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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO EDUCATION -- TEACHER'S RETIREMENT

Introduced By: Representatives Slater, Diaz, Morales, and DeSimone

Date Introduced: February 26, 2025

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-16-13 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 **16-16-13. Amount of service retirement allowance.**

5 (a)(1)(i) For teachers eligible to retire on or before September 30, 2009, upon retirement
6 from service under § 16-16-12 a teacher whose membership commenced before July 1, 2005, and
7 who has completed at least ten (10) years of contributory service on or before July 1, 2005, shall
8 receive a retirement allowance which shall be determined in accordance with schedule A for service
9 prior to July 1, 2012.

10 SCHEDULE A

11 YEARS OF SERVICE	PERCENTAGE ALLOWANCE
12 1st through 10th inclusive	1.7%
13 11th through 20th inclusive	1.9%
14 21st through 34th inclusive	3.0%
15 35 th	2.0%

16 (ii) For teachers eligible to retire on or after October 1, 2009, who were not eligible to retire
17 on or before September 30, 2009, upon retirement for service under § 16-16-12, a teacher whose
18 membership commenced before July 1, 2005, and who has completed at least ten (10) years of
19 contributory service on or before July 1, 2005, shall receive a retirement allowance which shall be

1 determined in accordance with schedule A above for service on before September 30, 2009, and
2 shall be determined in accordance with schedule B in subsection (a)(2) below for service on or after
3 October 1, 2009, and prior to July 1, 2012.

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

8 SCHEDULE B

9 YEARS OF SERVICE	PERCENTAGE ALLOWANCE
10 1st through 10th inclusive	1.60%
11 11th through 20th inclusive	1.80%
12 21st through 25th inclusive	2.0%
13 26th through 30th inclusive	2.25%
14 31st through 37th inclusive	2.50%
15 38 th	2.25%

16 (b) The retirement allowance of any teacher whose membership commenced before July 1,
17 2005, and who has completed at least ten (10) years of contributory service on or before July 1,
18 2005, shall be in an amount equal to the percentage allowance specified in subsection (a)(1) of the
19 member's average highest three (3) consecutive years of compensation multiplied by the number
20 of years of total service, but in no case to exceed eighty percent (80%) of the compensation, payable
21 at completion of thirty-five (35) years of service; provided, however, for teachers retiring on or
22 after October 1, 2009, who were not eligible to retire as of September 30, 2009, the calculation
23 shall be based on the average highest five (5) consecutive years of compensation; provided,
24 however for teachers retiring on or after July 1, 2024, the calculation shall be based on the average
25 highest three (3) consecutive years of compensation; provided, however for teachers retiring on or
26 after July 1, 2024, the calculation shall be based on the average highest three (3) consecutive years
27 of compensation.

28 The retirement allowance of any teacher whose membership commenced after July 1, 2005,
29 or who has not completed at least ten (10) years of contributory service as of July 1, 2005, shall be
30 in an amount equal to the percentage allowance specified in Schedule B of the member's average
31 highest three (3) consecutive years of compensation multiplied by the number of years of total
32 service, but in no case to exceed seventy-five percent (75%) of the compensation, payable at
33 completion of thirty-eight (38) years of service; provided, however, for teachers retiring on or after
34 October 1, 2009, who were not eligible to retire as of September 30, 2009, the calculation shall be

1 based on the average highest five (5) consecutive years of compensation; provided, however, for
2 teachers retiring on or after July 1, 2024, the calculation shall be based on the average highest three
3 (3) consecutive years of compensation; provided, however for teachers retiring on or after July 1,
4 2024, the calculation shall be based on the average highest three (3) consecutive years of
5 compensation.

6 Any teacher who has in excess of thirty-five (35) years on or before June 2, 1985, shall not
7 be entitled to any refund, and any teacher with thirty-five (35) years or more on or after June 2,
8 1985, shall contribute from July 1, 1985, until their retirement.

9 (c) For service prior to July 2012, the retirement allowance of a teacher shall be determined
10 in accordance with subsections (a)(1) and (a)(2) above. For service on and after July 1, 2012:

11 (i) For teachers with fewer than twenty (20) years of total service as of June 30, 2012, a
12 teacher's retirement allowance shall be equal to one percent (1%) of the teacher's average
13 compensation multiplied by the teacher's years of total service on and after July 1, 2012; and

14 (ii) For teachers with twenty (20) or more years of total service as of June 30, 2012, a
15 teacher's retirement allowance shall be equal to one percent (1%) of the teacher's average
16 compensation multiplied by the teacher's years of total service between July 1, 2012, and June 30,
17 2015, and two percent (2%) of the teacher's average compensation multiplied by the teacher's years
18 of total service on and after July 1, 2015. For purposes of computing a teacher's total service under
19 the preceding sentence, service purchases shall be included in total service only with respect to
20 those service purchases approved prior to June 30, 2012, and those applications for service
21 purchases received by the retirement system on or before June 30, 2012. In no event shall a
22 teacher's retirement allowance exceed the maximum limitations set forth in subsection (b) above.

