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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO TOWNS AND CITIES - RETIREMENT OF MUNICIPAL EMPLOYEES AND  
CLOSED MUNICIPAL RETIREMENT PLANS

Introduced By: Representatives Maldonado, Edwards, Vella-Wilkinson, Serpa, and  
Barros

Date Introduced: March 30, 2017

Referred To: House Finance

(General Treasurer)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 45-21-4, 45-21-8, 45-21-16, 45-21-17, 45-21-41, 45-21-42.2, 45-  
2 21-43.1 and 45-21-56 of the General Laws in Chapter 45-21 entitled "Retirement of Municipal  
3 Employees" are hereby amended to read as follows:

4 **45-21-4. Acceptance by municipalities -- Effective date.**

5 (a) Any municipality may accept this chapter by an ordinance or resolution of its  
6 governing body stating the group or groups of employees to be included as provided in § 45-21-7;  
7 provided, that any and all labor organizations representing active employees of the municipality  
8 to be included have assented to such participation of their respective memberships, through  
9 collective bargaining or otherwise. When the ordinance or resolution has been approved, a  
10 certified copy of it shall be forwarded to the retirement board by the city clerk or the moderator of  
11 the financial town meeting. After the system has begun operations, the effective date of  
12 participation of any municipality shall be the first day of July at least ninety (90) days following  
13 the receipt by the retirement board of the certified copy of the ordinance or resolution as provided  
14 in this section.

15 (b) The Smithfield Town Council may by resolution provide that regular police officers  
16 hired after July 2, 1999 and/or regular firefighters who are members of Smithfield's private  
17 pension system may become members of the Municipal Employees' Retirement System of the  
18 State of Rhode Island in accordance with chapters 21 or 21.2 of this title. No resolution may be

1 adopted by the Town of Smithfield pursuant to this subsection until an actuary study has been  
2 completed to determine the potential cost of the resolution. The cost of the actuary study shall be  
3 paid by the Town of Smithfield.

4 (c) Any municipality entering the system pursuant to this section shall, on or before the  
5 effective date of participation, transfer to the system the accumulated contributions of each  
6 member entering the system. The municipality may thereafter elect what portion of the remaining  
7 plan assets to transfer to the system, subject to the approval of the retirement board, which shall  
8 retain the authority to deny the plan entrance into the system if the proposed asset transfer is  
9 found to pose unacceptable risk to the liquidity or sustainability of the new unit.

10 (d) In the event a municipality divides a locally administered plan into one or more plans  
11 for purposes of entering the system pursuant to this section, and has insufficient total plan assets  
12 to transfer to the system the accumulated contributions of each member entering the system as set  
13 forth in subsection (c) of this section, the municipality shall, on or before the effective date of  
14 participation, transfer assets to the system in proportion to the total accrued liability of that  
15 portion of the original undivided plan being transferred to the system, subject to the approval of  
16 the retirement board, which shall retain the authority to deny the plan entrance into the system if  
17 the proposed asset transfer is found to pose unacceptable risk to the liquidity or sustainability of  
18 the new unit.

19 **45-21-8. Membership in system.**

20 Membership in the retirement system does not begin before the effective date of  
21 participation in the system as provided in § 45-21-4, and consists of the following:

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

32 (b) Any employee or elected official of a participating municipality in service prior to the  
33 effective date of participation, who is not a member of any other pension or retirement system  
34 supported wholly or in part by a participating municipality, ~~and who does not notify the~~

1 ~~retirement board in writing before the expiration of sixty (60) days from the effective date of~~  
2 ~~participation that he or she does not wish to join the system,~~ shall automatically become a  
3 member; and

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

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

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

26 (f) Notwithstanding the provisions of this section, any city of Cranston employees who  
27 are presently members of the Laborers International Union of North America Local 1322 hired  
28 between the dates of July 1, 2008, and June 30, 2013, inclusive, and who are currently members  
29 of the retirement system established by this chapter may opt out of said retirement system and  
30 choose to enroll in a defined contribution plan (i.e., a 403(b) plan or equivalent thereof)  
31 established by the city of Cranston.

