LC00944

2012 -- H 7377

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

AN ACT

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representatives Carnevale, DaSilva, Hull, Johnston, and Medina Date Introduced: February 02, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 42-28-22 of the General Laws in Chapter 42-28 entitled "State
 Police" is hereby amended to read as follows:

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

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

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

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

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

1 (c) (1) Any member who retired prior to July 1, 1977 shall receive a benefits payment 2 adjustment equal to three percent (3%) of his or her original retirement, as determined in 3 subsection (b) of this section, in addition to his or her original retirement allowance. In each 4 succeeding year thereafter during the month of January, the retirement allowance shall be 5 increased an additional three percent (3%) of the original retirement allowance, not compounded, to be continued until January 1, 1991. For the purposes of the computation, credit shall be given 6 7 for a full calendar year regardless of the effective date of the service retirement allowance. For 8 purposes of this subsection, the benefits payment adjustment shall be computed from January 1, 9 1971 or the date of retirement, whichever is later in time.

10 (2) Any member of the state police who retires pursuant to the provisions of this chapter 11 on or after January 1, 1977, shall on the first day of January, next following the third anniversary 12 date of the retirement receive a benefits payment adjustment, in addition to his or her retirement 13 allowance, in an amount equal to three percent (3%) of the original retirement allowance. In each 14 succeeding year thereafter during the month of January, the retirement allowance shall be 15 increased an additional three percent (3%) of the original retirement allowance, not compounded, 16 to be continued until January 1, 1991. For the purposes of the computation, credit shall be given 17 for a full calendar year regardless of the effective date of the service retirement allowance.

(3) Any retired member of the state police who is receiving a benefit payment
adjustment pursuant to subdivisions (1) and (2) of this section shall beginning January 1, 1991
and ending June 30, 2012, receive a benefits payment adjustment equal to fifteen hundred dollars
(\$1,500).

(d) The benefits payment adjustment as provided in this section shall apply to and be in
addition to the retirement benefits under the provisions of section 42-28-5, and to the injury and
death benefits under the provisions of section 42-28-21.

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

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

1 (f) (1) Any member who retires, has served as a member for twenty (20) years or more, 2 and who served for a period of six (6) months or more of active duty in the armed service of the 3 United States or in the merchant marine service of the United States as defined in section 2 of 4 chapter 1721 of the Public Laws, 1946, may purchase credit for such service up to a maximum of 5 two (2) years; provided that any member who has served at least six (6) months or more in any one year shall be allowed to purchase one year for such service and any member who has served a 6 7 fraction of less than six (6) months in his or her total service shall be allowed to purchase six (6) 8 months' credit for such service.

9 (2) The cost to purchase these credits shall be ten percent (10%) of the member's first 10 year salary as a state policeman multiplied by the number of years and/or fraction thereof of such 11 armed service up to a maximum of two (2) years. The purchase price shall be paid into the 12 general fund. For members hired on or after July 1, 1989, the purchase price shall be paid into a 13 restricted revenue account entitled "state police retirement benefits" and shall be held in trust.

(3) There will be no interest charge provided the member makes such purchase during
his or her twentieth (20th) year or within five (5) years from May 18, 1981, whichever is later,
but will be charged regular rate of interest as defined in section 36-8-1 as amended to date of
purchase from the date of his or her twentieth (20th) year of state service or five (5) years from
May 18, 1981, whichever is later.

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

(g) The provisions of this section shall not apply to civilian employees in the Rhode
Island state police; and, further, from and after April 28, 1937, chapters 8 -- 10, inclusive, of title
36 shall not be construed to apply to the members of the Rhode Island state police, except as
provided by sections 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) effective July 1, 2012.

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

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

1 subsection (b) hereof.

2 (2) Any member of the state police who is hired on or after July 1, 2007 may serve up to 3 a maximum of thirty (30) years, and shall be allowed an additional amount equal to three percent 4 (3.0%) for each completed year served after twenty-five (25) years, but in no event shall the 5 original retirement allowance exceed sixty-five percent (65%) of his or her "whole salary" as defined in subsection (b) hereof. 6 7 (j) Effective July 1, 2012, any other provision of this section notwithstanding: 8 (j) (1) Any member of the state police, other than the superintendent of state police, who 9 is not eligible to retire on or prior to June 30, 2012 may retire at any time subsequent to the date 10 the member's retirement allowance equals or exceeds fifty percent (50%) of average 11 compensation as defined in section 36-8-1(5)(a), provided that a member shall retire upon the 12 first to occur of: 13 (i) The date the member's retirement allowance equals sixty-five percent (65%); or 14 (ii) The later of the attainment of age sixty-two (62) or completion of five (5) years of 15 service; provided however, any current member as of June 30, 2012 who has not accrued fifty 16 percent (50%) upon attaining the age of sixty-two (62) shall retire upon accruing fifty percent 17 (50%); and upon retirement a member shall receive a retirement allowance which shall equal: 18 (A) For members hired prior to July 1, 2007 the sum of (i), (ii) and (iii) where 19 (i) Is calculated as the member's years of total service before July 1, 2012 multiplied by 20 two and one half percent (2.5%) of average compensation for a member's first twenty (20) total 21 years, 22 (ii) Is calculated as the member's years of total service before July 1, 2012 in excess of twenty (20) years not to exceed twenty-five (25) years multiplied by three percent (3%) of 23 24 average compensation, and 25 (iii) Is the member's years of total service on or after July 1, 2012 multiplied by two 26 percent (2%) of average compensation as defined in section 36-8-1(5)(a). 27 (B) For members hired on or after July 1, 2007, the member's retirement allowance shall 28 be calculated as the member's years of total contributory service multiplied by two percent (2%) 29 of average compensation. 30 (C) Any member of the state police who is eligible to retire on or prior to June 30, 2012 31 shall retire with a retirement allowance calculated in accordance with paragraph (a) and (e) above 32 except that whole salary shall be defined as final compensation where compensation for purposes 33 of this section and section 42-28-22.1 includes base salary, longevity and holiday pay. (D) Notwithstanding the preceding provisions, in no event shall a member's final 34

