notwithstanding the previous sentence, the term "employee", for the  
5 purposes of this chapter, does not include any person whose duties are of a casual or seasonal  
6 nature. The retirement board shall decide who are employees within the meaning of this chapter,  
7 but in no case shall it deem as an employee any individual who annually devotes less than twenty  
8 (20) business hours per week to the service of the municipality and who receives less than the  
9 equivalent of minimum wage compensation on an hourly basis for his or her services, except as  
10 provided in section 45-2 1- 14.1. Casual employees mean those persons hired for an occasional  
11 period or a period of emergency to perform special jobs or functions not necessarily related to the  
12 work of regular employees. Any commissioner of a municipal housing authority, or any member  
13 of a part-time state board commission, committee or other authority is not deemed to be an  
14 employee within the meaning of this chapter.

15 (8) "Final compensation" for members who are eligible to retire on or prior to June 30,  
16 2012 shall means the average annual compensation, pay, or salary of a member for services  
17 rendered during the period of three (3) consecutive years within the total service of the member  
18 when the average was highest, and as the term average annual compensation is further defined in  
19 subdivision 36-8-1(5)(a)(4). For members eligible to retire on or after July 1, 2012, "final  
20 compensation" means the average of the highest five (5) consecutive years of compensation  
21 within the total service when the final compensation was the highest. For members who become  
22 eligible to retire on or after July 1, 2012, if more than one half (1/2) of the member's total years  
23 of service consist of years of service during which the member devoted less than thirty (30)  
24 business hours per week to the service of the municipality, but the member's average  
25 compensation consists of three (3) or more years during which the member devoted more than  
26 thirty (30) business hours per week to the service of a municipality, such member's average  
27 compensation shall mean the average of the highest ten (10) consecutive years of compensation  
28 within the total service when the average compensation was the highest. Notwithstanding the  
29 preceding provisions, in no event shall a member's final compensation be lower than his or her  
30 final compensation determined as of June 30, 2012.

31 (9) "Fiscal year" means the period beginning on July 1 in any year and ending on June 30  
32 of the next succeeding year.

33 (10) "Full actuarial costs" or "full actuarial value" mean the lump sum payable by a  
34 member claiming service credit for certain employment for which payment is required, which is

1 determined according to the age of the member and his or her annual rate of compensation at the  
2 time he or she applies for service credit, and which is expressed as a rate percent of the annual  
3 rate of compensation to be multiplied by the number of years for which he or she claims the  
4 service credit, as prescribed in a schedule adopted by the retirement board, from time to time, on  
5 the basis of computation by the actuary. Except as provided in sections 16-16-7.1, 36-5-3, 36-9-  
6 31, 36-10-10.4, and subdivision 45-21-53: (i) All service credit purchases requested after June 16,  
7 2009 and prior to July 1, 2012, shall be at full actuarial value; and (ii) All service credit purchases  
8 requested after June 30, 2012 shall be at full actuarial value which shall be determined using the  
9 system's assumed investment rate of return minus one percent (1%).

10 (11) "Governing body" means any and all bodies empowered to appropriate monies for,  
11 and administer the operation of, the units as defined in subdivision (1) of this section.

12 (12) "Member" means any person included in the membership of the retirement system  
13 as provided in § 45-21-8.

14 (13) "Municipality" means any town or city in the state of Rhode Island, any city or  
15 town housing authority, fire, water, sewer district, regional school district, public building  
16 authority as established by chapter 14 of title 37, or any other municipal financed agency to  
17 which the retirement board has approved admission in the retirement system.

18 (14) "Participating municipality" means any municipality which has accepted this  
19 chapter, as provided in § 45-21-4.

20 (15) "Prior service" means service as a member rendered before the effective date of  
21 participation as defined in this section, certified on his or her prior service certificate, and  
22 allowable as provided in § 45-21-15.

23 (16) "Regular interest" means interest ~~compounded annually as determined by the~~  
24 ~~retirement board based upon the experience of the system.~~ at the assumed investment rate of  
25 return, compounded annually, as may be prescribed from time to time by the retirement board.

26 (17) "Retirement allowance" or "annuity" means the amounts paid to any member of the  
27 municipal employees' retirement system of the state of Rhode Island, or a survivor of the  
28 member, as provided in this chapter. All retirement allowances or annuities shall be paid in equal  
29 monthly installments for life, unless otherwise specifically provided.

30 (18) "Retirement board" or "board" means the state retirement board created by chapter  
31 8 of title 36.

32 (19) "Retirement system" means the "municipal employees' retirement system of the  
33 state of Rhode Island" as defined in § 45-21-32.

34 (20) "Service" means service as an employee of a municipality of the state of Rhode

1 Island as defined in subdivision (7).

2 (21) "Total service" means prior service as defined in subdivision (15) plus service  
3 rendered as a member on or after the effective date of participation.

4 [\(22\) Any term not specifically defined in this chapter and specifically defined in chapters](#)  
5 [36-8 through 36-10 shall have the same definition as set forth in chapters 36-8 through 36-10.](#)

6 **45-21-6. Settlement on withdrawal from system. --** (a) Upon withdrawal from the  
7 system, the retirement board retains in the system from contributions made by the members from  
8 the municipality and by the municipality the following amounts:

9 (1) An amount equal to the actuarial value, determined in accordance with the actuarial  
10 tables in use by the system, of the retirement and disability allowances in force, being paid to  
11 former employees of the municipality who were granted allowances as members of the system or  
12 to the beneficiaries of those members;

13 (2) An amount equal to the actuarial value of deferred annuities to members who have  
14 not retired but who have acquired a vested right to a retirement allowance who may desire to  
15 maintain that vested right; and

16 (3) An amount equal to the accumulated contributions of the members who have not  
17 acquired a vested right which shall be refunded to those members.

18 (b) Any remainder in the system after providing for the foregoing amounts shall be paid  
19 over to the municipality [in such amount as the retirement board shall in its sole discretion](#)  
20 [determine to be prudent and legally permissible](#); provided, that if no remainder exists and a  
21 deficiency to pay those amounts has accumulated, the municipality is liable to the system for the  
22 amount of the deficiency as provided in this section.

23 **45-21-7. Liability of municipalities - Enforcement. --** (a) Each participating  
24 municipality is liable to the retirement system for the cost of funding a retirement system for its  
25 employees who are members of the system, including all contributions collected from employees,  
26 [including any contributions pursuant to chapter 36-10.3.](#)

27 (b) The liability of a municipality, including the liability under any formalized,  
28 commissioner approved, cooperative service arrangement under this chapter is enforceable by the  
29 retirement board against the municipality through appropriate action in the superior court.

30 (c) The state is further empowered to withhold from any municipality that amount of the  
31 municipality's portion of any shared taxes which is sufficient to satisfy the liability, [including any](#)  
32 [liability pursuant to chapter 36-10.3.](#)

33 **45-21-8. Membership in system. --** Membership in the retirement system does not begin  
34 before the effective date of participation in the system as provided in § 45-21-4, and consists of

1 the following:

2 (a) Any employee of a participating municipality as defined in this chapter, who  
3 becomes an employee on and after the effective date of participation, shall, under contract of his  
4 or her employment, become a member of the retirement system; provided, that the employee is  
5 not receiving any pension or retirement allowance from any other pension or retirement system  
6 supported wholly or in part by a participating municipality, and is not a contributor to any other  
7 pension or retirement system of a participating municipality. Any employee who is elected to an  
8 office in the service of a municipality after the effective date and prior to July 1, 2012, has the  
9 option of becoming a member of the system, which option must be exercised within sixty (60)  
10 days following the date the employee assumes the duties of his or her office, otherwise that  
11 person is not entitled to participate under the provisions of this section;

12 (b) Any employee or elected official of a participating municipality in service prior to  
13 the effective date of participation, who is not a member of any other pension or retirement system  
14 supported wholly or in part by a participating municipality, and who does not notify the  
15 retirement board in writing before the expiration of sixty (60) days from the effective date of  
16 participation that he or she does not wish to join the system, shall automatically become a  
17 member; and

18 (c) Any employee of a participating municipality in service prior to the effective date of  
19 participation, who is a member of any other pension or retirement system supported wholly or in  
20 part by a participating municipality on the effective date of participation of their municipality,  
21 who then or thereafter makes written application to join this system, and waives and renounces all  
22 accrued rights and benefits of any other pension or retirement system supported wholly or in part  
23 by a participating municipality, becomes a member of this retirement system and shall not be  
24 required to make contribution under any other pension or retirement system of a participating  
25 municipality, any thing to the contrary notwithstanding.

26 (d) Notwithstanding the provisions of this section, present firefighters employed by the  
27 town of Johnston shall establish a pension plan separate from the state of Rhode Island retirement  
28 system. If the town of Johnston is thirty (30) days or more late on employer or employee  
29 contributions to the pension plan, the auditor general is authorized to redirect any Johnston funds  
30 to cover the shortfall or to deduct that amount from any moneys due the town from the state for  
31 any purpose other than for education. Disability determinations of present firefighters shall be  
32 made by the state retirement board, subject to the provisions of § 45-21-19 at the town of  
33 Johnston's expense. All new firefighters hired by the town of Johnston shall become members of  
34 the state retirement system.

1 (e) Notwithstanding the provisions of this section, any City of Cranston employees, who  
2 are presently members of Teamsters Local Union No. 251, hired between the dates of July 1,  
3 2005 and June 30, 2010 inclusive and who are currently members of the retirement system  
4 established by this chapter, may opt out of said retirement system and choose to enroll in a  
5 defined contribution plan (i.e., a 403 (b) plan or equivalent thereof) established by the City of  
6 Cranston.

7 (f) Notwithstanding the provisions of this section, any City of Cranston employees, who  
8 will be members of Teamsters Local Union No. 251, hired after June 30, 2010 shall be enrolled in  
9 a defined contribution plan (i.e., a 403 (b) plan or equivalent thereof) established by the City of  
10 Cranston and shall not be a member of the retirement system established by this chapter.

11 (g) Notwithstanding the provisions of this section, any City of Cranston employees  
12 defined in (e) and (f) of this section shall be precluded from purchase of service credit for time  
13 served on or after July 1, 2010 while participating in the defined contribution plan (i.e., a 403 (b)  
14 plan or equivalent thereof) established by the City of Cranston should the member cease  
15 employment with the City of Cranston or Teamsters Local Union No. 251 and re-enter the system  
16 with another participating employer who has accepted the provisions, as defined, in § 45-21-4.

17 ~~**45-21-8.1. Exclusion of elected city, or town council members.**~~ **Exclusion of elected**  
18 **city, town council or other elected members.** -- Notwithstanding any provision of this chapter  
19 or any provision of the general or public laws to the contrary, no city or town council member,  
20 school committee members or other local elected officials, other than elected officials who are  
21 compensated for devoting thirty-five (35) or more hours per week to their elected position,  
22 elected for the first time after ~~November 4~~ June 30, 2012, shall be allowed membership into the  
23 municipal employees' retirement system, as a result of that elective service.

24 **45-21-9. Prior service credit of members joining by election – Purchase of credit for**  
25 **prior service.** -- (a) No employee of a participating municipality whose membership in the  
26 retirement system is contingent on his or her own election to join under § 45-21-8(c), shall  
27 receive prior service credit unless the employee makes application for membership within one  
28 year from the effective date of participation of the municipality by which the employee is  
29 employed. Any employee who elects not to join this retirement system, as provided in § 45-21-  
30 8(b), may thereafter be admitted to membership, but no employee shall receive credit for prior  
31 service unless the employee applies for membership within one year from the effective date of  
32 participation of the municipality by which the employee is employed.

33 (b) Any member who becomes an employee after the effective date of participation by a  
34 municipality into the system, has the privilege of purchasing credit for prior service with the city

1 or town of which the employee is now employed. This privilege does not become effective until a  
2 member has had at least one year of service following his or her latest reentry into membership  
3 with the system, and credit is granted only when the member makes a lump sum payment of six  
4 percent (6%) of the rate of compensation in effect on the date of reentry, plus regular interest,  
5 compounded annually from that date to the date of purchase. The maximum period of service that  
6 may be purchased under this section is ten (10) years. Upon granting prior service under the  
7 provisions of this section, the board shall bill the applicable city or town for its share of the total  
8 liability for the prior service. [Effective July 1, 2012, any purchase requested under this paragraph](#)  
9 [shall be made by a member at full actuarial cost.](#)

10 **45-21-12.1. Credit for service as a teacher or state employee.** -- Any member who has  
11 rendered service as a teacher, as defined under the provisions of chapters 16 and 17 of title 16, or  
12 as a state employee, as defined by the provisions of chapters 8 to 10 of title 36, is entitled to credit  
13 for that service for the various purposes of this system; provided, that the member was a  
14 contributing member for that period. All contributions made by the member for those periods of  
15 service shall be transferred in ~~total~~ [to](#) this system and the retirement system shall calculate the  
16 full actuarial value of the accrued benefit with the former employer. If the full actuarial value of  
17 the accrued benefit with the former employer is greater than the total employee contributions  
18 transferred, the retirement system shall also transfer the difference between the full actuarial  
19 value of the accrued benefit with the former employer and the employee's contributions from the  
20 account of the former employer to the account of the current employing municipality. In any case  
21 in which a member has received a refund or refunds of contributions made to the system, the  
22 allowance of the previously stated credit for service is conditioned upon the repayment of the  
23 refund or refunds, including regular interest from the date of refund to the date of repayment. Any  
24 service as defined in this section for which no contributions were made, may be granted;  
25 provided, that the member pays to the retirement system a lump sum payment equal to the  
26 amount had he or she been a member during that period, plus interest as defined in this section.  
27 [Effective July 1, 2012, any purchase requested under this paragraph shall be made by a member](#)  
28 [at full actuarial cost.](#) The retirement board shall fix and determine rules and regulations that are  
29 needed to govern the provisions of this section.

30 **45-21-14.2. Leave of absence credits.** -- (a) Members with at least one year of  
31 membership credits who have been granted an official leave of absence without pay for illness,  
32 injury, educational or, any other reason, may receive credit for the leave by making contributions  
33 to the retirement system, in a lump sum, in an amount equal to the contribution the member  
34 would have made to the retirement system based upon the member's expected compensation but



1 for the granting of leave without pay, plus regular interest compounded annually to date of  
2 payment; provided, that the member returns to service for at least one year immediately upon  
3 completion of that leave. Credit for leaves of absence under this section are limited, in the  
4 aggregate, during the total service of a member to a period of four (4) years maximum. Effective  
5 July 1, 2012, any purchase requested under this paragraph shall be made by a member at full  
6 actuarial cost.

7 (b) The retirement board fixes the time when and the conditions under which payments  
8 are made under this section.

9 (c) This section is exempt from the provisions of §§ 45-13-6 – 45-13-10.

10 **45-21-16. Retirement on service allowance.** -- Retirement of a member on a service  
11 retirement allowance shall be made by the retirement board as follows:

12 (1) (i) Any member who is eligible to retire on or before June 30, 2012, may retire upon  
13 the member's written application to the retirement board as of the first day of the calendar month  
14 in which the application was filed, provided the member was separated from service prior to the  
15 application, and provided, further, that if separation from service occurs during the month in  
16 which application is filed, the effective date is the first day following the separation from service,  
17 provided that the member at the time so specified for the member's retirement has attained the  
18 applicable minimum retirement age and has completed at least ten (10) years of total service or  
19 who, regardless of age, completed thirty (30) years of total service, and notwithstanding that  
20 during the period of notification the member has separated from service. The minimum ages for  
21 service retirement (except for employees completing thirty (30) years of service) is fifty-eight  
22 (58) years.

23 (ii) Effective July 1, 2012, the following shall apply to all members not eligible to retire  
24 prior to July 1, 2012:

25 (A) A member with contributory service on or after July 1, 2012, shall be eligible to retire  
26 upon the completion of at least five (5) years of contributory service and attainment of the  
27 member's Social Security retirement age.

28 (B) For members with five (5) or more years of contributory service as of June 30, 2012,  
29 with contributory service on and after July 1, 2012, who have a retirement age of Social Security  
30 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of  
31 service the member has earned as of June 30, 2012, but in no event shall a member's retirement  
32 age under this subparagraph (B) be prior to the attainment of age fifty-nine (59) or prior to the  
33 member's retirement age determined under the laws in effect on June 30, 2012. The proportional  
34 formula shall work as follows:

1           (1) The formula shall determine the first age of retirement eligibility under the laws in  
2 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

3           (2) The formula shall then take the member's total service credit as of June 30, 2012 as  
4 the numerator and the projected service at retirement age in effect on June 30, 2012 as the  
5 denominator;

6           (3) The fraction determined in (2) shall then be multiplied by the age difference  
7 determined in (1) to apply a reduction in years from Social Security retirement age.

