

2012 -- S 2406

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LC01253
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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 EDUCATION -- TEACHERS' RETIREMENT

Introduced By: Senator Roger Picard

Date Introduced: February 15, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-16-22 of the General Laws in Chapter 16-16 entitled "Teachers'
2 Retirement" is hereby amended to read as follows:

3 **16-16-22. Contributions to state system.** -- (a) Prior to July 1, 2012, each teacher shall
4 contribute into the system nine and one-half percent (9.5%) of compensation as his or her share of
5 the cost of annuities, benefits, and allowances. Effective July 1, 2012, each teacher shall
6 contribute an amount equal to three and three quarters percent (3.75%) of his or her
7 compensation. The employer contribution on behalf of teacher members of the system shall be in
8 an amount that will pay a rate percent of the compensation paid to the members, according to the
9 method of financing prescribed in the State Retirement Act in chapters 8 -- 10 and 10.3 of title 36.
10 This amount shall be paid ~~forty percent (40%) by the state, and sixty percent (60%)~~ at a rate as is
11 each year determined by the Rhode Island department of elementary and secondary education as
12 the state share ratio, and the balance to be paid by the city, town, local educational agency, or any
13 formalized commissioner approved cooperative service arrangement by whom the teacher
14 members are employed, with the exception of teachers who work in federally funded projects and
15 further with the exception of any supplemental contributions by a local municipality employer
16 under chapter 36-10.3 which supplemental employer contributions shall be made wholly by the
17 local municipality. Provided, however, that the rate percent paid shall be rounded to the nearest
18 hundredth of one percent (.01%).

19 (b) The employer contribution on behalf of teacher members of the system who work in

1 fully or partially federally funded programs shall be prorated in accordance with the share of the
2 contribution paid from the funds of the federal, city, town, or local educational agency, or any
3 formalized commissioner approved cooperative service arrangement by whom the teacher
4 members are approved.

5 (c) In case of the failure of any city, town, or local educational agency, or any formalized
6 commissioner approved cooperative service arrangement to pay to the state retirement system the
7 amounts due from it under this section within the time prescribed, the general treasurer is
8 authorized to deduct the amount from any money due the city, town, or local educational agency
9 from the state.

10 (d) The employer's contribution shared by the state shall be paid in the amounts
11 prescribed in this section for the city, town, or local educational agency and under the same
12 payment schedule. Notwithstanding any other provisions of this chapter, the city, town, or local
13 educational agency or any formalized commissioner approved cooperative service arrangement
14 shall remit to the general treasurer of the state the local employer's share of the teacher's
15 retirement payments on a monthly basis, payable by the fifteenth (15th) of the following month.
16 The amounts that would have been contributed shall be deposited by the state in a special fund
17 and not used for any purpose. The general treasurer, upon receipt of the local employer's share,
18 shall effect transfer of a matching amount of money from the state funds appropriated for this
19 purpose by the general assembly into the retirement fund.

20 Upon reconciliation of the final amount owed to the retirement fund for the employer
21 share, the state shall ensure that any local education aid reduction assumed for the FY 2010
22 revised budget in excess of the actual savings is restored to the respective local entities.

23 (e) This section is not subject to sections 45-13-7 through 45-13-10.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO EDUCATION -- TEACHERS' RETIREMENT

- 1 This act would provide that the amount of the state's contributions to the state retirement
- 2 system would be at a rate determined each year as the state share ratio.
- 3 This act would take effect upon passage.

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