1 compensation be lower than his or her final compensation determined as of June 30, 2012.

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

4 (3) For each member who retires on or after July 1, 2012, except as provided in 5 paragraph (j)(1)(C) above, compensation and average compensation shall be defined in accordance with section 36-8-1(5)(a) and (8), provided that for a member whose regular work 6 7 period exceeds one hundred forty-seven (147) hours over a twenty-four (24) day period at any 8 time during the four (4) year period immediately prior to his/her retirement that member shall 9 have up to four hundred (400) hours of his/her pay for regularly scheduled work earned during 10 this period shall be included as "compensation" and/or "average compensation" for purposes of 11 this section and section 42-28-22.1.

12 (4) (i) Notwithstanding the prior paragraphs of this section, and subject to paragraph 13 (4)(ii) below, for all present and former members, active and retired members, and beneficiaries 14 receiving any retirement, disability or death allowance or benefit of any kind, whether for or on 15 behalf of a non-contributory member or contributory member, the annual benefit adjustment 16 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A) 17 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the 18 "subtrahend") from the Five-Year Average Investment Return of the retirement system 19 determined as of the last day of the plan year preceding the calendar year in which the adjustment 20 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent 21 (0%), and (B) is equal to the lesser of the member's retirement allowance or the first twenty-five 22 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000) 23 amount to be indexed annually in the same percentage as determined under (4)(i)(A) above. The 24 "Five-Year Average Investment Return" shall mean the average of the investment returns for the 25 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (4)(ii) 26 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd) 27 anniversary of the date of retirement or the date on which the retiree reaches age fifty-five (55), 28 whichever is later. In the event the retirement board adjusts the actuarially assumed rate of return 29 for the system, either upward or downward, the subtrahend shall be adjusted either upward or 30 downward in the same amount.

(ii) Except as provided in paragraph (4)(iii), the benefit adjustments under this section
for any plan year shall be suspended in their entirety unless the GASB Funded Ratio of the
Employees' Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the
State Police Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis,

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

- In determining whether a funding level under this paragraph (4)(ii) has been achieved, the actuary shall calculate the funding percentage after taking into account the reinstatement of any current or future benefit adjustment provided under this section. "GASB Funded Ratio" shall mean the ratio of the actuarial value of assets to the actuarial accrued liability.
- (iii) Notwithstanding paragraph (4)(ii), in each fifth plan year commencing after June 30,
 2012 commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
 (4)(i) above until the GASB Funded Ratio of the Employees' Retirement System of Rhode Island,
 the Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated
 by the system's actuary on an aggregate basis, exceeds eighty percent (80%).
- (iv) The provisions of this paragraph (j)(4) of section 42-28-22 shall become effective
 July 1, 2012 and shall apply to any benefit adjustment not granted on or prior to June 30, 2012.
- (v) The cost-of-living adjustment as provided in this paragraph (j)(4) shall apply to and
 be in addition to the retirement benefits under the provisions of section 42-28-5 and to the injury
 and death benefits under the provisions of section 42-28-21.
- (5) Any member with contributory service on or after July 1, 2012, who has completed at
 least five (5) years of contributory service but who has not retired in accordance with (j)(1)
 above, shall be eligible to retire upon the attainment of member's Security retirement age as
 defined in 36-8-1(19).
- (6) In no event shall a member's retirement allowance be less than the member's
 retirement allowance calculated as of June 30, 2012 based on the member's years of total service
 and whole salary as of June 30, 2012.
- (k) In calculating the retirement benefit for any member, the term base salary as used in subdivision (b)(3) or average compensation as used in paragraph (j) shall not be affected by a deferral of salary plan or a reduced salary plan implemented to avoid shutdowns or layoffs or to effect cost savings. Basic salary shall remain for retirement calculation that which it would have been but for the salary deferral or salary reduction due to a plan implemented to avoid shutdowns or layoffs or to effect cost savings.
- (1) Notwithstanding any general or public law, rule or regulation to the contrary,
 effective July 1, 2012, deputy sheriffs, capitol police officers, environmental police officers,
 juvenile program workers, shift coordinators, airport crash rescue/firefighters, airport police, and
 campus police officers employed by the state of Rhode Island or any Rhode Island quasi-public

- 1 agency shall be considered members for purposes of this chapter and shall have retirement
- 2 <u>benefits equal to the state police as specified by this chapter</u>
- 3 SECTION 2. This act shall take effect upon passage.

LC00944

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO STATE AFFAIRS AND GOVERNMENT

- 1 This act would provide that certain public safety officers be granted retirement benefits
- 2 equal to those given to the state police.
- 3 This act would take effect upon passage.

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