8           (C) A member who has completed twenty (20) or more years of total service and who has  
9 attained an age within five (5) years of the eligible retirement age under subparagraphs (ii)(A) or  
10 (ii)(B) above, may elect to retire provided that the retirement allowance shall be reduced  
11 actuarially for each month that the age of the member is less than the eligible retirement age  
12 under subparagraphs (ii)(A) or (ii)(B) above.

13           (D) Notwithstanding any other provisions of section 42-21-16(1)(ii), a member who has  
14 completed ten (10) or more years of contributory service as of June 30, 2012, may elect to retire  
15 at his or her eligible retirement date as determined under paragraph (i) above provided that a  
16 member making an election under this paragraph shall receive the member's retirement benefit  
17 determined and calculated based on the member's service and average compensation as of June  
18 30, 2012. This provision shall be interpreted and administered in a manner to protect a member's  
19 accrued benefit on June 30, 2012.

20           (2) Except as specifically provided in §§ 45-21-19 through 45-21-22, no member is  
21 eligible for pension benefits under this chapter unless:

22           (I) On or prior to June 30, 2012 the member has been a contributing member of the  
23 employees' retirement system for at least ten (10) years; or

24           (II) For members in active contributory service on or after July 1, 2012, the member  
25 shall have been a contributing member of the employees' retirement system for at least five (5)  
26 years.

27           (i) Provided, however, a person who has ten (10) years service credit on or before June  
28 16, 1991 is vested.

29           (ii) Furthermore, any past service credits purchased in accordance with § 45-21-62 are  
30 counted towards vesting.

31           (iii) Any person who becomes a member of the employees' retirement system pursuant to  
32 § 45-21-4 shall be considered a contributing member for the purpose of this chapter.

33           (iv) Notwithstanding any other provision of law, no more than five (5) years of service  
34 credit may be purchased by a member of the System. The five (5)-year limit does not apply to any

1 purchases made prior to the effective date of this provision. A member who has purchased more  
2 than five (5) years of service credit maximum, before January 1, 1995, shall be permitted to apply  
3 the purchases towards the member's service retirement. However, no further purchase will be  
4 permitted. Repayment, in accordance with applicable law and regulation, of any contribution  
5 previously withdrawn from the System is not deemed a purchase of service credit.

6 (v) Notwithstanding any other provision of law, effective July 1, 2012, except for  
7 purchases under sections 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53:

8 (I) For service purchases for time periods prior to a member's initial date of hire; the  
9 purchase must be made within three (3) years of the member's initial date of hire; and

10 (II) For service purchases for time periods for official periods of leave as authorized by  
11 law, the purchase must be made within three (3) years of the time the official leave was  
12 concluded by the member.

13 Notwithstanding (I) and (II) above, service purchases from time periods prior to June 30,  
14 2012 may be made on or prior to June 30, 2015.

15 (3) No member of the municipal employees' retirement system is permitted to purchase  
16 service credits for casual, temporary, emergency or seasonal employment, for employment as a  
17 page in the general assembly, or for employment at any state college or university while the  
18 employee is a student or graduate assistant of the college or university.

19 (4) A member does not receive service credit in this retirement system for any year or  
20 portion of a year, which counts as service credit in any other retirement system in which the  
21 member is vested or from which the member is receiving a pension and/or any annual payment  
22 for life. This subsection does not apply to any payments received pursuant to the Federal Social  
23 Security Act or to payments from a military pension earned prior to participation in state or  
24 municipal employment, or to military service credits earned prior to participation in state or  
25 municipal employment.

26 (5) A member who seeks to purchase or receive service credit in this retirement system  
27 has the affirmative duty to disclose to the retirement board whether or not he or she is a vested  
28 member in any other retirement system and/or is receiving a pension retirement allowance or any  
29 annual payment for life. The retirement board has the right to investigate whether or not the  
30 member has utilized the same time of service for credit in any other retirement system. The  
31 member has an affirmative duty to cooperate with the retirement board including, by way of  
32 illustration and not by way of limitation, the duty to furnish or have furnished to the retirement  
33 board any relevant information which is protected by any privacy act.

34 (6) A member who fails to cooperate with the retirement board shall not have the time of

1 service counted toward total service credit until a time that the member cooperates with the  
2 retirement board and until a time that the retirement board determines the validity of the service  
3 credit.

4 (7) A member who knowingly makes a false statement to the retirement board regarding  
5 service time or credit is not entitled to a retirement allowance and is entitled only to the return of  
6 his or her contributions without interest.

7 **45-21-17. Service retirement allowance.** -- (a) Upon retirement from service after  
8 January 1, 1969, a member shall receive a retirement allowance which is a life annuity terminable  
9 upon death of the annuitant and is an amount is equal to two percent (2%) of final compensation  
10 multiplied by the number of years of total service, not to exceed thirty-seven and one-half (37  
11 1/2) years for services on and prior to June 30, 2012. For service on and after July 1, 2012, a  
12 member's retirement allowance shall be equal to one percent (1%) of the member's final  
13 compensation multiplied by the member's years of service on and after July 1, 2012. In no event  
14 shall a member's retirement allowance exceed seventy-five percent (75%) of the member's final  
15 compensation. ~~;~~ ~~provided;~~ Provided, however, that every person elected prior to July 1, 2012 who  
16 has served as a part time elected official of the city of Cranston for a period often (10) years, is  
17 entitled to receive, upon retirement from that part time service, and not being otherwise regularly  
18 employed by the city of Cranston in which that person has served, a service retirement allowance  
19 equivalent to fifty percent (50%) of the salary received at the time of retirement by that part time  
20 elected official; and, provided, further, that if that person retires after a period of service greater  
21 than ten (10) years, the person is entitled to receive an additional service retirement allowance  
22 equivalent to five percent (5%) of the salary received at the time of retirement for each whole  
23 year of service, in excess of ten (10) years up to a maximum additional allowance equivalent to  
24 fifty percent (50%) of the salary received.

25 (b) This section also applies to any former part time elected official of the city of  
26 Cranston who is presently receiving retirement benefits from the municipal retirement system.

27 (c) Every person elected prior to July 1, 2012 who serves or has served at least four (4)  
28 years as a part time elected official of the city of Cranston may include that person's years of  
29 service as a member of the general assembly, and any other credits acquired while serving as a  
30 legislator, when computing the person's period of service to the city of Cranston pursuant to the  
31 provisions of this section.

32 **45-21-17.2. Social security supplemental option.** -- (a) In lieu of the retirement on  
33 service allowance, a vested member who retires in accordance with § 45-21-16 may choose an  
34 optional form of retirement benefit known as the social security supplemental option.

1 (b) This option provides for the payment of a larger benefit before the attainment of age  
2 sixty-two (62) and a reduced benefit thereafter. The reduced amount is equal to the benefit before  
3 age sixty-two (62), including cost of living increases, reduced by the member's estimated social  
4 security benefit payable at age sixty-two (62). Benefits payable under this option before and after  
5 the attainment of age sixty-two (62) are actuarially determined to be equivalent to the lifetime  
6 service retirement allowance as determined in § 45-21-17.

7 (c) Election of this social security supplemental option is available only to [members with](#)  
8 [ten \(10\) or more years of contributing service on or before June 30, 2012](#) ~~those~~ who elect the  
9 service retirement allowance set forth in § 45-21-17.

10 **45-21-18. Deferred allowance on service retirement before minimum age.** – The right  
11 to a service retirement allowance under the provisions of this chapter is vested in a member who  
12 withdraws from service prior to the attainment of the applicable minimum age of retirement as  
13 prescribed in this section, who has not received a refund; provided, that the member has  
14 completed at least ten (10) years of total service, [or for members in active service on or after July](#)  
15 [1, 2012, at least five \(5\) years of total service.](#) The member becomes entitled to a service  
16 retirement allowance upon the member's attainment of the applicable minimum retirement age or  
17 at the member's option at any date subsequent to attaining that age. The rate of service retirement  
18 allowance payable in the case of any member is that provided in § 45-21-17 for the period of total  
19 service earned and accrued at the date of withdrawal from service of the member.

20 **45-21-30. Optional benefits on service retirement.** -- (a) A beneficiary, or, if the  
21 beneficiary is an incompetent, then his or her spouse or domestic partner, or if he or she has no  
22 spouse or domestic partner, a guardian of the beneficiary's estate, may elect to receive a benefit in  
23 a retirement allowance, payable throughout life, or the beneficiary may then elect to receive the  
24 actuarial equivalent, at that time, of the beneficiary's retirement allowance in a lesser retirement  
25 allowance as determined by actuarial calculation, which shall be payable throughout life with the  
26 provision that:

27 (1) Option 1. A reduced retirement allowance payable during the beneficiary's life, with  
28 the provisions that after the beneficiary's death, it shall continue during the life of and be paid to  
29 the person that the beneficiary has nominated by written designation duly acknowledged and filed  
30 with the retirement board at the time of retirement; or

31 (2) Option 2. A reduced retirement allowance payable during the beneficiary's life, with  
32 the provision that after the beneficiary's death an allowance equal to one-half (1/2) of the  
33 beneficiary's reduced allowance shall continue during the life of and be paid to the person that the  
34 beneficiary has nominated by written designation duly acknowledged and filed with the board at

1 the time of retirement.

2 (b) This section does not apply to any person who elects the social security supplemental  
3 option related in section 45-21-17.2.

4 (c) This section is exempt from the provisions of sections 45-13-6 - 45-13-10.

5 (d) If prior to July 1, 2012, a member elected an optional form of benefit other than a life  
6 annuity in accordance with paragraph (a)(1) or (2) above, the member may elect to change his or  
7 her form of benefit to a life annuity by filing an election with the retirement board on or before  
8 June 30, 2013, provided that the member's beneficiary is still alive at the time the election is  
9 filed.

10 **45-21-35. Legal adviser - General treasurer - Executive director - Assistant director.**

11 —There shall be a legal counsel to the board appointed by the general treasurer. The general  
12 treasurer is the ex-officio chairperson of the retirement board ~~and he or she is the custodian of the~~  
13 ~~funds~~ and the treasurer of the retirement board and he or she shall be responsible for appointing  
14 the custodian. There shall be an executive director appointed by the retirement board in charge of  
15 the administration of the retirement system and who shall serve as secretary to the retirement  
16 board. In addition, the retirement board shall appoint an assistant director to serve as director  
17 and/or secretary in the absence of the director.

18 **45-21-41. Members' contributions – Payroll deductions – Certification to board. –**

19 (a) Prior to July 1, 2012, each ~~Each~~ member shall contribute an amount equal to six percent (6%)  
20 of salary or compensation earned and accruing to the member; provided, that contributions by any  
21 member cease when the member has completed the maximum amount of service credit attainable.  
22 Special compensation for additional fees shall not be considered as compensation for contribution  
23 purposes. Effective July 1, 2012, each member shall contribute an amount equal to one percent  
24 (1%) of his or her compensation as his or her share of the cost.

25 (b) Each municipality shall deduct the previously stated rate from the compensation of  
26 each member on each and every payroll of the municipality, and the deduction made during the  
27 entire time a member is in service subject to termination as stated in the foregoing paragraph.

28 (c) The deductions provided for in this section shall be made notwithstanding that the  
29 minimum compensation provided for by law for any member is reduced by the compensation.  
30 Every member is deemed to consent and agree to the deductions made and provided for in this  
31 section, and shall receipt for his or her full salary or compensation; and payment of salary or  
32 compensation less those deductions are a full and complete discharge and acquittance of all  
33 claims and demands for the services rendered by the person during the period covered by the  
34 payment except as to the benefits provided under this chapter. Each participating municipality

1 shall certify to the retirement board the amounts deducted from the compensation of members.  
2 Each of the amounts, when deducted, shall be credited to an individual account of the member  
3 from whose compensation the deduction was made.

4 **45-21-46. Forfeiture for fraudulent claims.** -- Every person who knowingly or willfully  
5 makes or presents or in any way procures the making or presentation of any false or fraudulent  
6 affidavit or affirmation concerning any claim for retirement allowance or payment of retirement  
7 allowance, shall, in every case, forfeit a sum not exceeding ~~one~~ ten thousand dollars (\$10,000)  
8 ~~(\$1,000)~~, to be sued and recovered by and in the name of the retirement board, and when  
9 recovered paid over to and become a part of the funds of the retirement system.

10 **45-21-51.1. Optional annuity protection – Election of option by member.** -- (a) Upon  
11 death of a member having (1) at least ten (10) years of membership service on or before June 30,  
12 2012 or (2) for active contributing members on or after July 1, 2012, at least five (5) years of  
13 membership service, the spouse or domestic partner of the member has the option to elect to  
14 receive option one as provided in § 45-21-30 in lieu of a return of contributions, provided the  
15 spouse or domestic partner is the designated beneficiary of the member's retirement account. The  
16 election is based upon the amount of retirement allowance or actuarial equivalent that may accrue  
17 at the date of death of the member.

18 (b) The election under option one for a person other than the spouse or domestic partner  
19 of the member may be made by the member, while in service; provided, that the member has (i)  
20 at least ten (10) years of membership service on or before June 30, 2012 and before retirement or  
21 (ii) for active contributing members on or after July 1, 2012, at least five (5) years of membership  
22 service and before retirement, on a form prescribed by the retirement board. The election is based  
23 upon the amount of retirement allowances or actuarial equivalents that may accrue at the date of  
24 death of the member; provided that the election form is executed and filed with the retirement  
25 board prior to the date of death. The election may be revoked or modified by the member at any  
26 time prior to the date of retirement, on a form prescribed by the retirement board.

27 (c) Upon the death of a member, the option becomes effective thirty (30) days after the  
28 first day of the next calendar month following the date of death of the member if death occurs  
29 while in an employee status. Should death occur while in an inactive member status, the option  
30 under this section becomes payable on the first day of the next succeeding month that in which  
31 the designated beneficiary attains the age of sixty (60) years.

32 **45-21-52. Automatic increase in service retirement allowance.** -- (a) The local  
33 legislative bodies of the cities and towns may extend to their respective employees automatic  
34 adjustment increases in their service retirement allowances, by a resolution accepting any of the



1 plans described in this section:

2 (1) *Plan A.* All employees and beneficiaries of those employees receiving a service  
3 retirement or disability retirement allowance under the provisions of this chapter on December 31  
4 of the year their city or town accepts this section, receive a cost of living adjustment equal to one  
5 and one-half percent (1 1/2%) per year of the original retirement allowance, not compounded, for  
6 each calendar year the retirement allowance has been in effect. This cost of living adjustment is  
7 added to the amount of the retirement allowance as of January 1 following acceptance of this  
8 provision, and an additional one and one-half percent (1 1/2%) is added to the original retirement  
9 allowance in each succeeding year during the month of January, and provided, further, that this  
10 additional cost of living increase is three percent (3%) for the year beginning January 1 of the  
11 year the plan is accepted and each succeeding year.

12 (2) *Plan B.* All employees and beneficiaries of those employees receiving a retirement  
13 allowance under the provisions of this chapter on December 31 of the year their municipality  
14 accepts this section, receive a cost of living adjustment equal to three percent (3%) of their  
15 original retirement allowance. This adjustment is added to the amount of the retirement allowance  
16 as of January 1 following acceptance of this provision, and an additional three percent (3%) of the  
17 original retirement allowance, not compounded, is payable in each succeeding year in the month  
18 of January.

19 (3) *Plan C.* All employees and beneficiaries of those employees who retire on or after  
20 January 1 of the year following acceptance of this section, on the first day of January next  
21 following the date of the retirement, receive a cost of living adjustment in an amount equal to  
22 three percent (3%) of the original retirement allowance.

23 (b) In each succeeding year in the month of January, the retirement allowance is  
24 increased an additional three percent (3%) of the original retirement allowance, not compounded.

