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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

RELATING TO EDUCATION – TEACHERS’ RETIREMENT

Introduced By: Representatives Serpa, Lima, Biah, O'Brien, Dawson, Phillips, Fellela,  
McNamara, Messier, and Casimiro

Date Introduced: April 19, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 16-16-40 of the General Laws in Chapter 16-16 entitled "Teachers'  
2 Retirement [See Title 16 Chapter 97 — The Rhode Island Board of Education Act]" is hereby  
3 amended to read as follows:

4           **16-16-40. Additional benefits payable to retired teachers.**

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

16           (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary  
17 disability retirement allowance pursuant to the provisions of this title who retired on or after January  
18 1, 1968, shall, on the first day of January, next following the third (3rd) year on retirement, receive  
19 a cost of living adjustment, in addition to his or her retirement allowance, an amount equal to three

1 percent (3%) of the original retirement allowance. In each succeeding year thereafter, on the first  
2 day of January, the retirement allowance shall be increased an additional three percent (3%) of the  
3 original retirement allowance, not compounded, to be continued through December 31, 1980.

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

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

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

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

1 three percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed,  
2 of retirement allowance shall be multiplied by the percentage of increase in the Consumer Price  
3 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor  
4 Statistics determined as of September 30 of the prior calendar year or three percent (3%), whichever  
5 is less, on the month following the anniversary date of each succeeding year. For teachers eligible  
6 to retire as of September 30, 2009, or eligible upon passage of this article, and for their  
7 beneficiaries, the provisions of this subsection (d) shall not apply.

8 (e) The provisions of §§ 45-13-7 — 45-13-10 shall not apply to this section.

9 (f) This subsection (f) shall be effective for the period July 1, 2012, through June 30, 2015.

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

28 (2) Except as provided in paragraph (f)(3), the benefit adjustments under this section for  
29 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees’  
30 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the State Police  
31 Retirement Benefits Trust, calculated by the system’s actuary on an aggregate basis, exceeds eighty  
32 percent (80%) in which event the benefit adjustment will be reinstated for all teachers for such plan  
33 year.

34 In determining whether a funding level under this paragraph (f)(2) has been achieved, the

1 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
2 current or future benefit adjustment provided under this section.

3 (3) Notwithstanding paragraph (f)(2), in each fifth plan year commencing after June 30,  
4 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 (f)(1)  
6 above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the Judicial  
7 Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by the  
8 system's actuary on an aggregate basis, exceeds eighty percent (80%).

9 (4) Notwithstanding any other provisions of this chapter, the provisions of this paragraph  
10 (f) of § 16-16-40 shall become effective July 1, 2012, and shall apply to any benefit adjustments  
11 not granted on or prior to June 30, 2012.

12 (g) This subsection (g) shall become effective July 1, 2015.

13 (1)(A) As soon as administratively reasonable following the enactment into law of this  
14 subsection (g)(1)(A), a one-time benefit adjustment shall be provided to teachers and/or  
15 beneficiaries of teachers who retired on or before June 30, 2012, in the amount of two percent (2%)  
16 of the lesser of either the teacher's retirement allowance or the first twenty-five thousand dollars  
17 (\$25,000) of the teacher's retirement allowance. This one-time benefit adjustment shall be provided  
18 without regard to the retiree's age or number of years since retirement.

19 (B) Notwithstanding the prior subsections of this section, for all present and former  
20 teachers, active and retired teachers, and beneficiaries receiving any retirement, disability or death  
21 allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year under  
22 this section for adjustments on and after January 1, 2016, and subject to subsection (g)(2) below,  
23 shall be equal to (I) multiplied by (II):

24 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

25 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)  
26 (the "subtrahend") from the five-year average investment return of the retirement system  
27 determined as of the last day of the plan year preceding the calendar year in which the adjustment  
28 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent  
29 (0%). The "five-year average investment return" shall mean the average of the investment returns  
30 of the most recent five (5) plan years as determined by the retirement board. 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 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer  
34 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor

1 Statistics determined as of September 30 of the prior calendar year.

2 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be less  
3 than (0%) percent.

4 (II) is equal to the lesser of either the teacher's retirement allowance or the first twenty-  
5 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount  
6 to be indexed annually in the same percentage as determined under subsection (g)(1)(B)(I) above.

7 The benefit adjustments provided by this subsection (g)(1)(B) shall be provided to all  
8 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,  
9 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the  
10 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,  
11 whichever is later.

12 (2) Except as provided in subsection (g)(3), the benefit adjustments under subsection  
13 (g)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the  
14 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state  
15 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds  
16 eighty percent (80%) in which event the benefit adjustment will be reinstated for all teachers for  
17 such plan year.

18 In determining whether a funding level under this subsection (g)(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.

21 (3) Notwithstanding subsection (g)(2), in each fourth plan year commencing after June 30,  
22 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four  
23 plan years: (i) A benefit adjustment shall be calculated and made in accordance with subsection  
24 (g)(1)(B) above; and (ii) Effective for teachers and/or beneficiaries of teachers who retired on or  
25 before June 30, 2015, the dollar amount in subsection (g)(1)(B)(II) of twenty-five thousand eight  
26 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six  
27 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the  
28 judicial retirement benefits trust and the state police retirement benefits trust, calculated by the  
29 system's actuary on an aggregate basis, exceeds eighty percent (80%).

