

2026 -- H 8506

=====
LC006396
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

—————
A N A C T

RELATING TO TOWNS AND CITIES -- RELATING TO CENTRAL FALLS PENSION
PLAN

Introduced By: Representatives Giraldo, Alzate, and Voas

Date Introduced: May 01, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-21.4-2 of the General Laws in Chapter 45-21.4 entitled "Relating
2 to Central Falls Pension Plan" is hereby amended to read as follows:

3 **45-21.4-2. Alternative acceptance by the city of Central Falls of optional retirement**
4 **for police and firefighters.**

5 (a) The provisions of this section shall apply only to locally administered plans within the
6 city of Central Falls hereinafter referred collectively as the "Central Falls plan."

7 (b) On or after July 16, 2019, Central Falls may accept the provisions of this chapter, by
8 resolution or an ordinance of its governing body, stating the group or groups of employees to be
9 included as provided in § 45-21-4; provided that, any and all labor organizations representing active
10 employees of the municipality to be included have assented to such participation of their respective
11 memberships through a collective bargaining agreement and ratification of the decision by a
12 majority vote of those members of any such labor organization present and voting. A copy of the
13 resolution or ordinance and proof of assent from the applicable labor organization shall be
14 immediately forwarded to the retirement board for review. A vote of the retirement board to accept
15 the entry of the group or groups of employees into the system shall be required.

16 (c) Effective August 31, 2019, the Central Falls plan shall be closed to new members.

17 (d) (1) Prior to July 1, 2026, Members ~~Members~~ members of the Central Falls plan in active service
18 as of August 31, 2019, shall continue to be subject to the applicable retirement ages and restrictions,

1 and accrue benefits on total service at the rates of the Central Falls plan pursuant to the collective
2 bargaining agreements in effect on August 31, 2019, between Central Falls and the labor
3 organizations representing members of the Central Falls plan.

4 (2) On and after July 1, 2026, members of the Central Falls plan in active service as of
5 August 31, 2019, shall be subject to the pension plan provisions set forth in the respective collective
6 bargaining agreements in effect on July 1, 2026, between Central Falls and the labor organizations
7 representing members of the Central Falls plan.

8 (e) Disability determinations shall be made by the retirement board, subject to the
9 procedures and standards of §§ 45-21.2-7 and 45-21.2-9 as applicable, for members hired prior to
10 September 1, 2019. If a disability retirement pension is granted, the member shall receive benefits
11 provided by the Central Falls pension plan pursuant to the collective bargaining agreements in
12 effect on August 31, 2019.

13 (f) Beginning ~~September 1, 2019~~ July 1, 2026, firefighters and police officers in active
14 service that are members of the Central Falls plan in active service shall contribute an amount equal
15 to ~~eleven and seven tenths percent (11.7%)~~ ten percent (10%) of the salary or compensation earned
16 or accruing to the member.

17 (g) Subject to the provisions of subsection (b) of this section being met, new employees
18 hired on or after September 1, 2019, shall be subject to all of the provisions of § 45-21.2, including
19 all applicable disability provisions and benefits provided by §§ 36-10.3-4 and 45-21-52.

20 (h) Notwithstanding anything in § 45-21-42.2 to the contrary, the cost to evaluate Central
21 Falls prospective membership in the retirement system pursuant to this section or § 45-21.4-3, shall
22 be borne by the retirement board.

23 (i) Notwithstanding anything in § 45-21-43.1 to the contrary, determination of the
24 employer contribution rate of the closed Central Falls pension plan pursuant to this section shall be
25 computed using an amortization period for the unfunded actuarial accrued liability as determined
26 by the board, based upon the recommendation of the plan's actuary. Future actuarial gains and
27 losses accruing within a plan year will be amortized over individual new twenty-year (20) closed
28 periods consistent with § 45-21-43.1(c).

29 (j) Notwithstanding anything in § 45-21-56 to the contrary, if a Central Falls pension plan
30 pursuant to this section is in critical status as defined in § 45-65-4, and an employee of the Central
31 Falls pension plan leaves employment and is hired by another participating municipality that is not
32 in critical status as defined in § 45-65-4, then the retirement system shall transfer the amount of the
33 member's total accrued liability with the Central Falls pension plan, multiplied by the funded status
34 of the Central Falls pension plan, to the account of the current employing municipality.

1 (k) Upon the conditions of subsection (b) of this section being met, the city of Central Falls
2 shall remain liable to the retirement system for the cost of funding a retirement system for its
3 employees who are members of the system as provided herein, and the retirement board maintains
4 the right to enforce payment of any liability as provided in chapter 21 of this title.

5 (l) Subject to the provisions of subsection (b) of this section being met, the Central Falls
6 plan and the provisions of this section shall be administered in the same manner provided in chapter
7 21 of this title; credits for prior service and collection of contributions are determined through
8 reference to that chapter; provided, that where the provisions of that chapter conflict with this
9 chapter, then the provisions of this chapter control. Liability of contributions is enforced in the
10 same manner as stated in chapter 21 of this title.

11 SECTION 2. This act shall take effect upon passage.

=====
LC006396
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TOWNS AND CITIES -- RELATING TO CENTRAL FALLS PENSION
PLAN

1 This act would amend the terms of the pension plan set forth in the respective collective
2 bargaining agreements in effect on July 1, 2026, between Central Falls and the labor organizations
3 representing members of the Central Falls plan and would reduce the contributions of active
4 firefighters and police officers from eleven and seven tenths percent (11.7%) to ten percent (10%)
5 of their salary or compensation.

6 This act would take effect upon passage.

=====
LC006396
=====