25 (c)(1) Notwithstanding any other paragraphs of this section, and subject to paragraph (c)  
26 (2) below, for all present and former employees, active and retired members, and beneficiaries  
27 receiving any retirement, disability or death allowance or benefit of any kind by reason of  
28 adoption of this section by their employer, the annual benefit adjustment provided in any calendar  
29 year under this section shall be equal to (A) multiplied by (B) where (A) is equal to the  
30 percentage determined by subtracting five and one-half percent (5.5%) (the “subtrahend”) from  
31 the Five-Year Average Investment Return of the retirement system determined as of the last day  
32 of the plan year preceding the calendar year in which the adjustment is granted, said percentage  
33 not to exceed four percent (4%) and not to be less than zero percent (0%), and (B) is equal to the  
34 lesser of the member’s retirement allowance or the first twenty-five thousand dollars (\$25,000) of



1 retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be indexed annually  
2 in the same percentage as determined under (c)(1)(A) above. The “Five-Year Average Investment  
3 Return” shall mean the average of the investment returns of the most recent five (5) plan years as  
4 determined by the retirement board. Subject to paragraph (c)(2) below, the benefit adjustment  
5 provided by this paragraph shall commence upon the third (3<sup>rd</sup>) anniversary of the date of  
6 retirement or the date on which the retiree reaches his or her Social Security retirement age,  
7 whichever is later; or for municipal police and fire retiring under the provisions of chapter 45-  
8 21.2, the benefit adjustment provided by this paragraph shall commence on the later of the third  
9 (3<sup>rd</sup>) anniversary of the date of retirement or the date on which the retiree reaches age fifty- five  
10 (55). In the event the retirement board adjusts the actuarially assumed rate of return for the  
11 system, either upward or downward, the subtrahend shall be adjusted either upward or downward  
12 in the same amount.

13 (2) Except as provided in paragraph (c)(3) the benefit adjustments provided under this  
14 section for any plan year shall be suspended in their entirety for each municipal plan within the  
15 municipal employees retirement system unless the municipal plan is determined to be funded at a  
16 GASB Funded Ratio equal to or greater than eighty percent (80%) as of the end of the  
17 immediately preceding plan year in accordance with the retirement system’s actuarial valuation  
18 report as prepared by the system’s actuary, in which event the benefit adjustment will be  
19 reinstated for all members for such plan year.

20 In determining whether a funding level under this paragraph (c)(2) has been achieved, the  
21 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
22 current or future benefit adjustment provided under this section. “GASB Funded Ratio” shall  
23 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

24 (3) Notwithstanding paragraph (c)(2), for each municipal plan that has a GASB Funded  
25 Ratio of less than eighty percent (80%) as of June 30, 2012, in each fifth plan year commencing  
26 after June 30, 2012 commencing with the plan year ending June 30, 2017, and subsequently at  
27 intervals of five (5) plan years, a benefit adjustment shall be calculated and made in accordance  
28 with paragraph (c)(1) above until the municipal plan’s GASB Funded Ratio exceeds eighty  
29 percent (80%).

30 ~~(e)~~(d) Upon acceptance of any of the plans in this section, each employee shall on  
31 January 1 next succeeding the acceptance, contribute by means of salary deductions, pursuant to §  
32 45-21-41, one percent (1%) of the employee's compensation concurrently with and in addition to  
33 contributions otherwise being made to the retirement system.

34 ~~(d)~~(e) The city or town shall make any additional contributions to the system, pursuant to

1 the terms of § 45-21-42, for the payment of any benefits provided by this section.

2 ~~(e)~~(f) The East Greenwich town council shall be allowed to accept Plan C of § 45-21-  
3 52(a)(3) for all employees of the town of East Greenwich who either, pursuant to contract  
4 negotiations, bargain for Plan C, or who are non-union employees who are provided with Plan C  
5 and who shall all collectively be referred to as the "Municipal-COLA Group" and shall be  
6 separate from all other employees of the town and school department, union or non-union, who  
7 are in the same pension group but have not been granted Plan C benefits. Upon acceptance by the  
8 town council, benefits in accordance with this section shall be available to all such employees  
9 who retire on or after January 1, 2003.

10 **45-21-58. Credits for layoffs.** -- (a) Members who are laid off for any reason and are not  
11 on leave without pay may purchase up to one year's credit for retirement purposes; provided, that  
12 the member did not withdraw his or her retirement contributions while on layoff, and returns to  
13 active membership; provided, further, that the member purchases the credit upon his or her return  
14 to service from being laid off and pays into the retirement system, in a lump sum, the amount he  
15 or she would have contributed to the system but for the layoff plus regular interest. [Effective July](#)  
16 [1, 2012 any purchase under this paragraph shall be at full actuarial cost.](#)

17 (b) The retirement board shall fix and determine rules and regulations to govern the  
18 provisions of this section.

19 **45-21-66. Severability.**-- [The holding of any section or sections or parts of this chapter to](#)  
20 [be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other](#)  
21 [section or part hereof.](#)

22 SECTION 12. Sections 45-21.2-2, 45-21.2-5, 45-21.5-5.1, 45-21.5-6, 45-21.5-6.1, 45-  
23 21.2-6.2, 45-21.2-6.3, 45-21.2-14, 45-21.2-16, 45-21.2-18, 45-21.2-19, 45-21.2-20, 45-21.2-21,  
24 45-21.2-22, 45-21.2-22.1 and 45-21.2-25 of the General Laws in Chapter 45-21.2 entitled  
25 "Optional Retirement for Members of Police Force and Fire Fighters" are hereby amended to read  
26 as follows:

27 **45-21.2-2. Definitions.** -- As used in this chapter, the words defined in § 45-21-2 have  
28 the same meanings stated in that section except that "employee" means any regular and  
29 permanent police official or officer and any regular and permanent fire fighter. The retirement  
30 board shall determine who are employees within the meaning of this chapter; and "final  
31 compensation" means [for members who retire on or prior to June 30, 2012](#), the average annual  
32 compensation, pay or salary of a member for services rendered during the period of three (3)  
33 consecutive years within the total service of the member when that average was highest.  
34 [Effective on and after July 1, 2012, "final compensation" means the average annual compensation](#)

1 of a member for services rendered during the period of the highest five (5) consecutive years  
2 within the total service of the member, and compensation shall be defined in accordance with §  
3 36-8-1 (8). Notwithstanding the prior sentence, in no event shall a member's final compensation  
4 be less than the member's final compensation on or before June 30, 2012.

5 **45-21.2-5. Retirement on service allowance.** -- (a) Retirement of a member on a service  
6 retirement allowance for members eligible to retire on or before June 30, 2012 shall be made,  
7 subject to paragraph (a) (11) below. by the retirement board as follows:

8 (1) Any member who has attained or attains age seventy (70) shall be retired as stated in  
9 § 45-21-16 subject to the discretions contained in that section; provided, that any member who is  
10 a member of the Woonsocket fire department who has attained or attains an age of sixty-five (65)  
11 years shall be retired. Retirement occurs on the first day of the next succeeding calendar month in  
12 which the member has attained the age of sixty-five (65) years.

13 (2) Any member may retire pursuant to this subdivision upon written application to the  
14 board stating at what time the member desires to retire; provided, that the member at the specified  
15 time for retirement has attained an age of fifty-five (55) years and has completed at least ten (10)  
16 years of total service, and notwithstanding that the member may have separated from service.

17 (3) Any member may retire pursuant to this subdivision upon written application to the  
18 board stating at what time the member desires to retire; provided, that the member at the specified  
19 time for retirement has completed at least twenty-five (25) years of total service, and  
20 notwithstanding that the member may have separated from service.

21 (4) Any member may retire pursuant to this subdivision upon written application to the  
22 board stating at what time the member desires to retire; provided, that the member at the specified  
23 time for retirement has attained an age of fifty (50) years and has completed at least twenty (20)  
24 years of total service, notwithstanding that the member may have separated from service;  
25 provided, that the service retirement allowance, as determined according to the formula provided  
26 in § 45-21.2-6, is reduced one-half of one percent ( 1/2%) for each month that the age of the  
27 member is less than fifty-five (55) years.

28 (5) Any member of the South Kingstown police department may retire pursuant to this  
29 subdivision upon written application to the board stating at what time the member desires to  
30 retire; provided, that the member at the specified time for retirement has earned a service  
31 retirement allowance of fifty percent (50%) of final compensation pursuant to § 45-21.2-6.1.

32 (6) Any member of the Johnston police department may retire pursuant to this  
33 subdivision upon written application to the board stating at what time the member desires to  
34 retire; provided, that the member at the specified time for retirement has earned a service

1 retirement allowance of fifty percent (50%) of final compensation pursuant to § 45-21.2-6.2.

2 (7) Any member of the Cranston fire department hired after July 1, 1995, or any member  
3 of the Cranston fire department with five (5) years or less of service effective July 1, 1995, may  
4 retire pursuant to this subdivision upon written application to the board stating at what time the  
5 member desires to retire; provided, that the member at the specified time for retirement has  
6 earned a service retirement allowance of fifty percent (50%) of final compensation for at least  
7 twenty (20) years service; final compensation for Cranston fire department members is based on  
8 the compensation components of weekly salary, longevity and holidays with longevity of the  
9 members highest year of earnings and members shall receive a three percent (3%) escalation of  
10 their pension payment compounded each year on January 1st following the year of retirement and  
11 continuing on an annual basis on that date; further, any illness or injury not covered in title 45 of  
12 the general laws relating to the presumption of disability is governed by the collective bargaining  
13 agreement between the City of Cranston and members of the Cranston fire department.

14 (8) Any member of the Cranston police department hired after July 1, 1995, or any  
15 member of the Cranston police department with five (5) years or less of service effective July 1,  
16 1995, may retire pursuant to this subdivision upon written application to the board stating at what  
17 time the member desires to retire; provided, that the member at the specified time for retirement  
18 has earned a service retirement allowance of fifty percent (50%) of final compensation for at least  
19 twenty (20) years service; final compensation for Cranston police department members is based  
20 on the compensation components of weekly salary, longevity and holidays with longevity of the  
21 members highest year of earnings and members shall receive a three percent (3%) escalation of  
22 their pension payment compounded each year on January 1st following the year of retirement and  
23 continuing on an annual basis on that date; further, any illness or injury not covered in title 45 of  
24 the general laws relating to the presumption of disability is governed by the collective bargaining  
25 agreement between the City of Cranston and members of the Cranston police department.

26 (9) Any member of the Hopkinton police department may retire pursuant to this  
27 subdivision upon written application to the board stating at what time the member desires to  
28 retire; provided, that the member at the specified time for retirement has earned a service  
29 retirement allowance of fifty percent (50%) of final compensation for at least twenty (20) years  
30 service; final compensation for Hopkinton police department members is based on the  
31 compensation components of weekly salary, longevity and holidays with longevity of the  
32 members highest year of earnings and members shall receive a three percent (3%) escalation of  
33 their pension payment compounded each year on January 1st following the year of retirement and  
34 continuing on an annual basis on that date.

1 (10) Any member of the Richmond police department may retire pursuant to this  
2 subdivision upon written application to the board stating at what time the member desires to  
3 retire; provided, that the member at the specified time for retirement has earned a service  
4 retirement allowance of fifty percent (50%) of final compensation for at least twenty-two (22)  
5 years' service pursuant to § 45-21.2-6.3.

6 (11) Notwithstanding any provision in this section to the contrary, for any service on or  
7 after July 1, 2012, final compensation shall be defined in accordance with section 45-21.2-2, and  
8 no benefit adjustments shall be provided except as set forth in subsection 45-21-52(c).

9 (b) Retirement of a member on a service retirement allowance eligible to retire on and  
10 after July 1, 2012 shall be made by the retirement board as follows:

11 (1) Any member may retire pursuant to this subdivision upon written application to the  
12 board stating at what time the member desires to retire; provided, that the member at the specified  
13 time for retirement attained the age of at least fifty-five (55) years and has completed at least  
14 twenty-five (25) years of total service, and notwithstanding that the member may have separated  
15 from service.

16 (2) Any member with contributory service on or after July 1, 2012, who has completed at  
17 least five (5) years of contributory service but who has not completed twenty-five (25) years of  
18 service, shall be eligible to retire upon the attainment of the member's Social Security retirement  
19 age.

20 (3) If a member had ten (10) or more years of contributory service and attained age forty-  
21 five (45) prior to July 1, 2012 and would have been eligible to retire at or prior to age fifty-two  
22 (52) in accordance with the rules in effect prior to July 1, 2012, the member may retire upon  
23 attainment of age fifty-two (52).

24 (4) A member who has completed twenty (20) or more years of total service who has  
25 attained an age within five (5) years of the eligible retirement age under subparagraphs (b)(1) or  
26 (b)(2) above, may elect to retire provided that the retirement allowance shall be reduced  
27 actuarially for each month that the age of the member is less than the eligible retirement age  
28 under subparagraphs (b)(1) or (b)(2) above.

29 (5) Notwithstanding any other provisions of this section, a member on June 30, 2012,  
30 may elect to retire at his or her eligible retirement date as determined under the rules in effect on  
31 June 30, 2012 provided that a member making an election under this paragraph shall receive the  
32 member's retirement benefit determined and calculated based on the member's service and final  
33 compensation as of June 30, 2012. This provision shall be interpreted and administered in a  
34 manner to protect a member's accrued benefit on June 30, 2012.

1           **45-21.2-5.1. Retirement credits for layoffs.** -- (a) Members who are laid off for any  
2 reason, and not on leave without pay, may purchase layoff time up to one year service credit for  
3 retirement purposes, provided the member did not withdraw his or her retirement contributions  
4 while on the layoff, and returns to active service.

5           (b) Provided, further, that the member purchases the credit within one year of the  
6 member's return to service from the layoff and [\(1\) for purchases on or prior to June 30, 2012, the](#)  
7 [member](#) pays into the retirement system in a lump sum the amount the member would have  
8 contributed to the system but for the layoff plus regular interest [and \(2\) for purchases on or after](#)  
9 [July 1, 2012, the member pays into the retirement system in a lump sum the full actuarial cost of](#)  
10 [the time being purchased.](#)

11           (c) The retirement board shall fix and determine rules and regulations to govern the  
12 provisions of this section.

13           **45-21.2-6. Service retirement allowance.** -- (a) Upon retirement from service pursuant  
14 to ~~subdivision (1), (2), or (3) of~~ § 45-21.2-5, a member receives a retirement allowance which is a  
15 life annuity terminable at the death of the annuitant and shall be an amount equal to two percent  
16 (2%) of final compensation multiplied by the years of total service, but not to exceed seventy-five  
17 percent (75%) of final compensation.

18           ~~(b) Upon retirement from service pursuant to subdivision (4) of § 45-21.2-5, a member~~  
19 ~~receives a retirement allowance which is a life annuity terminable at the death of the annuitant~~  
20 ~~computed in accordance with subsection (a) of this section, reduced by one-half of one percent (~~  
21 ~~1/2%) for each month that the member was under age fifty-five (55) at his or her retirement.~~

22           ~~(b)~~(b) Upon retirement, the member may elect to receive the actuarial equivalent of his or  
23 her retirement allowance in a lesser retirement allowance as determined by actuarial calculation,  
24 which is payable throughout life with the provision that:

25           (1) *Option 1.* A reduced retirement allowance payable during the member's life with the  
26 provisions that after his or her death it shall continue during the life of and be paid to the person  
27 that he or she nominated by written designation duly acknowledged and filed with the retirement  
28 board at the time of retirement; or

29           (2) *Option 2.* A reduced retirement allowance payable during the member's life with the  
30 provision that after his or her death an allowance equal to one-half (1/2) of his or her reduced  
31 allowance shall continue during the life of and be paid to the person that he or she nominated by  
32 written designation duly acknowledged and filed with the board at the time of retirement.

33           [\(c\) If prior to July 1, 2012, a member elected an optional form of benefit other than a life](#)  
34 [annuity in accordance with paragraph \(b\)\(1\) or \(2\) above, the member may elect to change his or](#)

1 [her form of benefit to a life annuity by filing an election with the retirement board on or before](#)  
2 [June 30, 2013 provided that the member's beneficiary is still alive at the time the election is filed.](#)

3 **45-21.2-6.1. South Kingstown police department – Retirement allowance.** -- Upon  
4 retirement from service pursuant to subdivision (1), (2), or (5) of § 45-21.2-5, a member of the  
5 South Kingstown police department receives a retirement allowance which is a life annuity  
6 terminable at the death of the annuitant, and is an amount equal to the sum of two and one-half  
7 percent (2.5%) of final compensation multiplied by the years of service accrued after July 1, 1993  
8 [and until June 30, 2012](#) and two percent (2%) of final compensation multiplied by the years of  
9 service accrued prior to July 1, 1993. [For service on and after July 1, 2012, a member's service](#)  
10 [retirement allowance shall be determined in accordance with § 45-21.2-6.](#) The annual retirement  
11 allowance in no event shall exceed seventy-five percent (75%) of final compensation.

