

2012 -- H 8010

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TOWNS AND CITIES

Introduced By: Representatives Brien, and Newberry

Date Introduced: March 28, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 21.4

4 MUNICIPAL RETIREMENT PROGRAMS

5 45-21.4-1. Purpose. – It is the intent of this chapter to ensure that towns and cities have
6 the authority to modify retirement benefits for non-vested municipal employees.

7 45-21.4-2. Definitions. – Terms used in this chapter shall have the same meanings as
8 contained in section 45-21-2.

9 45-21.4-3. Limits on retirement benefits. – Notwithstanding any general law or special
10 law of the state of Rhode Island to the contrary no current municipal ordinance, collective
11 bargaining agreement, or interest arbitration award shall require employee retirement benefits that
12 exceed the actuarial value of benefits afforded under state law for those municipal employees
13 who participate in the municipal employees retirement system as authorized by chapters 45-21,
14 45-21.1, and 45-21.2 of the Rhode Island general laws. For employees who have not already
15 reached their vesting date in a pension plan that provides benefits with greater actuarial value
16 under the municipal employees retirement system as authorized by chapters 45-21, 45-21.1, and
17 45-21.2 of the Rhode Island general laws, and except as further limited by this chapter, town and
18 city councils following normal procedures for approval of an ordinance are authorized to amend
19 the retirement benefits for new and non-vested employees and such action shall take precedence

1 over existing collective bargaining agreements for new and non-vested employees.
2 **45-21.4-4. Reporting.** – Prior to final action on such ordinance, the town or city clerk
3 shall forward to the executive director of the state retirement system an actuarial study by a
4 qualified actuarial firm which shall compute the normal cost of the benefits afforded to new
5 and/or non-vested employees under the proposed ordinance. Such actuarial study shall be a public
6 document and such reports shall be codified by the executive director in an annual report to the
7 retirement board.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would prohibit municipal ordinances, collective bargaining agreements, and
2 interest arbitration awards from providing employee retirement benefits which exceed the
3 actuarial value of benefits afforded under the municipal employees retirement system. This act
4 would also authorize town and city councils to amend retirement benefits for new and non-vested
5 employees.

6 This act would take effect upon passage.

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