32 (g) Notwithstanding the provisions of this section, any city of Cranston employees who  
33 will be members of Teamsters Local Union No. 251, hired after June 30, 2010, shall be enrolled  
34 in a defined contribution plan (i.e., a 403 (b) plan or equivalent thereof) established by the city of

1 Cranston and shall not be a member of the retirement system established by this chapter.

2 (h) Notwithstanding the provisions of this section, any city of Cranston employees who  
3 are presently members of the Laborers International Union of North America Local 1322 hired  
4 after April 23, 2013, shall be enrolled in a defined contribution plan (i.e., 403(b) plan or  
5 equivalent thereof) established by the city of Cranston and shall not be a member of the  
6 retirement system established by this chapter.

7 (i) Notwithstanding the provisions of this section, any city of Cranston employees  
8 defined in (e) and (f) of this section shall be precluded from purchase of service credit for time  
9 served on or after July 1, 2010, while participating in the defined contribution plan (i.e., a 403 (b)  
10 plan or equivalent thereof) established by the city of Cranston should the member cease  
11 employment with the city of Cranston or Teamsters Local Union No. 251 and re-enter the system  
12 with another participating employer who has accepted the provisions as defined, in § 45-21-4.

13 (j) Notwithstanding the provisions of this section, any town of Middletown employees,  
14 who will be members of the Teamsters Local Union No. 251 bargaining unit, hired after June 30,  
15 2012, and any town of Middletown employees who are employed as full-time civilian  
16 dispatchers, hired after June 30, 2012, and any town of Middletown employees who are not  
17 affiliated with any recognized collective bargaining representative or union hired after June 30,  
18 2012, shall be enrolled in a defined contribution plan (i.e., a 403(b) plan or equivalent thereof)  
19 established by the town of Middletown and shall not be members of the retirement system  
20 established by this chapter. Said town of Middletown employees defined herein shall be  
21 precluded from the purchase of service credit for time served on or after July 1, 2012 while  
22 participating in the defined contribution plan (i.e., a 403(b) plan or equivalent thereof) established  
23 by the town of Middletown should the member cease employment with the town of Middletown  
24 or in the Teamsters Local Union No. 251 bargaining unit and re-enter the system with any  
25 participating employer who has accepted the provisions as defined in § 45-21-4.

26 (k) Notwithstanding the provisions of this section, any town of Middletown employees,  
27 who will be members of the Middletown Municipal Employees Association NEARI Local 869  
28 bargaining unit hired after June 30, 2012, shall be enrolled in a defined contribution plan (i.e., a  
29 403(b) plan or equivalent thereof) established by the town of Middletown and shall not be  
30 members of the retirement system established by this chapter. Said town of Middletown  
31 employees defined herein shall be precluded from the purchase of service credit for time served  
32 on or after July 1, 2012, while participating in the defined contribution plan (i.e., a 403(b) plan or  
33 equivalent thereof) established by the town of Middletown should the member cease employment  
34 with the town of Middletown or in the Middletown Municipal Employees Association NEARI

1 Local 869 bargaining unit and re-enter the system with any participating employer who has  
2 accepted the provisions as defined in § 45-21-4.

3 (l) Notwithstanding the provisions of this section, any Cranston public school employees  
4 who will be members of National Association of Government Employees (NAGE), Local RI-153,  
5 hired after June 30, 2012, shall be enrolled in a defined contribution plan (i.e., a 401(a) plan or  
6 equivalent thereof) established by the Cranston school department and shall not be a member of  
7 the retirement system established by this chapter.

8 (m) Notwithstanding the provisions of this section, any Cranston public school  
9 employees defined in subsection (h) shall be precluded from the purchase of service credit for  
10 time served on or after July 1, 2012, while participating in the defined contribution plan (i.e., a  
11 401(a) plan or equivalent thereof) established by the Cranston public schools should the member  
12 cease employment with the Cranston public schools or National Association of Government  
13 Employees (NAGE), Local RI-153 and re-enter the system with another participating employer  
14 who has accepted the provisions as defined in § 45-21-4.

15 **45-21-16. Retirement on service allowance.**

16 Retirement of a member on a service retirement allowance shall be made by the  
17 retirement board as follows:

18 (1) (i) Any member who is eligible to retire on or before June 30, 2012, may retire upon  
19 the member's written application to the retirement board as of the first day of the calendar month  
20 in which the application was filed, provided the member was separated from service prior to the  
21 application, and provided, further, that if separation from service occurs during the month in  
22 which application is filed, the effective date is the first day following the separation from service,  
23 provided that the member at the time so specified for the member's retirement has attained the  
24 applicable minimum retirement age and has completed at least ten (10) years of total service or  
25 who, regardless of age, completed thirty (30) years of total service, and notwithstanding that  
26 during the period of notification the member has separated from service. The minimum ages for  
27 service retirement (except for employees completing thirty (30) years of service) is fifty-eight  
28 (58) years.