12 **45-21.2-6.2. Johnston police department retirement allowance.** -- Upon retirement  
13 from service pursuant to subdivision (1), (2), or (6) of § 45-21.2-5, a member of the Johnston  
14 police department receives a retirement allowance which is a life annuity terminable at the death  
15 of the annuitant, and is an amount equal to the sum of two percent (2%) of final compensation  
16 multiplied by the first twenty-five (25) years of service and four percent (4%) of final  
17 compensation multiplied by the years of service in excess of twenty-five (25) years [for service on](#)  
18 [and prior to June 30, 2012. For service on and after July 1, 2012, a member's service retirement](#)  
19 [allowance shall be determined in accordance with § 45-21.2-6.](#) The annual retirement allowance  
20 in no event shall exceed seventy-five percent (75%) of final compensation.

21 **45-21.2-6.3. Richmond police department – Retirement allowance.** -- Upon retirement  
22 from service pursuant to chapter 45-21.2-5, a member of the Richmond police department shall  
23 receive a retirement allowance which shall be terminable at the death of the annuitant, and shall  
24 be an amount equal to the sum of two and two thousand seven hundred twenty-seven ten  
25 thousandths of a percent (2.2727%) of final compensation (average of final three years' salary)  
26 multiplied by the years of service [on and prior to June 30, 2012. For service on and after July 1,](#)  
27 [2012, a member's service retirement allowance shall be determined in accordance with section](#)  
28 [45-21.2-6.](#) The annual retirement allowance in no event shall exceed seventy-five percent (75%)  
29 of final compensation.

30 **45-21.2-14. Contributions.** -- (a) Each member shall contribute an amount equal to  
31 seven percent (7%) of the salary or compensation earned or accruing to the member. Special  
32 compensation or additional fees shall not be considered as compensation for contribution  
33 purposes.

34 (b) Deductions are made in accordance with § 45-21-14 and credited in accordance with

1 § 45-21-43.

2 (c) Each municipality shall make contributions to the system to provide the remainder of  
3 the obligation for retirement allowances, annuities, and other benefits provided in this section,  
4 after applying the accumulated contribution of members, interest income on investments, and  
5 other accrued income. The contribution shall be compiled in accordance with §§ 45-21-42 – 45-  
6 21-44, except that contributions for the first five (5) years of the system shall likewise be  
7 determined by the board.

8 (d) Provided, that members of the South Kingstown police department, beginning July 1,  
9 1985 and until June 30, 2012, contribute an amount equal to eight percent (8%) of salary or  
10 compensation or additional fees are not considered as compensation for retirement purposes. For  
11 service on and after July 1, 2012, a member of the South Kingstown police department shall make  
12 contributions in accordance with paragraph (a) above.

13 (e) Provided, further, that for service on or prior to June 30, 2012, members of the City of  
14 Cranston fire department hired after July 1, 1995, beginning July 1, 1995, contribute an amount  
15 equal to ten percent (10%) of their weekly salary; and those members of the City of Cranston fire  
16 department with five (5) years or less of service effective July 1, 1995, have the option to either  
17 remain in the City of Cranston pension plan to which they belonged prior to the adoption of local  
18 ordinance by the Cranston city council as stated in § 45-21.2-22 or contribute to the State of  
19 Rhode Island optional twenty (20) year retirement on service allowance an amount equal to ten  
20 percent (10%) of their weekly salary commencing July 1, 1995. The City of Cranston may  
21 request and the retirement board may authorize additional members of the City of Cranston fire  
22 department hired after July 1, 1987, the option to either remain in the City of Cranston pension  
23 plan to which they belonged prior to the adoption of local ordinance by the Cranston city council  
24 as stated in § 45-21.2-22 or contribute to the State of Rhode Island optional twenty (20) year  
25 retirement on service allowance an amount equal to ten percent (10%) of their weekly salary  
26 beginning on a date specified by the retirement board. For service on and after July 1, 2012, a  
27 member of the City of Cranston fire department shall make contributions in accordance with  
28 paragraph (a) above and a member's benefit shall be calculated in accordance with subsection 45-  
29 21.2-22(b).

30 (f) Further, provided, that for service on and prior to June 30, 2012, members of the City  
31 of Cranston police department hired after July 1, 1995, beginning July 1, 1995, contribute an  
32 amount equal to ten percent (10%) of their weekly salary; and those members of the City of  
33 Cranston police department with five (5) years or less of service effective July 1, 1995, have the  
34 option to either remain in the City of Cranston pension plan to which they belonged prior to the



1 adoption of local ordinance by the Cranston city council as stated in § 45-21.2-22 or contribute to  
2 the State of Rhode Island optional twenty (20) year retirement on service allowance an amount  
3 equal to ten percent (10%) of their weekly salary commencing July 1, 1995. The City of Cranston  
4 may request and the retirement board may authorize additional members of the City of Cranston  
5 police department hired after July 1, 1987, the option to either remain in the City of Cranston  
6 pension plan to which they belonged prior to the adoption of local ordinance by the Cranston city  
7 council as stated in § 45-21.2-22 or contribute to the State of Rhode Island optional twenty (20)  
8 year retirement on service allowance an amount equal to ten percent (10%) of their weekly salary  
9 beginning on a date specified by the retirement board. [For service on and after July 1, 2012, a](#)  
10 [member of the City of Cranston police department shall make contributions in accordance with](#)  
11 [paragraph \(a\) above and a member's benefit shall be calculated in accordance with subsection 45-](#)  
12 [21.2-22\(b\).](#)

13 **45-21.2-16. Call system credit - North Providence fire department. --** Any person  
14 who, from January 1, 1960 and thereafter, was a member of the call system of the North  
15 Providence fire department, is entitled to credit as service for the various purposes of the  
16 retirement system for one year for every three (3) years served as a member of the call system;  
17 provided, that the person pays into the retirement system in the manner, at the times and in an  
18 amount that the retirement board may prescribe, [\(1\) for purchases requested on or before June 30,](#)  
19 [2012,](#) an amount based upon his or her compensation for the last year of each three (3) year  
20 period at the time of purchase of the credit and regular interest as defined in chapter 8 of title 36;  
21 [and \(2\) for purchases requested on or after July 1, 2012, the full actuarial cost of the time being](#)  
22 [purchased.](#)

23 **45-21.2-18. Call system credit - North Kingstown fire department. --** Any person  
24 who, from January 1, 1950 and thereafter, was a member of the call system of the North  
25 Kingstown fire department, is entitled to credit as service for the various purposes of the  
26 retirement system for one year for every three (3) years served as a member of the call system;  
27 provided, that the person pays into the retirement system in the manner, at the times and in an  
28 amount that the retirement board may prescribe, [\(1\) for purchases requested on or before June 30,](#)  
29 [2012,](#) an amount based upon his or her compensation for the last year of each three (3) year  
30 period at the time of purchase of the credit and regular interest as defined in chapter 8 of title 36;  
31 [and \(2\) for purchases requested on or after July 1, 2012, the full actuarial cost of the time being](#)  
32 [purchased.](#)

33 **45-21.2-19. Volunteer time and call system credit – East Greenwich fire district. --**  
34 Any person who, from January 1, 1943 and thereafter, was a volunteer member and/or a member

1 of the call system of the East Greenwich fire district, is entitled to credit as service for the various  
2 purposes of the retirement system for one year for every three (3) years served as a volunteer  
3 and/or call fire fighter of the district; provided, that the person pays into the retirement system in  
4 the manner, at the times and in an amount that the retirement board may prescribe, [\(1\) for](#)  
5 [purchases requested on or before June 30, 2012,](#) an amount based upon his or her compensation,  
6 which for the purposes of this section is deemed to be in an amount of not less than three hundred  
7 dollars (\$300) annually, for the last year of each three (3) year period at the time of purchase of  
8 the credit, and regular interest as defined in chapter 8 of title 36; [and \(2\) for purchases requested](#)  
9 [on or after July 1, 2012, the full actuarial cost of the time being purchased.](#)

10 **45-21.2-20. Persons eligible for optional benefits – Time of election – Modification or**  
11 **revocation – Effective date.** -- (a) The optional provisions of § 45-21.2-6~~(e)~~(b) are applicable  
12 only to a member applying for a service retirement allowance, an accidental disability retirement  
13 allowance, an ordinary disability retirement allowance or any inactive member applying for  
14 retirement under vested rights. The election under option 1 or 2 is made at the time of retirement  
15 of the member as part of his or her application for a retirement allowance.

16 (b) The election is based upon the amount of retirement allowances that may accrue at the  
17 date of death of the member, and may be revoked or modified by the member at any time after  
18 retirement on a form prescribed by the retirement board; and, provided, further, that, during this  
19 time, the named beneficiary has not been divorced from the member.

20 (c) The option in the case of death of a retired member becomes effective on the day  
21 following the death of the member, and payment of benefits are made in accordance with the  
22 provisions of this section, subject to the limitations prescribed in § 45-21.2-6.

23 **45-21.2-21. Optional annuity protection – Death while employee or inactive member**  
24 **status.** -- The election under option 1 may be made by the member while in service; provided,  
25 that the member has at least ten (10) years of membership service [for members terminating on or](#)  
26 [before June 30, 2012, or at least five \(5\) years of membership service for members terminating on](#)  
27 [or after July 1, 2012,](#) and before retirement, on a form prescribed by the retirement board. The  
28 election is based upon the amount of retirement allowances or actuarial equivalents that may  
29 accrue at the date of death of the member; provided, that the election form is executed and filed  
30 with the retirement board prior to the date of death. The election may be revoked or modified by  
31 the member at any time prior to the date of retirement, on a form prescribed by the retirement  
32 board; provided, that, during this time, the named beneficiary has not been divorced from the  
33 member. Upon death of a member making this election, the option selected becomes effective  
34 thirty (30) days after the first day of the calendar month following the date of death of the

1 member if death occurs while in an employee status. Should death occur while in an inactive  
2 member status, the option selected under this section becomes payable on the first of the month  
3 succeeding that in which the designated beneficiary attains the age of sixty (60) years.

4 **45-21.2-22. Optional twenty year retirement on service allowance. -- (a)** The local  
5 legislative bodies of the cities and towns may, by ordinance adopted, permit the retirement of a  
6 member on a service retirement allowance [for members retiring on or before June 30, 2012](#) as  
7 follows:

8 (1) Any member may retire pursuant to this section upon his or her written application to  
9 the board stating at what time he or she desires to retire; provided, that the member, at the  
10 specified time for his or her retirement, has completed at least twenty (20) years of total service,  
11 and, notwithstanding that the member may have separated from service;

12 (2) Upon retirement from service pursuant to subdivision (1), a member receives a  
13 retirement allowance which is a life annuity terminable at the death of the annuitant, and is equal  
14 to two and one-half percent (2 1/2%) of final compensation multiplied by the years of total  
15 service, but not to exceed seventy-five percent (75%) of final compensation;

16 (3) Upon the adoption of a service retirement allowance, pursuant to this subdivision,  
17 each member contributes an amount equal to one percent (1%) more than that contribution  
18 required under § 45-21.2-14;

19 (4) This section is exempt from the provisions of chapter 13 of this title.

20 [\(b\) For members retiring on or after July 1, 2012, the member's retirement allowance](#)  
21 [shall equal the sum of \(i\) and \(ii\) where \(i\) is the member's benefit calculated under \(a\)\(1\)-\(4\)](#)  
22 [above or section 45-21.2-5 for service on and before June 30, 2012 and \(ii\) is the member's](#)  
23 [benefit determined under section 45-21.2-6 for service on and after July 1, 2012. For service on](#)  
24 [and after July 1, 2012, the provisions of \(a\)\(3\) above shall no longer apply.](#)

25 **45-21.2-22.1. Burrillville police – Optional twenty-year retirement on service**  
26 **allowance. -- (a)** Notwithstanding § 45-21.2-22, the town council of the town of Burrillville, may  
27 by ordinance adopted, permit the retirement of a member on a service retirement allowance [for](#)  
28 [members retiring on or before June 30, 2012](#), as follows:

29 (1) Any member may retire pursuant to this section upon his or her written application to  
30 the board stating at what time he or she desires to retire; provided, that the member, at the  
31 specified time of his or her retirement, has completed at least twenty (20) years of total service;

32 (2) Upon retirement from service, pursuant to subdivision (1), a member receives a  
33 retirement allowance that is a life annuity terminable at the death of the annuitant, and is equal to  
34 three percent (3%) of final compensation multiplied by the years of total service, but not to

1 exceed sixty percent (60%) of final compensation;

2 (3) Upon retirement from service where member has in excess of twenty (20) years of  
3 service, a member receives a retirement allowance that is a life annuity terminable at the death of  
4 the annuitant, and is an amount equal to the sum of three percent (3%) of final compensation  
5 multiplied by the first twenty (20) years of service and one and one-half percent (1.5%) of final  
6 compensation multiplied by the years of service in excess of twenty (20) years. The annual  
7 retirement allowance in no event shall exceed seventy-five percent (75%) of final compensation;

8 (4) Upon the adoption of a service retirement allowance, pursuant to this section, each  
9 member shall contribute an amount equal to ten and two-tenths percent (10.2%) of the salary or  
10 compensation earned or accrued to the member;

11 (5) Notwithstanding anything to the contrary hereinabove, any member who retires with  
12 less than twenty (20) years of service shall be subject to § 45-21.2-6 for purposes of determining  
13 any service retirement allowance;

14 (6) This section is exempt from the provisions of chapter 13 of this title;

15 (7) Except as specifically set forth hereinabove, all other provisions of chapter 21.2 of  
16 this title shall be applicable to Burrillville police officers who make application to retire.

17 (b) For members retiring on or after July 1, 2012, the member's retirement allowance  
18 shall equal the sum of (i) and (ii) where (i) is the member's benefit calculated under (a)(1)  
19 through (a)(7) above for service on and before June 30, 2012 and (ii) is the member's benefit  
20 determined under section 45-21.2-6 for service on and after July 1, 2012. For service on and after  
21 July 1, 2012, the provisions of (a)(4) above shall no longer apply.

22 **45-21.2-25. Severability.--** The holding of any section or sections or parts of this chapter  
23 to be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other  
24 section or part hereof.

25 SECTION 13. Sections 42-28-5, 42-28-8, 42-28-21, 42-28-22, 42-28-22.1, 42-28-22.2,  
26 42-28-22.3 and 42-28-23 of the General Laws in Chapter 42-28 entitled "State Police" are hereby  
27 amended to read as follows:

28 **42-28-5. Superintendent – Appointment, tenure, duties, and retirement. --** (a) The  
29 governor shall appoint the superintendent of state police, who shall serve at the pleasure of the  
30 governor and shall perform the duties prescribed by this chapter.

31 (b) Any superintendent who has served for at least ten (10) years and has reached the age  
32 of sixty (60) years, may resign his or her office, and thereafter shall receive annually during his or  
33 her life a sum equal to fifty percent (50%) of the salary he or she was receiving at the time of his  
34 or her resignation, or for any superintendant hired on or after July 1, 2012 a sum equal to fifty

1 percent (50%) of the average compensation as defined in 36-8-1(5)(a) he or she was receiving at  
2 the time of his or her resignation.

3 (c) In no event shall the retirement allowance granted to a superintendent in accordance  
4 with subsection (b) plus any other retirement allowance received by the superintendent from any  
5 state or municipal retirement system exceed seventy-five percent (75%) of the average  
6 compensation as defined in 36-8-1(5)(a) he or she was receiving at the time of his or her  
7 resignation. This subsection (c) shall only apply to superintendents hired on or after July 1, 2012.

8 **42-28-8. Clerk of division.** -- The superintendent may employ a clerk who shall be a  
9 competent stenographer, and the general assembly shall annually appropriate such sum as it may  
10 deem necessary for the payment of the salary of the clerk. The clerk shall be numbered among the  
11 personnel of the division within the meaning of §§ 42-28-21 and 42-28-22. Any clerk hired on or  
12 after July 1, 2012 shall be considered a civilian employee in accordance with the provisions of  
13 42-28-22(g).