23 (iii) Effective July 1, 2025, a teacher's retirement allowance shall be calculated as follows:

24 <u>1-20 years of service</u>	<u>1% per year</u>
25 <u>21-30 years of service</u>	<u>1.5% per year</u>
26 <u>31-35 years of service</u>	<u>2% per year</u>
27 <u>36-40 years of service</u>	<u>3% per year</u>

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

30 **36-10-10. Amount of service retirement allowance.**

31 (a)(1)(i) For employees eligible to retire on or before September 30, 2009, upon retirement
32 for service under § 36-10-9, a member whose membership commenced before July 1, 2005, and
33 who has completed at least ten (10) years of contributory service on or before July 1, 2005, shall
34 receive a retirement allowance which shall be determined in accordance with schedule A below for

1 service prior to July 1, 2012:

2 Schedule A

3	Years of Service	Percentage Allowance
4	1st through 10th inclusive	1.7%
5	11th through 20th inclusive	1.9%
6	21st through 34th inclusive	3.0%
7	35 th	2.0%

8 (ii) For employees eligible to retire on or after October 1, 2009, who were not eligible to
9 retire on or before September 30, 2009, upon retirement from service under § 36-10-9, a member
10 whose membership commenced before July 1, 2005, and who has completed at least ten (10) years
11 of contributory service on or before July 1, 2005, shall receive a retirement allowance which shall
12 be determined in accordance with schedule A above for service on before September 30, 2009, and
13 shall be determined in accordance with schedule B in subsection (a)(2) below for service on or after
14 October 1, 2009, and prior to July 1, 2012.

15 (2) Upon retirement for service under § 36-10-9, a member whose membership
16 commenced after July 1, 2005, or who has not completed at least ten (10) years of contributory
17 service as of July 1, 2005, shall, receive a retirement allowance which shall be determined in
18 accordance with Schedule B below for service prior to July 1, 2012:

19 Schedule B

20	Years of Service	Percentage Allowance
21	1st through 10th inclusive	1.60%
22	11th through 20th inclusive	1.80%
23	21st through 25th inclusive	2.0%
24	26th through 30th inclusive	2.25%
25	31st through 37th inclusive	2.50%
26	38 th	2.25%

27 (b) The retirement allowance of any member whose membership commenced before July
28 1, 2005, and who has completed at least ten (10) years of contributory service on or before July 1,
29 2005, shall be in an amount equal to the percentage allowance specified in subsection (a)(1) of the
30 member's average highest three (3) consecutive years of compensation multiplied by the number
31 of years of total service, but in no case to exceed eighty percent (80%) of the compensation payable
32 at completion of thirty-five (35) years of service; provided, however, for employees retiring on or
33 after October 1, 2009, who were not eligible to retire as of September 30, 2009, the calculation
34 shall be based on the average highest five (5) consecutive years of compensation; provided,

1 however, for employees retiring on or after July 1, 2024, the calculation shall be based on the
2 average highest three (3) consecutive years of compensation. Any member who has in excess of
3 thirty-five (35) years on or before June 2, 1985, shall not be entitled to any refund, and any member
4 with thirty-five (35) years or more on or after June 2, 1985, shall contribute from July 1, 1985, until
5 the member's retirement.

6 The retirement allowance of any member whose membership commenced after July 1,
7 2005, or who had not completed at least ten (10) years of contributory service as of July 1, 2005,
8 shall, be in an amount equal to the percentage allowance specified in Schedule B of the member's
9 average highest three (3) consecutive years of compensation multiplied by the number of years of
10 total service, but in no case to exceed seventy-five percent (75%) of the compensation payable at
11 the completion of thirty-eight (38) years of service; provided, however, for employees retiring on
12 or after October 1, 2009, who were not eligible to retire as of September 30, 2009, the calculation
13 shall be based on the average highest five (5) consecutive years of compensation; provided,
14 however, for employees retiring on or after July 1, 2024, the calculation shall be based on the
15 average highest three (3) consecutive years of compensation.