29 (ii) Effective July 1, 2012, the following shall apply to all members not eligible to retire  
30 prior to July 1, 2012:

31 (A) A member with contributory service on or after July 1, 2012, shall be eligible to retire  
32 upon the completion of at least five (5) years of contributory service and attainment of the  
33 member's Social Security retirement age.

34 (B) For members with five (5) or more years of contributory service as of June 30, 2012,

1 with contributory service on and after July 1, 2012, who have a retirement age of Social Security  
 2 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of  
 3 service the member has earned as of June 30, 2012, but in no event shall a member's retirement  
 4 age under this subparagraph (B) be prior to the attainment of age fifty-nine (59) or prior to the  
 5 member's retirement age determined under the laws in effect on June 30, 2012. The proportional  
 6 formula shall work as follows:

7 (1) The formula shall determine the first age of retirement eligibility under the laws in  
 8 effect on June 30, 2012 which shall then be subtracted from Social Security retirement age;

9 (2) The formula shall then take the member's total service credit as of June 30, 2012 as  
 10 the numerator and the projected service at retirement age in effect on June 30, 2012 as the  
 11 denominator;

12 (3) The fraction determined in (2) shall then be multiplied by the age difference  
 13 determined in (1) to apply a reduction in years from Social Security retirement age.

14 (C) Effective July 1, 2015, a member who has completed twenty (20) or more years of  
 15 total service and who has attained an age within five (5) years of the eligible retirement age under  
 16 subparagraphs (ii)(A) or (ii)(B) above or subsection (iii) below, may elect to retire provided that  
 17 the retirement allowance shall be reduced actuarially for each month that the age of the member is  
 18 less than the eligible retirement age under subparagraphs (ii)(A) or (ii)(B) above or subsection  
 19 (iii) below in accordance with the following table:

20 Year Preceding	Cumulative Annual	Cumulative Monthly
21 Retirement	Reduction	Reduction
22 For Year 1	9%	.75%
23 For Year 2	8%	.667%
24 For Year 3	7%	.583%
25 For Year 4	7%	.583%
26 For Year 5	7%	.583%

27 (D) (1) Notwithstanding any other provisions of section 42-21-16(1)(ii), a member who  
 28 has completed ten (10) or more years of contributory service as of June 30, 2012, may elect to  
 29 retire at his or her eligible retirement date as determined under paragraph (i) above provided that  
 30 a member making an election under this paragraph shall receive the member's retirement benefit  
 31 determined and calculated based on the member's service and average compensation as of June  
 32 30, 2012. This provision shall be interpreted and administered in a manner to protect a member's  
 33 accrued benefit on June 30, 2012.

34 (iii) Notwithstanding any other provisions of subsection (ii) above, effective July 1, 2015,

1 members in active service shall be eligible to retire upon the earlier of:

2 (I) The attainment of at least age sixty-five (65) and the completion of at least thirty (30)  
3 years of total service, or the attainment of at least age sixty-four (64) and the completion of at  
4 least thirty-one (31) years of total service, or the attainment of at least age sixty-three (63) and the  
5 completion of at least thirty-two (32) years of total service, or the attainment of at least age sixty-  
6 two (62) and the completion of at least thirty-three (33) years of total service; or

7 (II) The member's retirement eligibility date under subsections (ii)(A) or (ii)(B) above.

8 (2) Except as specifically provided in §§ 45-21-19 -- 45-21-22, no member is eligible for  
9 pension benefits under this chapter unless:

10 (I) On or prior to June 30, 2012 the member has been a contributing member of the  
11 employees' retirement system for at least ten (10) years; or

12 (II) For members in active contributory service on or after July 1, 2012, the member shall  
13 have been a contributing member of the employees' retirement system for at least five (5) years.

14 (i) Provided, however, a person who has ten (10) years service credit on or before June  
15 16, 1991 is vested.

16 (ii) Furthermore, any past service credits purchased in accordance with § 45-21-62 are  
17 counted towards vesting.

18 (iii) Any person who becomes a member of the employees' retirement system pursuant to  
19 § 45-21-4 shall be considered a contributing member for the purpose of this chapter.