14 **42-28-21. Injury and death benefits.** -- (a) If any member of the division whose service  
15 is terminated on or after January 1, 1960 shall have in the course of performance of his or her  
16 duties suffered injury causing disability or causing death, that member or his or her surviving  
17 dependent relatives, whose dependence shall be determined from time to time by the  
18 superintendent subject to confirmation by the governor, shall be entitled to an annual pension of  
19 seventy-five percent (75%) of the annual salary paid to that member at the time of his or her  
20 termination of service by reason of injury or death. In the event that the member thus disabled or  
21 killed in the performance of his or her official duties is the superintendent, then confirmation and  
22 determination provided by this section shall be made by the governor. The provisions of chapters  
23 29 – 38, inclusive, of title 28, shall not apply to members of the division.

24 (b) Upon the death of a member due to any cause other than that incurred while in the  
25 course of performance of his or her duties, occurring while in service or after retirement, if that  
26 member shall have rendered at least ten (10) years of service as a member of the Rhode Island  
27 state police, his or her surviving widow or domestic partner shall be entitled to a pension equal to  
28 two percent (2%) of his or her last annual salary as determined by the provision of § 42-28-22 as  
29 amended herein for each year of service as a member of the state police, subject to a minimum  
30 pension of twenty-five percent (25%) of salary, and subject to the following conditions:

31 (1) The widow or widower or domestic partner shall have been married to or a domestic  
32 partner of the member at least one year on the date of death of the member or on the date of  
33 retirement, whichever first occurs, and in any event while the member was in active service;

34 (2) ~~the~~ The widow or widower or domestic partner shall be at least forty (40) years of

1 age, otherwise payment of the annuity shall be deferred until she attains such age;

2 (3) ~~the~~ The annuity shall terminate in any event when he or she remarries or enters into a  
3 domestic partnership or dies.

4 (c) If a widow or widower or domestic partner shall have minor children in his or her  
5 care, payment of the annuity shall commence immediately regardless of whether the widow or  
6 widower or domestic partner shall have attained age forty (40) years or not. In such a case, the  
7 payment to the widow or widower or domestic partner shall be increased one-third (1/3) on  
8 account of each minor child, provided that the maximum payment shall be fifty percent (50%) of  
9 annual salary.

10 (d) Allowances on account of minor children shall terminate upon their attainment of age  
11 eighteen (18) and if unemancipated and a full-time student to age twenty-two (22) years, death, or  
12 marriage, whichever first occurs. In the event a widow or widower or domestic partner remarries  
13 or enters into a domestic partnership or dies, payment on account of minor children shall be  
14 increased to twice the amounts previously payable on account of the children, subject to a  
15 combined payment to all children equal to fifty percent (50%) of the final salary of the member.

16 (e) For purposes of this chapter, "domestic partner" shall be defined as a person who,  
17 prior to the decedent's death, was in an exclusive, intimate and committed relationship with the  
18 decedent, and who certifies by affidavit that their relationship met the following qualifications:

19 (1) Both partners were at least eighteen (18) years of age and were mentally competent to  
20 contract;

21 (2) Neither partner was married to anyone else;

22 (3) Partners were not related by blood to a degree which would prohibit marriage in the  
23 state of Rhode Island;

24 (4) Partners resided together and had resided together for at least one year at the time of  
25 death; and

26 (5) Partners were financially interdependent as evidenced by at least two (2) of the  
27 following:

28 (i) Domestic partnership agreement or relationship contract;

29 (ii) Joint mortgage or joint ownership of primary residence;

30 (iii) Two (2) of: (A) joint ownership of motor vehicle; (B) joint checking account; (C)  
31 joint credit account; (D) joint lease; and/or

32 (iv) The domestic partner had been designated as a beneficiary for the decedent's will,  
33 retirement contract or life insurance.

34 (f) Effective July 1, 2012, any reference in this section to "salary" or "annual salary"

1 [shall be changed to “average compensation” as defined in 36-8-1\(5\)\(a\).](#)

2 **42-28-22. Retirement of members.** -- (a) Whenever any member of the state police  
3 hired prior to July 1, 2007 has served for twenty (20) years, he or she may retire therefrom or he  
4 or she may be retired by the superintendent with the approval of the governor, and in either event  
5 a sum equal to one-half (1/2) of the whole salary for the position from which he or she retired  
6 determined on the date he or she receives his or her first retirement payment shall be paid him or  
7 her during life.

8 (b) For purposes of this section, the term "whole salary" means:

9 (1) For each member who retired prior to July 1, 1966, "whole salary" means the base  
10 salary for the position from which he or she retired as the base salary for that position was  
11 determined on July 31, 1972;

12 (2) For each member who retired between July 1, 1966 and June 30, 1973, "whole salary"  
13 means the base salary for the position from which he or she retired as the base salary,  
14 implemented by the longevity increment, for that position was determined on July 31, 1972 or on  
15 the date of his or her retirement, whichever is greater;

16 (3) For each member who retired or who retires after July 1, 1973 "whole salary" means  
17 the base salary, implemented by the longevity increment, holiday pay, and clothing allowance, for  
18 the position from which he or she retired or retires.

19 (c)(1) Any member who retired prior to July 1, 1977 shall receive a benefits payment  
20 adjustment equal to three percent (3%) of his or her original retirement, as determined in  
21 subsection (b) of this section, in addition to his or her original retirement allowance. In each  
22 succeeding year thereafter during the month of January, the retirement allowance shall be  
23 increased an additional three percent (3%) of the original retirement allowance, not compounded,  
24 to be continued until January 1, 1991. For the purposes of the computation, credit shall be given  
25 for a full calendar year regardless of the effective date of the service retirement allowance. For  
26 purposes of this subsection, the benefits payment adjustment shall be computed from January 1,  
27 1971 or the date of retirement, whichever is later in time.

28 (2) Any member of the state police who retires pursuant to the provisions of this chapter  
29 on or after January 1, 1977, shall on the first day of January, next following the third anniversary  
30 date of the retirement receive a benefits payment adjustment, in addition to his or her retirement  
31 allowance, in an amount equal to three percent (3%) of the original retirement allowance. In each  
32 succeeding year thereafter during the month of January, the retirement allowance shall be  
33 increased an additional three percent (3%) of the original retirement allowance, not compounded,  
34 to be continued until January 1, 1991. For the purposes of the computation, credit shall be given



1 for a full calendar year regardless of the effective date of the service retirement allowance.

2 (3) Any retired member of the state police who is receiving a benefit payment adjustment  
3 pursuant to subdivisions (1) and (2) of this section shall beginning January 1, 1991 and ending  
4 June 30, 2012, receive a benefits payment adjustment equal to fifteen hundred dollars (\$1,500). ~~In~~  
5 ~~each succeeding year thereafter during the month of January, the retirement allowance shall be~~  
6 ~~increased by fifteen hundred dollars (\$1,500) to be continued during the lifetime of the member.~~

7 (d) The benefits payment adjustment as provided in this section shall apply to and be in  
8 addition to the retirement benefits under the provisions of § 42-28-5, and to the injury and death  
9 benefits under the provisions of § 42-28-21, ~~and to the death and disability payments as provided~~  
10 ~~in § 42-28-36.~~

11 (e)(1)Any member who retires after July 1, 1972 and is eligible to retire prior to July 1,  
12 2012 and who has served beyond twenty (20) years shall be allowed an additional amount equal  
13 to three percent (3%) for each completed year served after twenty (20) years, but in no event shall  
14 the original retirement allowance exceed sixty-five percent (65%) of his or her whole salary as  
15 defined in subsection (b) hereof or sixty-five percent (65%) of his or her salary as defined in  
16 subsection (b) hereof in his or her twenty-fifth (25th) year whichever is less.

17 (2) Each member who retired prior to July 1, 1975, shall be entitled to all retirement  
18 benefits as set forth above or shall be paid benefits as set forth in subdivision (b)(1) with "whole  
19 salary" meaning the base salary for the position from which he or she retired as the base salary for  
20 the position was determined on July 1, 1975, whichever is greater.

21 (f)(1) Any member who retires, has served as a member for twenty (20) years or more,  
22 and who served for a period of six (6) months or more of active duty in the armed service of the  
23 United States or in the merchant marine service of the United States as defined in § 2 of chapter  
24 1721 of the Public Laws, 1946, may purchase credit for such service up to a maximum of two (2)  
25 years; provided that any member who has served at least six (6) months or more in any one year  
26 shall be allowed to purchase one year for such service and any member who has served a fraction  
27 of less than six (6) months in his or her total service shall be allowed to purchase six (6) months'  
28 credit for such service.

29 (2) The cost to purchase these credits shall be ten percent (10%) of the member's first  
30 year salary as a state policeman multiplied by the number of years and/or fraction thereof of such  
31 armed service up to a maximum of two (2) years. The purchase price shall be paid into the  
32 general fund. For members hired on or after July 1, 1989, the purchase price shall be paid into a  
33 restricted revenue account entitled "state police retirement benefits" and shall be held in trust.

34 (3) There will be no interest charge provided the member makes such purchase during his



1 or her twentieth (20th) year or within five (5) years from May 18, 1981, whichever is later, but  
2 will be charged regular rate of interest as defined in § 36-8-1 as amended to date of purchase from  
3 the date of his or her twentieth (20th) year of state service or five (5) years from May 18, 1981,  
4 whichever is later.

5 (4) In no event shall the original retirement allowance exceed sixty-five percent (65%) of  
6 his or her whole salary as defined in subsection (b) hereof or sixty-five percent (65%) of his or  
7 her salary as defined in subsection (b) hereof in his or her twenty-fifth (25th) year, whichever is  
8 less.

9 (g) The provisions of this section shall not apply to civilian employees in the Rhode  
10 Island state police; and, further, from and after April 28, 1937, chapters 8 – 10, inclusive, of title  
11 36 shall not be construed to apply to the members of the Rhode Island state police, except as  
12 provided by §§ 36-8-3, 36-10-1.1, 42-28-22.1, and 42-28-22.2, and section 36-8-1(5) and (8)(a)  
13 effective July 1, 2012.

14 (h) Any ~~other provision of the section notwithstanding any~~ member of the state police  
15 other than the superintendent of state police, who is hired prior to July 1, 2007 and who has  
16 served for twenty-five (25) years or who has attained the age of sixty-two (62) years, whichever  
17 shall first occur, shall retire therefrom.

18 (i)(1) Any ~~other provision of the section notwithstanding any~~ member of the state police,  
19 other than the superintendent, who is hired on or after July 1, 2007 and who has served for  
20 twenty-five (25) years, may retire therefrom or he or she may be retired by the superintendent  
21 with the approval of the governor, and shall be entitled to a retirement allowance of fifty percent  
22 (50%) of his or her "whole salary" as defined in subsection (b) hereof.

23 (2) Any member of the state police who is hired on or after July 1, 2007 may serve up to  
24 a maximum of thirty (30) years, and shall be allowed an additional amount equal to three percent  
25 (3.0%) for each completed year served after twenty-five (25) years, but in no event shall the  
26 original retirement allowance exceed sixty-five percent (65%) of his or her "whole salary" as  
27 defined in subsection (b) hereof.

28 (j) Effective July 1, 2012, any other provision of this section notwithstanding:

29 (j)(1) Any member of the state police, other than the superintendent of state police, who is  
30 not eligible to retire on or prior to June 30, 2012 may retire at any time subsequent to the date the  
31 member's retirement allowance equals or exceeds fifty percent (50%) of average compensation as  
32 defined in section 36-8-1(5)(a), provided that a member shall retire upon the first to occur of:

33 (i) The date the member's retirement allowance equals sixty-five percent (65%); or

34 (ii) The later of the attainment of age sixty-two (62) or completion of five (5) years of

1 service; provided however, any current member as of June 30, 2012 who has not accrued fifty  
2 percent (50%) upon attaining the age of sixty-two (62) shall retire upon accruing fifty percent  
3 (50%); and upon retirement a member shall receive a retirement allowance which shall equal:

4 (A) For members hired prior to July 1, 2007 the sum of (i), (ii) and (iii) where

5 (i) Is calculated as the member's years of total service before July 1, 2012 multiplied by  
6 two and one half percent (2.5%) of average compensation for a member's first twenty (20) total  
7 years.

8 (ii) Is calculated as the member's years of total service before July 1, 2012 in excess of  
9 twenty (20) years not to exceed twenty-five (25) years multiplied by three percent (3%) of  
10 average compensation, and

11 (iii) Is the member's years of total service on or after July 1, 2012 multiplied by two  
12 percent (2%) of average compensation as defined in § 36-8-1(5)(a).

13 (B) For members hired on or after July 1, 2007, the member's retirement allowance shall  
14 be calculated as the member's years of total contributory service multiplied by two percent (2%)  
15 of average compensation.

16 (C) Any member of the state police who is eligible to retire on or prior to June 30, 2012  
17 shall retire with a retirement allowance calculated in accordance with paragraph (a) and (e) above  
18 except that whole salary shall be defined as final compensation where compensation for purposes  
19 of this section and section 42-28-22.1 includes base salary, longevity and holiday pay.

20 (D) Notwithstanding the preceding provisions, in no event shall a member's final  
21 compensation be lower than his or her final compensation determined as of June 30, 2012.

22 (2) In no event shall a member's original retirement allowance under any provisions of  
23 this section exceed sixty-five percent (65%) of his or her average compensation.

24 (3) For each member who retires on or after July 1, 2012, except as provided in paragraph  
25 (j)(1)(C) above, compensation and average compensation shall be defined in accordance with §  
26 36-8-1(5)(a) and (8), provided that for a member whose regular work period exceeds one hundred  
27 forty-seven (147) hours over a twenty-four (24) day period at any time during the four (4) year  
28 period immediately prior to his/her retirement that member shall have up to four hundred (400)  
29 hours of his/her pay for regularly scheduled work earned during this period shall be included as  
30 "compensation" and/or "average compensation" for purposes of this section and section 42-28-  
31 22.1.

32 (4)(i) Notwithstanding the prior paragraphs of this section, and subject to paragraph (4)  
33 (ii) below, for all present and former members, active and retired members, and beneficiaries  
34 receiving any retirement, disability or death allowance or benefit of any kind, whether for or on

1 behalf of a non-contributory member or contributory member, the annual benefit adjustment  
2 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)  
3 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the  
4 “subtrahend”) from the Five-Year Average Investment Return of the retirement system  
5 determined as of the last day of the plan year preceding the calendar year in which the adjustment  
6 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent  
7 (0%), and (B) is equal to the lesser of the member’s retirement allowance or the first twenty-five  
8 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)  
9 amount to be indexed annually in the same percentage as determined under (4)(i)(A) above. The  
10 “Five-Year Average Investment Return” shall mean the average of the investment returns for the  
11 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (4)(ii)  
12 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)  
13 anniversary of the date of retirement or the date on which the retiree reaches age fifty-five (55),  
14 whichever is later. In the event the retirement board adjusts the actuarially assumed rate of return  
15 for the system, either upward or downward, the subtrahend shall be adjusted either upward or  
16 downward in the same amount.

17 (ii) Except as provided in paragraph (4)(iii), the benefit adjustments under this section for  
18 any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the  
19 Employees’ Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the  
20 State Police Retirement Benefits Trust, calculated by the system’s actuary on an aggregate basis,  
21 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all  
22 members for such plan year.

23 In determining whether a funding level under this paragraph (4)(ii) has been achieved, the  
24 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
25 current or future benefit adjustment provided under this section. “GASB Funded Ratio” shall  
26 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

27 (iii) Notwithstanding paragraph (4)(ii), in each fifth plan year commencing after June 30,  
28 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five  
29 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph  
30 (4)(i) above until the GASB Funded Ratio of the Employees’ Retirement System of Rhode Island,  
31 the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated  
32 by the system’s actuary on an aggregate basis, exceeds eighty percent (80%).

33 (iv) The provisions of this paragraph (j)(4) of section 42-28-22 shall become effective  
34 July 1, 2012 and shall apply to any benefit adjustment not granted on or prior to June 30, 2012.

1           (v) The cost-of-living adjustment as provided in this paragraph (j)(4) shall apply to and  
2 be in addition to the retirement benefits under the provisions of section 42-28-5 and to the injury  
3 and death benefits under the provisions of section 42-28-21.

4           (5) Any member with contributory service on or after July 1, 2012, who has completed at  
5 least five (5) years of contributory service but who has not retired in accordance with (j)(1)  
6 above, shall be eligible to retire upon the attainment of member's Security retirement age as  
7 defined in 36-8-1(19).

8           (6) In no event shall a member's retirement allowance be less than the member's  
9 retirement allowance calculated as of June 30, 2012 based on the member's years of total service  
10 and whole salary as of June 30, 2012.

