

2012 -- S 2970

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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 -- RETIREMENT OF MUNICIPAL EMPLOYEES

Introduced By: Senator Louis P. DiPalma

Date Introduced: May 17, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-21-8 of the General Laws in Chapter 45-21 entitled "Retirement
2 of Municipal Employees" is hereby amended to read as follows:

3 **45-21-8. Membership in system.** -- Membership in the retirement system does not begin
4 before the effective date of participation in the system as provided in section 45-21-4, and
5 consists of the following:

6 (a) Any employee of a participating municipality as defined in this chapter, who
7 becomes an employee on and after the effective date of participation, shall, under contract of his
8 or her employment, become a member of the retirement system; provided, that the employee is
9 not receiving any pension or retirement allowance from any other pension or retirement system
10 supported wholly or in part by a participating municipality, and is not a contributor to any other
11 pension or retirement system of a participating municipality. Any employee who is elected to an
12 office in the service of a municipality after the effective date and prior to July 1, 2012, has the
13 option of becoming a member of the system, which option must be exercised within sixty (60)
14 days following the date the employee assumes the duties of his or her office, otherwise that
15 person is not entitled to participate under the provisions of this section;

16 (b) Any employee or elected official of a participating municipality in service prior to
17 the effective date of participation, who is not a member of any other pension or retirement system
18 supported wholly or in part by a participating municipality, and who does not notify the
19 retirement board in writing before the expiration of sixty (60) days from the effective date of

1 participation that he or she does not wish to join the system, shall automatically become a
2 member; and

3 (c) Any employee of a participating municipality in service prior to the effective date of
4 participation, who is a member of any other pension or retirement system supported wholly or in
5 part by a participating municipality on the effective date of participation of their municipality,
6 who then or thereafter makes written application to join this system, and waives and renounces all
7 accrued rights and benefits of any other pension or retirement system supported wholly or in part
8 by a participating municipality, becomes a member of this retirement system and shall not be
9 required to make contribution under any other pension or retirement system of a participating
10 municipality, any thing to the contrary notwithstanding.

11 (d) Notwithstanding the provisions of this section, present firefighters employed by the
12 town of Johnston shall establish a pension plan separate from the state of Rhode Island retirement
13 system. If the town of Johnston is thirty (30) days or more late on employer or employee
14 contributions to the pension plan, the auditor general is authorized to redirect any Johnston funds
15 to cover the shortfall or to deduct that amount from any moneys due the town from the state for
16 any purpose other than for education. Disability determinations of present firefighters shall be
17 made by the state retirement board, subject to the provisions of section 45-21-19 at the town of
18 Johnston's expense. All new firefighters hired by the town of Johnston shall become members of
19 the state retirement system.

20 (e) Notwithstanding the provisions of this section, any City of Cranston employees, who
21 are presently members of Teamsters Local Union No. 251, hired between the dates of July 1,
22 2005 and June 30, 2010 inclusive and who are currently members of the retirement system
23 established by this chapter, may opt out of said retirement system and choose to enroll in a
24 defined contribution plan (i.e., a 403 (b) plan or equivalent thereof) established by the City of
25 Cranston.

26 (f) Notwithstanding the provisions of this section, any City of Cranston employees, who
27 will be members of Teamsters Local Union No. 251, hired after June 30, 2010 shall be enrolled in
28 a defined contribution plan (i.e., a 403 (b) plan or equivalent thereof) established by the City of
29 Cranston and shall not be a member of the retirement system established by this chapter.

30 (g) Notwithstanding the provisions of this section, any City of Cranston employees
31 defined in (e) and (f) of this section shall be precluded from purchase of service credit for time
32 served on or after July 1, 2010 while participating in the defined contribution plan (i.e., a 403 (b)
33 plan or equivalent thereof) established by the City of Cranston should the member cease
34 employment with the City of Cranston or Teamsters Local Union No. 251 and re-enter the system

1 with another participating employer who has accepted the provisions, as defined, in section 45-
2 21-4.

3 (h) Notwithstanding the provisions of this section, any town of Middletown employees,
4 who will be members of the Teamsters Local Union No. 251 bargaining unit, hired after June 30,
5 2012, shall be enrolled in a defined contribution plan (i.e., a 403(b) plan or equivalent thereof)
6 established by the town of Middletown and shall not be members of the retirement system
7 established by this chapter. Said town of Middletown employees defined herein shall be
8 precluded from the purchase of service credit for time served on or after July 1, 2012 while
9 participating in the defined contribution plan (i.e., a 403(b) plan or equivalent thereof) established
10 by the town of Middletown should the member cease employment with the town of Middletown
11 or in the Teamsters Local Union No. 251 bargaining unit and re-enter the system with any
12 participating employer who has accepted the provisions, as defined in section 45-21-4.

13 (i) Notwithstanding the provisions of this section, any town of Middletown employees,
14 who will be members of the Middletown Municipal Employees Association NEARI Local 869
15 bargaining unit, hired after June 30, 2012, shall be enrolled in a defined contribution plan (i.e., a
16 403(b) plan or equivalent thereof) established by the town of Middletown and shall not be
17 members of the retirement system established by this chapter. Said town of Middletown
18 employees defined herein shall be precluded from the purchase of service credit for time served
19 on or after July 1, 2012 while participating in the defined contribution plan (i.e., a 403(b) plan or
20 equivalent thereof) established by the town of Middletown should the member cease employment
21 with the town of Middletown or in the Middletown Municipal Employees Association NEARI
22 Local 869 bargaining unit and re-enter the system with any participating employer who has
23 accepted the provisions, as defined in section 45-21-4.

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

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EXPLANATION

OF

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RELATING TO TOWNS AND CITIES -- RETIREMENT OF MUNICIPAL EMPLOYEES

1 This act would require that all town of Middletown employees hired after June 30, 2012,
2 who will be members of the Teamsters Local Union No. 251 bargaining unit or the Middletown
3 Municipal Employees Association NEARI Local 869 bargaining unit would be enrolled in a
4 defined contribution plan (i.e., 403(b) plan or equivalent thereof) in lieu of the state municipal
5 employees retirement plan. Also, Middletown employees, if participating in a 403(b) plan, would
6 be precluded from purchase of service credit for time served after July 1, 2012.

7 This act would take effect upon passage.

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