20 (iv) Notwithstanding any other provision of law, no more than five (5) years of service  
21 credit may be purchased by a member of the System. The five (5)-year limit does not apply to any  
22 purchases made prior to the effective date of this provision. A member who has purchased more  
23 than five (5) years of service credit maximum, before January 1, 1995, shall be permitted to apply  
24 the purchases towards the member's service retirement. However, no further purchase will be  
25 permitted. Repayment, in accordance with applicable law and regulation, of any contribution  
26 previously withdrawn from the System is not deemed a purchase of service credit.

27 (v) Notwithstanding any other provision of law, effective July 1, 2012, except for  
28 purchases under §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53:

29 (I) For service purchases for time periods prior to a member's initial date of hire; the  
30 purchase must be made within three (3) years of the member's initial date of hire; and

31 (II) For service purchases for time periods for official periods of leave as authorized by  
32 law, the purchase must be made within three (3) years of the time the official leave was  
33 concluded by the member. Notwithstanding (I) and (II) above, service purchases from time  
34 periods prior to June 30, 2012 may be made on or prior to June 30, 2015.

1 (3) No member of the municipal employees' retirement system is permitted to purchase  
2 service credits for casual, temporary, emergency or seasonal employment, for employment as a  
3 page in the general assembly, or for employment at any state college or university while the  
4 employee is a student or graduate assistant of the college or university.

5 (4) A member does not receive service credit in this retirement system for any year or  
6 portion of a year, which counts as service credit in any other retirement system in which the  
7 member is vested or from which the member is receiving a pension and/or any annual payment  
8 for life. This subsection does not apply to any payments received pursuant to the Federal Social  
9 Security Act or to payments from a military pension earned prior to participation in state or  
10 municipal employment, or to military service credits earned prior to participation in state or  
11 municipal employment.

12 (5) A member who seeks to purchase or receive service credit in this retirement system  
13 has the affirmative duty to disclose to the retirement board whether or not he or she is a vested  
14 member in any other retirement system and/or is receiving a pension retirement allowance or any  
15 annual payment for life. The retirement board has the right to investigate whether or not the  
16 member has utilized the same time of service for credit in any other retirement system. The  
17 member has an affirmative duty to cooperate with the retirement board including, by way of  
18 illustration and not by way of limitation, the duty to furnish or have furnished to the retirement  
19 board any relevant information which is protected by any privacy act.

20 (6) A member who fails to cooperate with the retirement board shall not have the time of  
21 service counted toward total service credit until a time that the member cooperates with the  
22 retirement board and until a time that the retirement board determines the validity of the service  
23 credit.

24 (7) A member who knowingly makes a false statement to the retirement board regarding  
25 service time or credit is not entitled to a retirement allowance and is entitled only to the return of  
26 his or her contributions without interest.

27 (8) Notwithstanding anything in this section to the contrary, any locally administered  
28 plan entering the system, which prior to the effective date of participation had a higher retirement  
29 age than set forth in subsection (1) of this section, shall have a one-time election to retain a higher  
30 retirement age for employees entering the system, not to exceed the plan's retirement age prior to  
31 the effective date of participation, for any employees in active service as of the effective date of  
32 participation, provided that the higher retirement age shall not apply to new employees hired on  
33 or after the effective date of participation, which shall be subject to the retirement ages set forth in  
34 subsection (1) of this section.



1 [\(9\) Should a locally administered plan entering the system not make the election](#)  
2 [authorized by subsection \(8\) of this section, members entering the system shall be subject to the](#)  
3 [retirement ages and restrictions set forth in subsection \(1\) of this section.](#)

4 **45-21-17. Service retirement allowance.**

5 (a) Upon retirement from service after January 1, 1969, a member shall receive a  
6 retirement allowance which is a life annuity terminable upon death of the annuitant and is an  
7 amount equal to two percent (2%) of final compensation multiplied by the number of years of  
8 total service, not to exceed thirty-seven and one-half (37 1/2) years for services on and prior to  
9 June 30, 2012. For service on and after July 1, 2012:

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

13 (ii) For members with twenty (20) or more years of total service as of June 30, 2012, a  
14 member's retirement allowance shall be equal to one percent (1%) of the member's average  
15 compensation multiplied by the member's years of total service between July 1, 2012 and June  
16 30, 2015, and two percent (2%) of the member's average compensation multiplied by the  
17 member's years of total service on and after July 1, 2015. For purposes of computing a member's  
18 total service under the preceding sentence, service purchases shall be included in total service  
19 only with respect to those service purchases approved prior to June 30, 2012 and those  
20 applications for service purchases received by the retirement system on or before June 30, 2012.