11           ~~(j)~~ (k) In calculating the retirement benefit for any member, the term base salary as used  
12 in subdivision (b)(3) or average compensation as used in paragraph (j) shall not be affected by a  
13 deferral of salary plan or a reduced salary plan implemented to avoid shutdowns or layoffs or to  
14 effect cost savings. Basic salary shall remain for retirement calculation that which it would have  
15 been but for the salary deferral or salary reduction due to a plan implemented to avoid shutdowns  
16 or layoffs or to effect cost savings.

17           **42-28-22.1. Retirement contribution.** -- (a) Each member of the state police initially  
18 hired after July 1, 1987 shall have deducted from "compensation" as defined in § 36-8-1~~(11)~~(8)  
19 beginning July 1, 1989, an amount equal to a rate percent of such compensation of eight and three  
20 quarters percent (8.75%) as specified in § 36-10-1 relating to member contributions to the state  
21 ~~retirement system.~~ The receipts collected from members of the state police shall be deposited in a  
22 restricted revenue account entitled "state police retirement benefits". The proceeds deposited in  
23 this account shall be held in trust for the purpose of paying retirement benefits to participating  
24 members of the state police or their beneficiaries. The retirement board shall establish rules and  
25 regulations to govern the provisions of this section.

26           (b) A member of the state police who withdraws from service or ceases to be a member  
27 for any reason other than death or retirement, ~~shall~~ will, at the member's request, be paid on  
28 demand a refund consisting of the accumulated contributions standing to his or her credit in his or  
29 her individual account in the state police retirement benefits account. Any member receiving a  
30 refund shall thereby forfeit and relinquish all accrued rights as a member of the system together  
31 with credits for total service previously granted to the member; provided, however, that if any  
32 member who has received a refund shall subsequently reenter the service and again become a  
33 member of the system, he or she shall have the privilege of restoring all moneys previously  
34 received or disbursed to his or her credit as refund of contributions, plus regular interest for the

1 [period from the date of refund to the date of restoration.](#)

2 (c) Upon the repayment of the refund as herein provided, the member shall again receive  
3 credit for the amount of total service which he or she had previously forfeited by the acceptance  
4 of the refund.

5 **42-28-22.2. State contributions.** -- The state of Rhode Island shall make its contribution  
6 for the maintaining of the system established by § 42-28-22.1 and providing the annuities,  
7 benefits, and retirement allowances in accordance with the provisions of this chapter by annually  
8 appropriating an amount which will pay a rate percent of the compensation paid after July 1, 1989  
9 to members of the state police hired after July 1, 1987. This rate percent shall be computed and  
10 certified in accordance with the procedures set forth in §§ 36-8-13 and 36-10-2 under rules and  
11 regulations promulgated by the retirement board pursuant to § 36-8-3. ~~Provided, that the~~  
12 ~~employer contribution shall be deferred from the effective date of this act until June 15, 2010.~~  
13 ~~The amounts that would have been contributed shall be deposited in a special fund and not used~~  
14 ~~for any purpose.~~

15 **42-28-22.3. Separate plan and trust for retirement program of state police.** -- (a) The  
16 retirement program established by § 42-28-22.1 shall constitute a separate retirement program  
17 known as the "State Police Retirement Program" which shall be deemed to be a separate plan for  
18 purposes of § 401(a) of the Internal Revenue Code of 1986 [26 U.S.C. § 401(a)], as amended.  
19 The provisions of § 36-8-20(a) -- ~~(h)~~(i) shall be applicable to such program, shall be administered  
20 and interpreted in a manner consistent with maintaining the tax qualification of such program,  
21 and shall supercede any conflicting provision of law.

22 (b) Any trust established for the purpose of providing retirement benefits under the state  
23 police retirement program, including the trust described in § 42-28-22.1, shall be maintained  
24 pursuant to a written document which expressly provides that it shall be impossible at any time  
25 prior to the satisfaction of all liabilities with respect to employees and their beneficiaries, for any  
26 part of the corpus or income of the trust to be used for, or diverted to, purposes other than the  
27 payment of retirement allowances and other pension benefits to employees and their  
28 beneficiaries. However, this requirement shall not prohibit: (1) the return of a contribution made  
29 by a mistake of fact within six (6) months, or (2) the payment of expenses in accordance with  
30 applicable law; nor shall this provision restrict the collective investment of the funds of such trust  
31 with the funds of the state and municipal retirement systems or other retirement programs  
32 administered by the retirement board, as determined by the state investment commission.

33 **42-28-23. Military credit on retirement.** -- Whenever a member of the Rhode Island  
34 state police, other than a civilian member, has been granted a leave of absence from the state

1 police to enable him or her to serve in the armed forces of the United States in time of war or  
2 national emergency, the time during which he or she so serves while on leave of absence shall be  
3 included in his or her ~~computed toward his or her twenty (20) years of~~ state police service for  
4 retirement as provided in § 42-28-22, except when the member shall have been dishonorably  
5 discharged from the armed forces.

6 SECTION 14. Chapter 42-28 of the General Laws entitled "State Police" is hereby  
7 amended by adding thereto the following sections:

8 **42-28-50. Severability.--** The holding of any section or sections or parts of this chapter to  
9 be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other  
10 section or part hereof.

11 SECTION 15. Sections 8-3-11, 8-3-15, 8-3-16, 8-3-17 and 8-3-20 of the General Laws in  
12 Chapter 8-3 entitled "Justices of Supreme, Superior and Family Courts" are hereby amended to  
13 read as follows:

14 **8-3-11. Allowances to surviving spouses, domestic partners or minor children of**  
15 **deceased justices. --**

(a) Whenever any justice of the supreme court, the superior court, the family  
16 court, or the district court who was engaged as a judge prior to January 1, 2009, dies after  
17 retirement or during active service while eligible for retirement, or during active service after  
18 having served fifteen (15) years or more in office, his or her surviving spouse or domestic partner  
19 shall receive annually thereafter, during his or her lifetime and so long as he or she remains  
20 unmarried or not in a domestic partnership, an amount equal to one-half (1/2) of the annual  
21 payment that the justice was receiving by way of salary or retirement pay at the time of his or her  
22 death. Whenever a justice of any of the courts shall die without having become eligible to retire  
23 either under § 8-3-7 or 8-3-8 and has served seven (7) years or more in office, his or her surviving  
24 spouse or domestic partner shall receive annually thereafter, during his or her lifetime and so long  
25 as he or she remains unmarried or not in a domestic partnership, one-third ( 1/3) of the annual  
26 salary that the justice was receiving at the time of his or her death. Whenever a justice of the  
27 courts shall die without having become eligible to retire either under § 8-3-7 or 8-3-8 and has not  
28 served seven (7) years in office, his or her surviving spouse or domestic partner shall receive  
29 annually thereafter, during his or her lifetime and so long as he or she remains unmarried or not in  
30 a domestic partnership, one-fourth (1/4) of the annual salary that the justice was receiving at the  
31 time of his or her death.

(b) Any justice of the courts who is engaged as a judge on or after January 1, 2009, and  
32 prior to July 1, 2009 may elect to receive retirement pay that is reduced by an additional ten  
33 percent (10%) of the average of the highest three (3) consecutive years annual compensation (i.e.,  
34

1 ninety percent (90%) reduced to eighty percent (80%) or seventy percent (70) reduced to sixty  
2 percent (60%)), and where such option is exercised by giving the general treasurer notice in  
3 writing thereof within ninety (90) days after the date of his or her retirement his or her surviving  
4 spouse or domestic partner or minor children shall receive annually one-half (1/2) of his or her  
5 retirement pay during his or her lifetime so long as he or she remains unmarried or not in a  
6 domestic partnership, or the children are under twenty-one (21) years of age provided, however,  
7 for any justice engaged on or after July 1, 2009 but prior to July 1, 2012, the reduction shall be  
8 based on the average of the highest five (5) consecutive years annual compensation.

9 (c)(1) Any justice of the courts who is engaged as a judge on or after July 1, 2012 and  
10 who elects to receive a retirement pay that is reduced, shall receive a lesser retirement allowance  
11 as determined by actuarial calculation, which shall be payable throughout life with the provision  
12 that:

13 (i) Option 1. Upon the justice's death, the justice's lesser retirement allowance shall be  
14 continued throughout the life of and paid to such person having an insurable interest in the  
15 justice's life, as the justice shall nominate by written designation duly acknowledged and filed  
16 with the retirement board at the time of his or her retirement.

17 (ii) Option 2. Upon the justice's death, one-half (1/2) of the justice's lesser retirement  
18 allowance shall be continued throughout the life of and paid to such person, having an insurable  
19 interest in the justice's life, as the justice shall nominate by written designation duly  
20 acknowledged and filed with the retirement board at the time of the beneficiary's retirement.

21 (2) For purposes of any election under this section the justice may designate more than  
22 one person to receive benefits after his or her death, provided that the designation shall specify  
23 the portion of the actuarial equivalent of the justice's retirement allowance to be paid to each  
24 person, and provided further that the aggregate actuarial value of the portions shall not exceed the  
25 actuarial equivalent of the justice's retirement benefit determined in the case of an election under  
26 this section as of the date of the justice's retirement.

27 (3) A justice selecting more than one person to receive benefits under this section may  
28 only select beneficiaries from among his or her children, adopted children, step-children, and/or  
29 spouse or domestic partner.

30 ~~(e)~~(d) Whenever any justice of the supreme court, the superior court, the family court, or  
31 the district court who was engaged as a judge on or after January 1, 2009, dies during active  
32 service while eligible for retirement, or during active service after having served fifteen (15)  
33 years or more in office, his or her surviving spouse or domestic partner shall receive annually  
34 thereafter, during his or her lifetime and so long as he or she remains unmarried or not in a



1 domestic partnership, an amount equal to one-half (1/2) of the annual payment that the justice  
2 was receiving by way of salary.

3 ~~(e)~~(e) Whenever a justice of any of the courts who was engaged as a judge on or after  
4 January 1, 2009, shall die without having become eligible to retire either under § 8-3-7 or 8-3-8  
5 and has served seven (7) years or more in office, his or her surviving spouse or domestic partner  
6 shall receive annually thereafter, during his or her lifetime and so long as he or she remains  
7 unmarried or not in a domestic partnership, one-third (1/3) of the annual salary that the justice  
8 was receiving at the time of his or her death.

9 ~~(e)~~(f) Whenever a justice of the courts who was engaged as a judge on or after January 1,  
10 2009, shall die without having become eligible to retire either under § 8-3-7 or 8-3-8 and has not  
11 served seven (7) years or more in office, his or her surviving spouse or domestic partner shall  
12 receive annually thereafter, during his or her lifetime and so long as he or she remains unmarried  
13 or not in a domestic partnership, one-fourth (1/4) of the annual salary that the justice was  
14 receiving at the time of his or her death.

15 ~~(e)~~(g) In the event the deceased justice shall have no surviving spouse or domestic  
16 partner, or the surviving spouse or domestic partner should predecease their minor children, then  
17 the benefits conferred by this section shall be received in equal shares by the minor children, if  
18 any, until each shall attain the age of twenty-one (21) years.

19 **8-3-15. Cost of living allowance.** – (a) All justices of the supreme court, superior court,  
20 family court, or district court, or their surviving spouses or domestic partners, who retire after  
21 January 1, 1970 and who receive a retirement allowance pursuant to the provisions of this title  
22 shall, on the first day of January next following the third anniversary date of retirement, receive a  
23 cost-of-living retirement adjustment in addition to his or her retirement allowance in an amount  
24 equal to three percent (3%) of the original retirement allowance. In each succeeding year  
25 thereafter during the month of January, the retirement allowance shall be increased an additional  
26 three percent (3%) of the original allowance, not compounded, to be continued during the lifetime  
27 of the justice or his or her surviving spouse or domestic partner. For the purpose of such  
28 computation, credit shall be given for a full calendar year regardless of the effective date of the  
29 retirement allowance.

30 (b) Any justice who retired prior to January 31, 1977 shall be deemed for the purpose of  
31 this section to have retired on January 1, 1977.

32 (c) For justices not eligible to retire as of September 30, 2009 and not eligible upon  
33 passage of this article, and for their beneficiaries, the cost of living adjustment described in  
34 subsection (3) above shall only apply to the first thirty-five thousand dollars (\$35,000) of



1 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of  
2 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The  
3 thirty- five thousand dollar (\$35,000) limit shall increase annually by the percentage increase in  
4 the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United States  
5 Department of Labor Statistics determined as of September 30 of the prior calendar year or three  
6 percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed, of  
7 retirement allowance shall be multiplied by the percentage of increase in the Consumer Price  
8 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor  
9 Statistics determined as of September 30 of the prior calendar year or three percent (3%),  
10 whichever is less, on the month following the anniversary date of each succeeding year. For  
11 justices eligible to retire as of September 30, 2009 or eligible upon passage of this article, and for  
12 their beneficiaries, the provisions of this subsection (c) shall not apply.

13 (d)(1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)  
14 (2) below, for all present and former justices, active and retired justices, and beneficiaries  
15 receiving any retirement, disability or death allowance or benefit of any kind, whether provided  
16 for or on behalf of justices engaged on or prior to December 31, 1989 as a non-contributory  
17 justice or engaged after December 31, 1989 as a contributory justice, the annual benefit  
18 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by  
19 (B) where (A) is equal to the percentage determined by subtracting five and one-half percent  
20 (5.5%) (the “subtrahend”) from the Five-Year Average Investment Return of the retirement  
21 system determined as of the last day of the plan year preceding the calendar year in which the  
22 adjustment is granted, said percentage not to exceed four percent (4%) and not to be less than  
23 zero percent (0%), and (B) is equal to the lesser of the justice’s retirement allowance or the first  
24 twenty-five thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand  
25 dollars (\$25,000) amount to be indexed annually in the same percentage as determined under  
26 (d)(1)(A) above. The “Five-Year Average Investment Return” shall mean the average of the  
27 investment return of the most recent five (5) plan years as determined by the retirement board.  
28 Subject to paragraph (d)(2) below, the benefit adjustment provided by this paragraph shall  
29 commence upon the third (3rd) anniversary of the date of retirement or the date on which the  
30 retiree reaches his or her Social Security retirement age, whichever is later. In the event the  
31 retirement board adjusts the actuarially assumed rate of return for the system, either upward or  
32 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

33 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for  
34 any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the

1 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the  
2 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,  
3 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all  
4 justices for such plan year.

5 In determining whether a funding level under this paragraph (d)(2) has been achieved, the  
6 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
7 current or future benefit adjustment provided under this section. "GASB Funded Ratio" shall  
8 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

9 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,  
10 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five  
11 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph  
12 (d)(1) above until the GASB Funded Ratio of the Employees' Retirement System of Rhode  
13 Island, the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust,  
14 calculated by the system's actuary on an aggregate basis, exceeds eighty percent (80%)

15 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph  
16 (d) of Section 8-3-15 shall become effective July 1, 2012 and shall apply to any benefit  
17 adjustment not granted on or prior to June 30, 2012.

18 **8-3-16. Retirement contribution.** -- (a) Judges engaged after December 31, 1989 shall  
19 have deducted from total salary beginning December 31, 1989 and ending June 30, 2012 an  
20 amount equal to a rate percent of compensation as specified in § 36-10-1 relating to member  
21 contributions to the state retirement system. Effective July 1, 2012, all active judges whether  
22 engaged before or after December 31, 1989 shall have deducted from compensation as defined in  
23 subsection 36-8-1(8) an amount equal to twelve percent (12%) of compensation, except active  
24 Supreme Court Judges as of June 30, 2012 who shall have deducted from compensation as  
25 defined in section 36-8-1(8) an amount equal to the percent of compensation in effect on June 30,  
26 2012. Proceeds deposited shall be held in trust for the purpose of paying retirement benefits to  
27 participating judges or their beneficiaries. The retirement board shall establish rules and  
28 regulations to govern the provisions of this section.

29 (b) A member of the judiciary who withdraws from service or ceases to be a member for  
30 any reason other than retirement, shall be paid on demand a refund consisting of the accumulated  
31 contributions standing to his or her credit in his or her individual account in the judicial  
32 retirement benefits account. Any member receiving a refund shall thereby forfeit and relinquish  
33 all accrued rights as a member of the system together with credits for total service previously  
34 granted to the member; provided, however, that if any member who has received a refund shall

1 subsequently reenter the service and again become a member of the system, he or she shall have  
2 the privilege of restoring all money previously received or disbursed to his or her credit as refund  
3 of contributions plus regular interest for the period from the date of refund to the date of  
4 restoration. Upon the repayment of the refund as herein provided, the member shall again receive  
5 credit for the amount of total service which he or she had previously forfeited by the acceptance  
6 of the refund.