30 (4) Effective for teachers and or beneficiaries of teachers who have retired on or before  
31 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)  
32 days following the enactment of the legislation implementing this provision, and a second one-time  
33 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends  
34 shall be payable to all retired teachers or beneficiaries receiving a benefit as of the applicable

1 payment date and shall not be considered cost of living adjustments under the prior provisions of  
2 this § 16-16-40.

3 (h) Subsection (h) of this section shall become effective July 1, 2023.

4 (1) As soon as administratively reasonable following the enactment into law of subsection  
5 (h)(1) of this section, a one-time stipend shall be provided to members and/or beneficiaries of  
6 members in the amount of three percent (3%) of the lesser of either the member's retirement  
7 allowance or the thirty thousand dollars (\$30,000) of the member's retirement allowance. This one-  
8 time stipend shall be provided without regard to the retiree's age or number of years since  
9 retirement. These stipends shall be payable to all retired members or beneficiaries receiving a  
10 benefit as of the applicable payment date and shall not be considered cost of living adjustments  
11 under the prior provisions of this section.

12 (2) The provisions of subsection (h) of this section shall be paid from the state's general  
13 fund, subject to the appropriation by the general assembly.

14 (3) The stipend as provided in subsections (h)(1) and (h)(2) of this section may be provided  
15 to members and /or beneficiaries in each subsequent fiscal year commencing with the fiscal year  
16 beginning July 1, 2024, subject year to appropriation from the state's general fund by the general  
17 assembly.

18 SECTION 2. Section 36-10-35 of the General Laws in Chapter 36-10 entitled "Retirement  
19 System — Contributions and Benefits" is hereby amended to read as follows:

20 **36-10-35. Additional benefits payable to retired employees.**

21 (a) All state employees and all beneficiaries of state employees receiving any service  
22 retirement or ordinary or accidental disability retirement allowance pursuant to the provisions of  
23 this title on or before December 31, 1967, shall receive a cost of living retirement adjustment equal  
24 to one and one-half percent (1.5%) per year of the original retirement allowance, not compounded,  
25 for each calendar year the retirement allowance has been in effect. For the purposes of computation,  
26 credit shall be given for a full calendar year regardless of the effective date of the retirement  
27 allowance. This cost of living adjustment shall be added to the amount of the retirement allowance  
28 as of January 1, 1968, and an additional one and one-half percent (1.5%) shall be added to the  
29 original retirement allowance in each succeeding year during the month of January, and provided  
30 further, that this additional cost of living increase shall be three percent (3%) for the year beginning  
31 January 1, 1971, and each year thereafter, through December 31, 1980. Notwithstanding any of the  
32 above provisions, no employee receiving any service retirement allowance pursuant to the  
33 provisions of this title on or before December 31, 1967, or the employee's beneficiary, shall receive  
34 any additional benefit hereunder in an amount less than two hundred dollars (\$200) per year over

1 the service retirement allowance where the employee retired prior to January 1, 1958.

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

12 (c)(1) Beginning on January 1, 1981, for all state employees and beneficiaries of the state  
13 employees receiving any service retirement and all state employees, and all beneficiaries of state  
14 employees, who have completed at least ten (10) years of contributory service on or before July 1,  
15 2005, pursuant to the provisions of this chapter, and for all state employees, and all beneficiaries  
16 of state employees who receive a disability retirement allowance pursuant to §§ 36-10-12 — 36-  
17 10-15, the cost of living adjustment shall be computed and paid at the rate of three percent (3%) of  
18 the original retirement allowance or the retirement allowance as computed in accordance with §  
19 36-10-35.1, compounded annually from the year for which the cost of living adjustment was  
20 determined to be payable by the retirement board pursuant to the provisions of subsection (a) or (b)  
21 of this section. Such cost of living adjustments are available to members who retire before October  
22 1, 2009, or are eligible to retire as of September 30, 2009.

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

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

1 from the retirement allowance provided immediately before such adjustment.

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

18 (e) All legislators and all beneficiaries of legislators who are receiving a retirement  
19 allowance pursuant to the provisions of § 36-10-9.1 for a period of three (3) or more years, shall,  
20 commencing January 1, 1982, receive a cost of living retirement adjustment, in addition to a  
21 retirement allowance, in an amount equal to three percent (3%) of the original retirement allowance.  
22 In each 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, compounded  
24 annually, to be continued during the lifetime of the legislator or beneficiary. For the purposes of  
25 computation, credit shall be given for a full calendar year regardless of the effective date of the  
26 service retirement allowance.

27 (f) The provisions of §§ 45-13-7 — 45-13-10 shall not apply to this section.

28 (g) This subsection (g) shall be effective for the period July 1, 2012, through June 30, 2015.