21 ~~In no event shall~~ [Subject to the provisions of subsection \(g\) of this section,](#) a member's retirement  
22 allowance [shall not](#) exceed seventy-five percent (75%) of the member's final compensation.  
23 Provided, however, that every person elected prior to July 1, 2012 who has served as a part time  
24 elected official of the city of Cranston for a period of ten (10) years, is entitled to receive, upon  
25 retirement from that part time service, and not being otherwise regularly employed by the city of  
26 Cranston in which that person has served, a service retirement allowance equivalent to fifty  
27 percent (50%) of the salary received at the time of retirement by that part time elected official;  
28 and, provided, further, that if that person retires after a period of service greater than ten (10)  
29 years, the person is entitled to receive an additional service retirement allowance equivalent to  
30 five percent (5%) of the salary received at the time of retirement for each whole year of service,  
31 in excess of ten (10) years up to a maximum additional allowance equivalent to fifty percent  
32 (50%) of the salary received.

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

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

6 (d) Notwithstanding anything in this section to the contrary, any locally administered  
7 plan entering the system, which prior to the effective date of participation offered a different  
8 accrued benefit than would otherwise be available pursuant to subsection (a) of this section, shall  
9 have a one-time election to allow members joining the system to receive upon retirement, their  
10 accrued benefit based on their prior service, as of the effective date of participation. In the event  
11 the municipality makes this election, the member shall not otherwise be entitled to a retirement  
12 allowance from the system for prior service calculated pursuant to subsection (a) of this section,  
13 and on and after the effective date of participation of the municipality, any member entering the  
14 system shall accrue benefits on service at the rates set forth in subsection (a) of this section.

15 (e) Should a locally administered plan entering the system not make the election provided  
16 for in subsection (d) of this section, any members joining the system shall accrue benefits on total  
17 service at the rates set forth in subsection (a) of this section; provided, that notwithstanding  
18 anything to the contrary in subsection (a) of this section, any such member's retirement allowance  
19 shall in any case be equal to two percent (2%) of the member's average compensation multiplied  
20 by the member's years of prior service between July 1, 2012 and the effective date of  
21 participation.

22 (f) Any member entering the system shall have their total service as of June 30, 2012,  
23 utilized for purposes of determining eligibility for participation in the defined contribution  
24 retirement plan established in chapter 10.3 of title 36, pursuant to subsection (a) of this section.

25 (g) Notwithstanding anything in this section to the contrary, any locally administered  
26 plan entering the system, which prior to the effective date of participation provided for a lower  
27 maximum retirement allowance than would otherwise be permissible pursuant to subsection (a) of  
28 this section, shall have a one-time election to retain a lower maximum retirement allowance for  
29 employees entering the system, which may be no lower than the locally administered plan's  
30 maximum retirement allowance as of the effective date of participation, and which may not  
31 exceed the maximum retirement allowance otherwise permissible pursuant to subsection (a) of  
32 this section, for any employees in active service as of the effective date of participation, provided  
33 that the plan's election to retain a different maximum retirement allowance than would otherwise  
34 be permissible pursuant to subsection (a) of this section shall not apply to new employees hired

1 on or after the effective date of participation, which shall be subject to the maximum retirement  
2 allowance set forth in subsection (a) of this section.

3 (h) Should a locally administered plan not make the election authorized by subsection (g)  
4 of this section, members entering the system shall be subject to the maximum retirement  
5 allowance set forth in subsection (a) of this section.

6 **45-21-41. Members' contributions -- Payroll deductions -- Certification to board.**

7 (a) Prior to July 1, 2012, each member shall contribute an amount equal to six percent  
8 (6%) of salary or compensation earned and accruing to the member; provided, that contributions  
9 by any member cease when the member has completed the maximum amount of service credit  
10 attainable. Special compensation for additional fees shall not be considered as compensation for  
11 contribution purposes. Effective July 1, 2012, each member shall contribute an amount equal to  
12 one percent (1%) of his or her compensation as his or her share of the cost. Effective July 1, 2015,  
13 each member with twenty (20) or more years of total service as of June 30, 2012 shall contribute  
14 an amount equal to eight and one-quarter percent (8.25%) of compensation.