7 (c) Whenever any judge dies from any cause before retirement and has no surviving  
8 spouse, domestic partner or minor child(ren), a payment shall be made of the accumulated  
9 contributions standing to his or her credit in his or her individual account in the judicial  
10 retirement benefits account. The payment of the accumulated contributions of the judge shall be  
11 made to such person as the judge shall have nominated by written designation duly executed and  
12 filed with the retirement board, or if the judge has filed no nomination, or if the person so  
13 nominated has died, then to the estate of the deceased judge.

14 **8-3-17. State contributions.** -- The state of Rhode Island shall make its contribution for  
15 the maintaining of the system established by § 8-3-16 and providing the annuities, benefits, and  
16 retirement allowances in accordance with the provisions of this chapter by annually appropriating  
17 an amount which will pay a rate percent of the compensation paid after December 31, 1989 to  
18 judges engaged after December 31, 1989. Such rate percent shall be computed and certified in  
19 accordance with the procedures set forth in §§ 36-8-13 and 36-10-2 under rules and regulations  
20 promulgated by the retirement board pursuant to § 36-8-3. ~~Provided, that the employer~~  
21 ~~contribution shall be deferred from the effective date of this act until June 15, 2010.~~ The amounts  
22 that would have been contributed shall be deposited in a special fund and not used for any  
23 purpose.

24 **8-3-20. Severability.**-- The holding of any section or sections or parts of this chapter to  
25 be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other  
26 section or part hereof.

27 SECTION 16. Section 8-8-10.1 of the General Laws in Chapter 8-8 entitled “District  
28 Court” is hereby amended to read as follows:

29 **8-8-10.1. Retirement contribution.** -- (a) Judges engaged after December 31, 1989 shall  
30 have deducted from total salary beginning December 31, 1989 and ending June 30, 2012 an  
31 amount equal to a rate percent of compensation as specified in § 36-10-1 relating to member  
32 contributions to the state retirement system. Effective July 1, 2012, all active judges whether  
33 engaged before or after December 31, 1989 shall have deducted from compensation as defined in  
34 subsection 36-8-1(8) an amount equal to twelve percent (12%) of compensation. The receipts

1 collected under this provision shall be deposited in a restricted revenue account entitled "Judicial  
2 retirement benefits". Proceeds deposited in this account shall be held in trust for the purpose of  
3 paying retirement benefits to participating judges or their beneficiaries. The retirement board  
4 shall establish rules and regulations to govern the provisions of this section.

5 (b) A member of the judiciary who withdraws from service or ceases to be a member for  
6 any reason other than retirement shall be paid on demand a refund consisting of the accumulated  
7 contributions standing to his or her credit in his or her individual account in the judicial  
8 retirement benefits account. Any member receiving a refund shall thereby forfeit and relinquish  
9 all accrued rights as a member of the system together with credits for total service previously  
10 granted to the member; provided, however, that if any member who has received a refund shall  
11 subsequently reenter the service and again become a member of the system, the member shall  
12 have the privilege of restoring all money previously received or disbursed to his or her credit as  
13 refund of contributions [plus regular interest for the period from the date of refund to the date of](#)  
14 [restoration](#). Upon the repayment of the refund as herein provided, the member shall again receive  
15 credit for the amount of total service which he or she had previously forfeited by the acceptance  
16 of the refund.

17 (c) Whenever any judge dies from any cause before retirement and has no surviving  
18 spouse, [domestic partner](#) or minor child(ren), a payment shall be made of the accumulated  
19 contributions standing to his or her credit in his or her individual account in the judicial  
20 retirement benefits account. The payment of the accumulated contributions of the judge shall be  
21 made to such person as the judge shall have nominated by written designation duly executed and  
22 filed with the retirement board, or if the judge has filed no nomination, or if the person so  
23 nominated has died, then to the estate of the deceased judge.

24 SECTION 17. Chapter 8-8 of the General Laws entitled "District Court" is hereby  
25 amended by adding the following section:

26 **8-8-33. Severability.--** [The holding of any section or sections or parts of this chapter to](#)  
27 [be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other](#)  
28 [section or part hereof.](#)

29 SECTION 18. Sections 8-8.2-7 and 8-8.2-12 of the General Laws in Chapter 8-8.2  
30 entitled "Traffic Tribunal" are hereby amended to read as follows:

31 **8-8.2-7. Retirement contribution. --** (a) Judges of the administrative adjudication court  
32 engaged after December 31, 1989 who are reassigned by this chapter to the traffic tribunal shall  
33 have deducted from their total salary beginning December 31, 1989 [and ending June 30, 2012](#), an  
34 amount equal to a rate percent of compensation as specified in § 36-10-1 relating to member

1 contributions to the state retirement system. Effective July 1, 2012, all active judges whether  
2 engaged before or after December 31, 1989 shall have deducted from compensation as defined in  
3 36-8-1(8) an amount equal to twelve percent (12%) of compensation. The receipts collected under  
4 this provision shall be deposited in a restricted revenue account entitled "administrative  
5 adjudication retirement benefits". Proceeds deposited in this account shall be used to pay judges'  
6 retirement costs. The retirement board shall establish rules and regulations to govern the  
7 provisions of this section.

8 (b) A judge of the administrative adjudication court reassigned by this chapter to the  
9 traffic tribunal who withdraws from service or ceases to be a member for any reason other than  
10 death or retirement, shall be paid on demand a refund consisting of the accumulated contributions  
11 standing to his or her credit in his or her individual account in the administrative adjudication  
12 retirement benefits account. Any member receiving a refund shall thereby forfeit and relinquish  
13 all accrued right as a member of the system together with credits for total service previously  
14 granted to the member; provided, however, that if any member who has received a refund shall  
15 subsequently reenter the service and again become a member of the system, he or she shall have  
16 the privilege of restoring all moneys previously received or disbursed to his or her credit as a  
17 refund of contributions plus regular interest for the period from the date of refund to the date of  
18 restoration. Upon the repayment of the refund as herein provided, such member shall again  
19 receive credit for the amount of total service which he or she had previously forfeited by the  
20 acceptance of the refund.

21 ~~(b)~~(c) Whenever any judge of the administrative adjudication court dies from any cause  
22 before retirement and has no surviving spouse or domestic partner or minor child(ren), a payment  
23 shall be made of the accumulated contributions standing to his or her credit in his or her  
24 individual account in the administrative adjudication court judges' retirement account. The  
25 payment of the accumulated contributions of the judge shall be made to such person as the judge  
26 shall have nominated by written designation duly executed and filed with the retirement board, or  
27 if the judge has no filed nomination, or if the person so nominated has died, then to the estate of  
28 the deceased judge.

29 **8-8.2-12. Additional benefits payable to retired judges and their surviving spouses**  
30 **or domestic partners.** -- (a) All judges of the administrative adjudication court and all judges of  
31 the administrative adjudication court who have been reassigned to the traffic tribunal, or their  
32 surviving spouses or domestic partners, who retire after January 1, 1970 and who receive a  
33 retirement allowance pursuant to the provisions of this title, shall, on the first day of January, next  
34 following the third anniversary of the retirement, receive a cost of living retirement adjustment in

1 addition to his or her retirement allowance in an amount equal to three percent (3%) of the  
2 original retirement allowance. In each succeeding year thereafter during the month of January, the  
3 retirement allowance shall be increased an additional three percent (3%) of the original  
4 allowance, compounded annually from the year cost of living adjustment was first payable to be  
5 continued during the lifetime of the judge or his or her surviving spouse or domestic partner. For  
6 the purpose of such computation, credit shall be given for a full calendar year regardless of the  
7 effective date of the retirement allowance.

8 (b) Any judge who retired prior to January 31, 1980, shall be deemed for the purpose of  
9 this section to have retired on January 1, 1980.

10 (c) For judges not eligible to retire as of September 30, 2009 and not eligible upon  
11 passage of this article, and for their beneficiaries, the cost of living adjustment described in  
12 subsection (a) above shall only apply to the first thirty-five thousand dollars (\$35,000) of  
13 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of  
14 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The  
15 thirty-five thousand dollar (\$35,000) limit shall increase annually by the percentage increase in  
16 the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United States  
17 Department of Labor Statistics determined as of September 30 of the prior calendar year or three  
18 percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed, of  
19 retirement allowance shall be multiplied by the percentage of increase in the Consumer Price  
20 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor  
21 Statistics determined as of September 30 of the prior calendar year or three percent (3%),  
22 whichever is less on the month following the anniversary date of each succeeding year. For  
23 judges eligible to retire as of September 30, 2009 or eligible upon passage of this article, and for  
24 their beneficiaries, the provisions of this subsection (c) shall not apply.

25 (d)(1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)  
26 (2) below, for all present and former justices, active and retired justices, and beneficiaries  
27 receiving any retirement, disability or death allowance or benefit of any kind, whether provided  
28 for or on behalf of justices engaged on or prior to December 31, 1989 as a non-contributory  
29 justice or engaged after December 31, 1989 as a contributory justice, the annual benefit  
30 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by  
31 (B) where (A) is equal to the percentage determined by subtracting five and one-half percent  
32 (5.5%) (the "subtrahend") from the Five-Year Average Investment Return of the retirement  
33 system determined as of the last day of the plan year preceding the calendar year in which the  
34 adjustment is granted, said percentage not to exceed four percent (4%) and not to be less than

1 zero percent (0%), and (B) is equal to the lesser of the justice’s retirement allowance or the first  
2 twenty-five thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand  
3 dollars (\$25,000) amount to be indexed annually in the same percentage as determined under  
4 (d)(1)(A) above. The “Five-Year Average Investment Return” shall mean the average of the  
5 investment return of the most recent five (5) plan years as determined by the retirement board.  
6 Subject to paragraph (d)(2) below, the benefit adjustment provided by this paragraph shall  
7 commence upon the third (3rd) anniversary of the date of retirement or the date on which the  
8 retiree reaches his or her Social Security retirement age, whichever is later. In the event the  
9 retirement board adjusts the actuarially assumed rate of return for the system, either upward or  
10 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

11 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for  
12 any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the  
13 Employees’ Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the  
14 State Police Retirements Benefits Trust, calculated by the system’s actuary on an aggregate basis,  
15 exceeds eighty percent (80%) in which even the benefit adjustment will be reinstated for all  
16 justices for such plan year.

17 In determining whether a funding level under this paragraph (d)(2) has been achieved, the  
18 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
19 current or future benefit adjustment provided under this section. “GASB Funded Ratio” shall  
20 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

21 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,  
22 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five  
23 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph  
24 (d)(1) above until the GASB Funded Ratio of the Employees’ Retirement System of Rhode  
25 Island, the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust,  
26 calculated by the system’s actuary on an aggregate basis, exceeds eighty percent (80%).

27 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph  
28 (d) of section 8-8.2-12 shall become effective July 1, 2012 and shall apply to any benefit  
29 adjustment not granted on or prior to June 30, 2012.

30 SECTION 19. Sections 28-30-17, 28-30-18 and 28-30-18.1 of the General Laws in  
31 Chapter 28-30 entitled “Workers' Compensation Court” are hereby amended to read as follows:

32 **28-30-17. Allowance to surviving spouses, domestic partners of deceased judges. –**

33 (a) Whenever any judge of the workers' compensation court who was engaged as a judge prior to  
34 January 1, 2009 dies after retirement or during active service while eligible for retirement or



1 during active service after having served fifteen (15) years or more in office, his or her surviving  
2 spouse or domestic partner shall receive annually thereafter during his or her lifetime and so long  
3 as he or she remains unmarried or not in a domestic partnership, an amount equal to one-half (  
4 1/2) of the annual payment that the judge was receiving by way of salary or retirement pay at the  
5 time of his or her death.

6 (b) For those engaged as a judge on or after January 1, 2009, and prior to July 1, 2009,  
7 the judge may elect to receive retirement pay that is reduced by an additional ten percent (10%)  
8 of the average of the highest three (3) consecutive years annual compensation (i.e., ninety percent  
9 (90%) reduced to eighty percent (80%) or seventy percent (70%) reduced to sixty percent (60%))  
10 and where such option is exercised by giving the general treasurer notice in writing thereof within  
11 ninety (90) days after the date of his or her retirement his or her surviving spouse or domestic  
12 partner or minor children shall receive annually one-half (1/2) of his or her retirement pay during  
13 his or her lifetime so long as he or she remains unmarried or not in a domestic partnership, or the  
14 children are under twenty-one (21) years of age; provided, however, for any judge engaged on or  
15 after July 1, 2009, the reduction shall be based upon the average of the highest five (5) years  
16 consecutive annual compensation.

17 (c)(1) Any judge of the courts who is engaged as a judge on or after July 1, 2012 and who  
18 elects to receive a retirement pay that is reduced, shall receive a lesser retirement allowance as  
19 determined by actuarial calculation, which shall be payable throughout life with the provision  
20 that:

21 (i) Option 1. Upon the justice's death, the justice's lesser retirement allowance shall be  
22 continued throughout the life of and paid to such person having an insurable interest in the  
23 justice's life, as the judge shall nominate by written designation duly acknowledged and filed with  
24 the retirement board at the time of his or her retirement.

25 (ii) Option 2. Upon the justice's death, one-half (1/2) of the judge's lesser retirement  
26 allowance shall be continued throughout the life of and paid to such person, having an insurable  
27 interest in the judge's life, as the judge shall nominate by written designation duly acknowledged  
28 and filed with the retirement board at the time of the beneficiary's retirement.

29 (2) For purposes of any election under this section the judge may designate more than  
30 one person to receive benefits after his or her death, provided that the designation shall specify  
31 the portion of the actuarial equivalent of the judge's retirement allowance to be paid to each  
32 person, and provided further that the aggregate actuarial value of the portions shall not exceed the  
33 actuarial equivalent of the judge's retirement benefit determined in the case of an election under  
34 this section as of the date of the judge's retirement.



1           (3) A judge selecting more than one person to receive benefits under this section may  
2 only select beneficiaries from among his or her children, adopted children, step-children, and/or  
3 spouse or domestic partner.

4           ~~(e)~~(d) Whenever a judge of the workers' compensation court dies without having become  
5 eligible to retire either under § 28-30-15 or 28-30-16 and has served seven (7) years or more in  
6 office, his or her surviving spouse or domestic partner shall receive annually thereafter during his  
7 or her lifetime and so long as he or she remains unmarried or not in a domestic partnership one-  
8 third ( 1/3) of the annual salary that the judge was receiving at the time of his or her death.

9           ~~(d)~~(e) Whenever any judge of the workers' compensation court who was engaged as a  
10 judge on or after January 1, 2009 dies during active service while eligible for retirement or during  
11 active service after having served fifteen (15) years or more in office, his or her surviving spouse  
12 or domestic partner shall receive annually thereafter during his or her lifetime and so long as he  
13 or she remains unmarried or not in a domestic partnership, an amount equal to one-half (1/2) of  
14 the annual payment that the judge was receiving by way of salary or retirement pay at the time of  
15 his or her death.

16           ~~(e)~~(f) Whenever a judge of the workers' compensation court dies without having become  
17 eligible to retire either under § 28-30-15 or 28-30-16 and has not served seven (7) years in office,  
18 his or her surviving spouse or domestic partner shall subsequently receive annually during his or  
19 her lifetime and so long as he or she remains unmarried or not in a domestic partnership, one  
20 fourth ( 1/4) of the annual salary that the judge was receiving at the time of his or her death.

21           ~~(f)~~(g) In the event the deceased judge has no surviving spouse or domestic partner or the  
22 surviving spouse or domestic partner predeceases their minor children, the benefits conferred by  
23 this section shall be received in equal shares by the minor children, if any, until each attains the  
24 age of twenty-one (21) years.

25           **28-30-18 Additional benefits payable to retired judges and their surviving spouses**  
26 **or domestic partners.** -- (a) All judges of the workers' compensation court, or their surviving  
27 spouses or domestic partners, who retire after January 1, 1970 and who receive a retirement  
28 allowance pursuant to the provisions of this title, shall, on the first day of January next following  
29 the third anniversary date of their retirement, receive a cost of living retirement adjustment in  
30 addition to his or her retirement allowance in an amount equal to three percent (3%) of the  
31 original retirement allowance. In each succeeding subsequent year during the month of January  
32 the retirement allowance shall be increased an additional three percent (3%) of the original  
33 allowance, compounded annually from the year the cost of living adjustment was first payable to  
34 be continued during the lifetime of that judge or his or her surviving spouse or domestic partner.