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



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

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

19 In determining whether a funding level under this paragraph (g)(2) has been achieved, the  
20 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
21 current or future benefit adjustment provided under this section.

22 (3) Notwithstanding paragraph (g)(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 (g)(1)  
25 above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the Judicial  
26 Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by the  
27 system's actuary on an aggregate basis, exceeds eighty percent (80%).

28 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph  
29 (g) shall become effective July 1, 2012, and shall apply to any benefit adjustment not granted on or  
30 prior to June 30, 2012.

31 (h) This subsection (h) shall become effective July 1, 2015.

32 (1)(A) As soon as administratively reasonable following the enactment into law of this  
33 subsection (h)(1)(A), a one-time benefit adjustment shall be provided to members and/or  
34 beneficiaries of members who retired on or before June 30, 2012, in the amount of 2% of the lesser

1 of either the member's retirement allowance or the first twenty-five thousand dollars (\$25,000) of  
2 the member's retirement allowance. This one-time benefit adjustment shall be provided without  
3 regard to the retiree's age or number of years since retirement.

4 (B) Notwithstanding the prior subsections of this section, for all present and former  
5 employees, active and retired members, and beneficiaries receiving any retirement, disability or  
6 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year  
7 under this section for adjustments on and after January 1, 2016, and subject to subsection (h)(2)  
8 below, shall be equal to (I) multiplied by (II):

9 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

10 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)  
11 (the "subtrahend") from the five-year average investment return of the retirement system  
12 determined as of the last day of the plan year preceding the calendar year in which the adjustment  
13 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent  
14 (0%). The "five-year average investment return" shall mean the average of the investment returns  
15 of the most recent five (5) plan years as determined by the retirement board. In the event the  
16 retirement board adjusts the actuarially assumed rate of return for the system, either upward or  
17 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

18 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer  
19 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor  
20 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of (i)  
21 plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

22 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-  
23 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount  
24 to be indexed annually in the same percentage as determined under subsection (h)(1)(B)(I) above.

25 The benefit adjustments provided by this subsection (h)(1)(B) shall be provided to all  
26 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,  
27 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the  
28 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,  
29 whichever is later.

30 (2) Except as provided in subsection (h)(3) of this section, the benefit adjustments under  
31 subsection (h)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio  
32 of the employees' retirement system of Rhode Island, the judicial retirement benefits trust and the  
33 state police retirement benefits trust, calculated by the system's actuary on an aggregate basis,  
34 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all

1 members for such plan year.

2 In determining whether a funding level under this subsection (h)(2) has been achieved, the  
3 actuary shall calculate the funding percentage after taking into account the reinstatement of any  
4 current or future benefit adjustment provided under this section.

5 (3) Notwithstanding subsection (h)(2), in each fourth plan year commencing after June 30,  
6 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four  
7 plan years:

8 (i) A benefit adjustment shall be calculated and made in accordance with subsection  
9 (h)(1)(B) above; and

10 (ii) Effective for members and/or beneficiaries of members who retired on or before June  
11 30, 2015, the dollar amount in subsection (h)(1)(B)(II) of twenty-five thousand eight hundred and  
12 fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six dollars  
13 (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the judicial  
14 retirement benefits trust and the state police retirement benefits trust, calculated by the system's  
15 actuary on an aggregate basis, exceeds eighty percent (80%).

16 (i) Effective for members and/or beneficiaries of members who have retired on or before  
17 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)  
18 days following the enactment of the legislation implementing this provision, and a second one-time  
19 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends  
20 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable  
21 payment date and shall not be considered cost of living adjustments under the prior provisions of  
22 this section.

23 (j) Subsection (j) of this section shall become effective July 1, 2023.

24 (1) As soon as administratively reasonable following the enactment into law of subsection  
25 (j)(1) of this section, a one-time stipend shall be provided to members and/or beneficiaries of  
26 members in the amount of three percent (3%) of the lesser of either the member's retirement  
27 allowance of the thirty thousand dollars (\$30,000) of the member's retirement allowance. This one-  
28 time stipend shall be provided without regard to the retiree's age or number of years since  
29 retirement. These stipends shall be payable to all retired members or beneficiaries receiving a  
30 benefit as of the applicable payment date and shall not be considered cost of living adjustments  
31 under the prior provisions of this section.

32 (2) The provisions of subsection (j) of this section shall be paid from the state's general  
33 fund, subject to the appropriation by the general assembly.

34 (3) The stipend as provided in subsections (j)(1) and (j)(2) of this section may be provided

1 [to members and/or beneficiaries in each subsequent fiscal year commencing with the fiscal year](#)  
2 [beginning July 1, 2024, subject each year to appropriation from the state's general fund by the](#)  
3 [general assembly.](#)

4 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO EDUCATION – TEACHERS’ RETIREMENT

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1           This act would provide all retired teachers and all retired state employees a one-time  
2 stipend in the amount of three percent (3%) of the lesser of either the member’s retirement  
3 allowance or the thirty thousand dollars (\$30,000) of the member’s retirement allowance.

4           This act would take effect upon passage.

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LC002736  
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