16 (c) Any member with thirty-eight (38) years or more of service prior to December 31, 1985,
17 shall not be required to make additional contributions. Contributions made between December 31,
18 1985, and July 1, 1987, by members with thirty-eight (38) or more years of service prior to
19 December 31, 1985, shall be refunded by the retirement board to the persons, their heirs,
20 administrators, or legal representatives.

21 (d) For service prior to July 1, 2012, the retirement allowance of a member shall be
22 determined in accordance with subsections (a)(1) and (a)(2) above. For service on and after July 1,
23 2012, a member's retirement allowance shall be equal to:

24 (i) For members with fewer than twenty (20) years of total service as of June 30, 2012, one
25 percent (1%) of the member's average compensation multiplied by the member's years of total
26 service on and after July 1 2012; and

27 (ii) For members with twenty (20) or more years of total service as of June 30, 2012, a
28 member's retirement allowance shall be equal to one percent (1%) of the member's average
29 compensation multiplied by the member's years of total service between July 1, 2012, and June 30,
30 2015, and two percent (2%) of the member's average compensation multiplied by the member's
31 years of total service on and after July 1, 2015. For purposes of computing a member's total service
32 under the preceding sentence, service purchases shall be included in total service only with respect
33 to those service purchases approved prior to June 30, 2012, and those applications for service
34 purchases received by the retirement system on or before June 30, 2012.

1 [\(iii\) Effective July 1, 2025, an employee's retirement allowance shall be calculated as](#)
2 [follows:](#)

3	<u>1-20 years of service</u>	<u>1% per year</u>
4	<u>21-30 years of service</u>	<u>1.5% per year</u>
5	<u>31-35 years of service</u>	<u>2% per year</u>
6	<u>36-40 years of service</u>	<u>3% per year</u>

7 In no event shall a member's retirement allowance exceed the maximum limitations set
8 forth in paragraph (b) above.

9 SECTION 3. Section 45-21-17 of the General Laws in Chapter 45-21 entitled "Retirement
10 of Municipal Employees" is hereby amended to read as follows:

11 **45-21-17. Service retirement allowance.**

12 (a) Upon retirement from service after January 1, 1969, a member shall receive a retirement
13 allowance which is a life annuity terminable upon death of the annuitant and is an amount equal to
14 two percent (2%) of final compensation multiplied by the number of years of total service, not to
15 exceed thirty-seven and one-half (37½) years for services on and prior to June 30, 2012. For service
16 on and after July 1, 2012: (i) For members with fewer than twenty (20) years of total service as of
17 June 30, 2012, a member's retirement allowance shall be equal to one percent (1%) of the member's
18 final compensation multiplied by the member's years of total service on and after July 1, 2012; and
19 (ii) For members with twenty (20) or more years of total service as of June 30, 2012, a member's
20 retirement allowance shall be equal to one percent (1%) of the member's average compensation
21 multiplied by the member's years of total service between July 1, 2012, and June 30, 2015, and two
22 percent (2%) of the member's average compensation multiplied by the member's years of total
23 service on and after July 1, 2015. For purposes of computing a member's total service under the
24 preceding sentence, service purchases shall be included in total service only with respect to those
25 service purchases approved prior to June 30, 2012, and those applications for service purchases
26 received by the retirement system on or before June 30, 2012. In no event shall a member's
27 retirement allowance exceed seventy-five percent (75%) of the member's final compensation.
28 Provided, however, that every person elected prior to July 1, 2012, who has served as a part time
29 elected official of the city of Cranston for a period of ten (10) years, is entitled to receive, upon
30 retirement from that part time service, and not being otherwise regularly employed by the city of
31 Cranston in which that person has served, a service retirement allowance equivalent to fifty percent
32 (50%) of the salary received at the time of retirement by that part time elected official; and,
33 provided, further, that if that person retires after a period of service greater than ten (10) years, the
34 person is entitled to receive an additional service retirement allowance equivalent to five percent

1 (5%) of the salary received at the time of retirement for each whole year of service, in excess of ten
2 (10) years up to a maximum additional allowance equivalent to fifty percent (50%) of the salary
3 received.

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

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

11 (d) Effective July 1, 2025, an employee's retirement allowance shall be calculated as
12 follows:

13 <u>1-20 years of service</u>	<u>1% per year</u>
14 <u>21-30 years of service</u>	<u>1.5% per year</u>
15 <u>31-35 years of service</u>	<u>2% per year</u>
16 <u>36-40 years of service</u>	<u>3% per year</u>

17 SECTION 4. 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 -- TEACHER'S RETIREMENT

- 1 This act would recalculate the retirement allowance related to early retirement and pension
- 2 benefits for teachers, state employees and municipal employees.
- 3 This act would take effect upon passage.

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