1 For the purpose of that computation, credit shall be given for a full calendar year regardless of the  
2 effective date of the retirement allowance.

3 (b) Any judge who retired prior to January 31, 1980, shall be deemed for the purpose of  
4 this section to have retired on January 1, 1980.

5 (c) For judges not eligible to retire as of September 30, 2009 and not eligible upon  
6 passage of this article, and for their beneficiaries, the cost of living adjustment described in  
7 subsection (a) above shall only apply to the first thirty-five thousand dollars (\$35,000) of  
8 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of  
9 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The  
10 thirty-five thousand dollar (\$35,000) limit shall increase annually by the percentage increase in  
11 the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United States  
12 Department of Labor Statistics determined as of September 30 of the prior calendar year or three  
13 percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed, of  
14 retirement allowance shall be multiplied by the percentage of increase in the Consumer Price  
15 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor  
16 Statistics determined as of September 30 of the prior calendar year or three percent (3%),  
17 whichever is less on the month following the anniversary date of each succeeding year. For  
18 judges eligible to retire as of September 30, 2009 or eligible upon passage of this article, and for  
19 their beneficiaries, the provisions of this subsection (c) shall not apply.

20 (d)(1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)  
21 (2) below, for all present and former justices, active and retired justices, and beneficiaries  
22 receiving any retirement, disability or death allowance or benefit of any kind, whether provided  
23 for or on behalf of justices engaged on or prior to December 31, 1989 as a non-contributory  
24 justice or engaged after December 31, 1989 as a contributory justice, the annual benefit  
25 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by  
26 (B) where (A) is equal to the percentage determined by subtracting five and one-half percent  
27 (5.5%) (the “subtrahend”) from the Five-Year Average Investment Return of the retirement  
28 system determined as of the last day of the plan year preceding the calendar year in which the  
29 adjustment is granted, said percentage not to exceed four percent (4%) and not to be less than  
30 zero percent (0%), and (B) is equal to the lesser of the justice’s retirement allowance or the first  
31 twenty-five thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand  
32 dollars (\$25,000) amount to be indexed annually in the same percentage as determined under  
33 (d)(1)(A) above. The “Five-Year Average Investment Return” shall mean the average of the  
34 investment return of the most recent five plan years as determined by the retirement board.

1 Subject to paragraph (d)(2) below, the benefit adjustment provided by this paragraph shall  
2 commence upon the third (3rd) anniversary of the date of retirement or the date on which the  
3 retiree reaches his or her Social Security retirement age, whichever is later. In the event the  
4 retirement board adjusts the actuarially assumed rate of return for the system, either upward or  
5 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

6 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for  
7 any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the  
8 Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the  
9 State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,  
10 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all  
11 justices for such plan year.

12 In determining whether a funding level under this paragraph (d)(2) has been achieved, the  
13 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
14 current or future benefit adjustment provided under this section. "GASB Funded Ratio" shall  
15 mean the ratio of the actuarial value of assets to the actuarial accrued liability.

16 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,  
17 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five  
18 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (d)(1)  
19 above until the GASB Funded Ratio of the Employees' Retirement System of Rhode Island, the  
20 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by  
21 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

22 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph  
23 (d) of Section 28-30-18 shall become effective July 1, 2012 and shall apply to any benefit  
24 adjustment not granted on or prior to June 30, 2012.

25 **28-30-18.1. Retirement contribution.** -- (a) Workers' compensation judges engaged  
26 after December 31, 1989, shall have deducted from total salary beginning December 31, 1989 and  
27 ending on June 30, 2012, an amount equal to a rate percent of compensation as specified in § 36-  
28 10-1 relating to member contributions to the state retirement system. Effective July 1, 2012, all  
29 active workers' compensation judges whether engaged before or after December 31, 1989, shall  
30 have deducted from compensation as defined in § 36-8-1(8) an amount equal to twelve percent  
31 (12%) of compensation. The receipts collected under this provision shall be deposited in a  
32 restricted revenue account entitled "workers' compensation judges' retirement benefits". Proceeds  
33 deposited in this account shall be held in trust for the purpose of paying retirement benefits to  
34 participating judges or their beneficiaries. The retirement board shall establish rules and

1 regulations to govern the provisions of this section.

2 (b) A judge of the court who withdraws from service or ceases to be a judge for any  
3 reason other than retirement shall be paid on demand a refund consisting of the accumulated  
4 contributions standing to his or her credit in his or her individual account in the workers'  
5 compensation judges' retirement benefits account. Any judge receiving a refund shall forfeit and  
6 relinquish all accrued rights as a member of the system together with credits for total service  
7 previously granted to the judge; provided, that if any judge who has received a refund  
8 subsequently reenters the service and again becomes a member of the system, he or she shall have  
9 the privilege of restoring all money previously received or disbursed to his or her credit as refund  
10 of contributions, [together with regular interest for the time period from the date of refund to the](#)  
11 [date of restoration](#). Upon the repayment of the refund, the judge shall again receive credit for the  
12 amount of total service that he or she had previously forfeited by the acceptance of the refund.

13 (c) Whenever any judge of the workers' compensation court dies from any cause before  
14 retirement and has no surviving spouse, [domestic partner](#) or minor child(ren), a payment shall be  
15 made of the accumulated contributions standing to his or her credit in his or her individual  
16 account in the workers' compensation judges' retirement account. The payment of the  
17 accumulated contributions of the judge shall be made to such person as the judge shall have  
18 nominated by written designation duly executed and filed with the retirement board, or if the  
19 judge has filed no nomination, or if the person so nominated has died, then to the estate of the  
20 deceased judge.

21 SECTION 20. Chapter 28-30 of the General Laws entitled "Workers' Compensation  
22 Court" is hereby amended by adding the following section:

23 **28-30-25. Severability.--** [The holding of any section or sections or parts of this chapter to](#)  
24 [be void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other](#)  
25 [section or part hereof.](#)

26 SECTION 21. Section 23-4-5 of the General Laws in Chapter 23-4 entitled "Office of  
27 State Medical Examiners" is hereby amended to read as follows:

28 **23-4-5. Chief medical examiner – Assistants and other staff.** -- (a) The office shall be  
29 under the immediate supervision of a chief, who shall be known as the "chief medical examiner"  
30 and who shall be a physician licensed under the provisions of chapter 37 of title 5, and a qualified  
31 pathologist certified by the American Board of Pathology and who has had forensic training or  
32 experience. He or she shall be appointed by the director of health as shall the deputy chief  
33 medical examiner with the advice of the medical examiner's commission. The chief medical  
34 examiner shall be in the unclassified service and the deputy chief medical examiner shall be in the

1 classified service.

2 (b) The chief medical examiner shall appoint, with the approval of the director of health,  
3 assistant medical examiners and shall hire other staff as necessary to carry out the provisions of  
4 this chapter.

5 (c) Persons employed full time at the time of enactment of this chapter within the  
6 division of medical examiners in the department of the attorney general shall be transferred to the  
7 office of state medical examiners with their former rights and privileges of employment. ~~and~~  
8 ~~shall be~~ For members eligible to retire on or before June 30, 2012, such members shall be eligible  
9 for retirement benefits after the age of fifty (50) years and service of twenty (20) years, including  
10 service within the division of medical examiners. For members eligible to retire on or after July 1,  
11 2012, such members shall be eligible for retirement benefits in accordance with chapters 8  
12 through 10 of title 36.

13 SECTION 22. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby  
14 amended by adding thereto the following chapter:

15 CHAPTER 65

16 RETIREMENT SECURITY ACT FOR LOCALLY ADMINISTERED PENSION FUNDS

17 **45-65-1. Short title.** -- This chapter shall be known as and may be cited as the “Pathway  
18 to Retirement Security for Locally Administered Pension Funds Act.”

19 **45-65-2. Purpose.** -- The purpose of this chapter is to provide retirement security to  
20 current and retired municipal employees by codifying standards to promote the sustainability and  
21 longevity of pension plans established and administered by municipalities.

22 **45-65-3. Legislative Findings.** -- It is the intention of the general assembly to begin the  
23 process of ensuring the sustainability of locally administered pension plans and to advance and  
24 maintain the long-term stability of such plans. The general assembly finds and declares that:

25 (1) Rhode Island law authorizes and empowers municipalities to administer their own  
26 municipal pension plans; currently, there are thirty-six (36) such plans administered by twenty-  
27 four (24) municipalities.

28 (2) According to a report by the Office of the Auditor General entitled *Pension and*  
29 *OPEB Plans Administered by Rhode Island Municipalities* (September 2011): “Many municipal  
30 pension plans are severely underfunded which presents the risk that sufficient funds will not be  
31 available to meet promised benefits to retirees. It also undermines the overall fiscal health of the  
32 plan’s sponsor.”

33 (3) It is in the best interests of individual employees, taxpayers, municipalities and the  
34 state itself to maintain viable and sustainable municipal public pension plans. These interests

1 include:

2 Preserving a level of pension benefits that is, over the long term, reasonable for current  
3 and retired municipal employees and affordable for taxpayers;

4 Avoiding significant and unanticipated retirement benefit reductions, which could cause  
5 an increase in poverty among retired municipal employees and a resulting strain on state social  
6 services;

7 Maintaining investments in infrastructure and education on the state and local levels in  
8 lieu of diverting critical resources to satisfy pension obligations;

9 Preventing the financial downgrade of municipalities by rating agencies as a result of  
10 unfunded pension obligations, which would make it more difficult to access the capital markets  
11 and increase the costs of borrowing;

12 Encouraging rating agencies, in recognition of the state's proactive approach toward  
13 financial discipline, to take positive credit actions on Rhode Island municipal bonds; and

14 Creating a more stable and well-managed environment in Rhode Island to attract new  
15 businesses and maintain and expand existing businesses, which will diminish the uncertainty and  
16 fiscal instability that accompany uncontrolled pension obligations.

17 (4) The first step in ensuring the viability and sustainability of local pension plans is to  
18 get an accurate analysis of the current condition and fiscal health of the individual plans.

19 **45-65-4. Definitions.** -- As used in this chapter the following terms shall have the  
20 following meanings:

21 (1) "Actuarial experience study" means a report provided by an actuary that includes a  
22 recent discussion of plan experience, recommendations for actuarial assumptions and methods,  
23 and information about the actuarial impact of these recommendations on the liabilities and other  
24 key actuarial measures.

25 (2) "Annual actuarial valuation study" means a valuation of a locally administered plan  
26 completed by an actuary, and a certification based on that valuation indicating whether such plan  
27 is or is not in critical status, on an annual basis.

28 (3) "Critical status" means that, as determined by its actuary, as of the beginning of the  
29 plan year, a plan's funded percentage for such plan year is less than sixty percent (60%).

30 (4) "Locally administered plan" or "plan" means any defined benefit pension plan  
31 established by a municipality for its employees, other than: (a) A plan that is part of the  
32 Employees' Retirement System of Rhode Island as defined in chapter 36-8 or the Municipal  
33 Employees' Retirement System of Rhode Island as defined in chapter 45-21; or (b) A plan  
34 established by a municipality that has filed for bankruptcy protection pursuant to chapter 9 of title

1 11 of the United States Code, a plan established by a municipality for which a receiver has been  
2 appointed pursuant to chapter 45-9 or a plan established by a municipality for which a fiscal  
3 overseer has been appointed pursuant to chapter 45-9.

4 (5) "Municipality" means any town or city in the State of Rhode Island, any city or town  
5 housing authority, fire, water, sewer district, regional school district or public building authority  
6 as established by chapter 14 of title 37.

7 **45-65-5. Actuarial valuation methodology.** -- Actuarial methods used by the actuary in  
8 preparing an actuarial experience study or annual actuarial valuation shall be in compliance with  
9 accepted actuarial standards and applicable public pension accounting laws, rules and regulations.  
10 The actuary shall not, year to year, change actuarial methods for the sole purpose of achieving a  
11 more favorable funding or fiscal result. Any actuarial study shall be made by the actuary in good  
12 faith and in accordance with accepted actuarial standards.

13 **45-65-6. Certification and notice requirements.** -- (1) Every municipality that  
14 maintains a locally administered plan shall submit its initial annual actuarial valuation study to  
15 the study commission created herein under section 45-64-8 on or before April 1, 2012, and for  
16 each plan year ending on or after December 31, 2012, within six (6) months of completing such  
17 plan year. The initial actuarial experience study shall be submitted to the study commission on or  
18 before April 1, 2012, and subsequent actuarial experience studies must be submitted to the study  
19 commission no less frequently than once every three (3) years.

20 (2) In any case in which an actuary certifies that a locally administered plan is in critical  
21 status for a plan year, the municipality administering such a plan shall, not later than thirty (30)  
22 business days following the certification, provide notification of the critical status to the  
23 participants and beneficiaries of the plan and to the general assembly, the governor, the general  
24 treasurer, the director of revenue, and the auditor general. The notification shall also be posted  
25 electronically on the general treasurer's website. Within one hundred eighty (180) days of  
26 sending the critical status notice, the municipality shall submit to the study commission a  
27 reasonable alternative funding improvement plan to emerge from critical status.

28 (3) The state shall reimburse every municipality for fifty percent (50%) of the cost of  
29 undertaking its annual actuarial valuation study.

30 (4) Notwithstanding any other law to the contrary, the funding improvement plans and  
31 actuarial valuation studies submitted pursuant to this section shall be public records.

32 **45-65-7. Failure to comply.** -- (1) With respect to any municipality that fails to comply  
33 with the requirements of this chapter within the prescribed time, the general treasurer is  
34 authorized to withhold moneys due to the municipality from the state for any purpose other than

1 education, including, but not limited to, municipal aid and other aid provided under sections 45-  
2 13-5.1, 45-13-12, 44-34.1-2, 44-13-13, 44-18-18.1, 44-18-36.1(b) and 42-63.1-3.

3 **45-65-8. Study commission. --** A study commission for locally administered plans shall  
4 be established to review existing legislation and pension plan administrative practices and to  
5 make recommendations for the improved security and funding of locally administered plans and  
6 other post-retirement benefit obligations of cities and towns. The commission shall consist of  
7 fourteen (14) members: the director of the department of revenue, or his or her designee; who  
8 shall be the chair, the auditor general, one member each representing the department of  
9 administration, the general treasurer, the League of Cities and Towns and the Rhode Island Public  
10 Expenditures Council, and three (3) members appointed by the governor representing municipal  
11 police, fire and non-public safety employees. In addition, the Speaker of the House and President  
12 of the State Senate shall each appoint one member to the commission and then shall jointly select  
13 and appoint one elected mayor from a city or town with a population greater than 50,000, one  
14 elected mayor from a city or town with a population less than 50,000 and one appointed town  
15 administrator.

16 **45-65-9. Severability; Indispensable Party. --** The holding of any section or sections or  
17 parts hereof to be void, ineffective, or unconstitutional for any cause shall not be deemed to affect  
18 any other section or part hereof. The state shall be an indispensable party in any action contesting  
19 the validity of this chapter.

20 SECTION 23. Chapter 42-149 of the General Laws entitled "State Expenditures for Non-  
21 State Employee Services" is hereby amended by adding thereto the following section:

22 **42-149-3.1. Assessment on state expenditures for non-state employee services. --**  
23 Whenever a department, commission, board, council, agency or public corporation incurs  
24 expenditures through contracts or agreements by which a nongovernmental person or entity  
25 agrees to provide services which are substantially similar to and in lieu of services hereto fore  
26 provided, in whole or in part, by regular employees of the department, commission, board,  
27 council, agency or public corporation covered by chapter 36-8, those expenditures shall be  
28 subject to an assessment equal to five and one-half percent (5.5%) of the cost of the service. That  
29 assessment shall be paid to the retirement system on a quarterly basis in accordance with  
30 subsection 36-10-2(e).

31 SECTION 24. This act shall take effect upon passage.

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LC03022/SUB A/2  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES--RETIREMENT SYSTEM --  
CONTRIBUTION AND BENEFITS

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- 1           This act would comprehensively amend the contribution and benefits' provisions of both
- 2 the state and municipal employees' retirement systems.
- 3           This act would take effect upon passage.

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LC03022/SUB A/2  
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SUBSTITUTE A

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A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES--RETIREMENT SYSTEM --  
CONTRIBUTION AND BENEFITS

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LC03022/SUB A/2  
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Presented by