15 (b) Notwithstanding anything in this section to the contrary, any locally administered  
16 plan entering the system, which prior to the effective date of participation had an employee  
17 contribution rate greater than set forth in subsection (a) of this section, shall have a one-time  
18 election to retain the higher employee contribution rate, not to exceed the rate in effect as of the  
19 effective date of participation, for any employees in active service as of the effective date of  
20 participation, provided that the higher rate shall not apply to new employees hired on or after the  
21 effective date of participation, which shall contribute as set forth in subsection (a) of this section.  
22 Should the locally administered plan entering the system elect to retain the higher employee  
23 contribution rate, it may elect to do so on either a temporary or a permanent basis.

24 (c) Should a locally administered plan entering the system not make the election  
25 authorized by subsection (b) of this section, members entering the system shall contribute as set  
26 forth in subsection (a) of this section.

27 ~~(b)~~(d) Each municipality shall deduct the previously stated rate from the compensation of  
28 each member on each and every payroll of the municipality, and the deduction made during the  
29 entire time a member is in service subject to termination as stated in the foregoing paragraph.

30 ~~(c)~~(e) The deductions provided for in this section shall be made notwithstanding that the  
31 minimum compensation provided for by law for any member is reduced by the compensation.  
32 Every member is deemed to consent and agree to the deductions made and provided for in this  
33 section, and shall receipt for his or her full salary or compensation; and payment of salary or  
34 compensation less those deductions are a full and complete discharge and acquittance of all

1 claims and demands for the services rendered by the person during the period covered by the  
2 payment except as to the benefits provided under this chapter. Each participating municipality  
3 shall certify to the retirement board the amounts deducted from the compensation of members.  
4 Each of the amounts, when deducted, shall be credited to an individual account of the member  
5 from whose compensation the deduction was made.

6 **45-21-42.2. Fiscal impact of proposed legislation impacting the retirement system.**

7 Proposed legislation which directly impacts the retirement system can potentially affect  
8 the benefits of all plan participants and beneficiaries. Since it is in the best interests of plan  
9 participants and beneficiaries to determine the financial consequences of any proposed legislation  
10 which would directly impact the liability to the retirement system of participating municipalities,  
11 such legislation shall not be approved by the general assembly unless an explanatory statement or  
12 note, prepared and paid for by the retirement system, is appended to the proposed legislation  
13 which actuarially calculates, based upon approved retirement board assumptions, the projected  
14 twenty (20) year cost of the proposed legislation. These statements or notes shall be known as  
15 "pension impact notes," and they shall accompany each such bill or resolution prior to  
16 consideration by the chamber in which the bill or resolution originated. The reasonable cost of  
17 preparing pension impact notes shall be charged as an administrative expense and paid from the  
18 retirement system's restricted receipts account established pursuant to § 36-8-10.1. Only the chair  
19 of the senate committee on finance with the approval of the president of the senate can request a  
20 pension impact note on proposed legislation that originates in the senate. Only the chair of the  
21 house committee on finance with the approval of the speaker of the house can request a pension  
22 impact note on proposed legislation that originates in the house. The governor can request a  
23 pension impact note on proposed legislation recommended in the appropriation acts required by  
24 §§ 35-3-7 or 35-3-8. This section shall be in addition to the requirements of chapter 12 of title 22.  
25 If one or more participating municipalities requests an actuarial study or other study that impacts  
26 only the liability of the participating municipality making the request, [other than as reasonably](#)  
27 [necessary to evaluate membership in the retirement system pursuant to §45-21-4](#), shall pay any  
28 and all costs associated with the preparation of the study or report.

29 **45-21-43.1. Actuarial cost method.**

30 (a) To determine the employer contribution rate for any participating municipality, the  
31 actuary shall compute the costs under chapters 21 and 21.2 of title 45 using the entry age normal  
32 cost method.

33 (b) The determination of the employer contribution rate for fiscal year 2013 shall include  
34 a re-amortization of the unfunded actuarial accrued liability (UAAL) over a closed twenty-five

1 (25) year period. After an initial period of five (5) years, future actuarial gains and losses  
2 occurring within a plan year will be amortized over individual new twenty (20) year closed  
3 periods.

4 (c) The determination of the employer contribution rate commencing with fiscal year  
5 2017 shall include a re-amortization of the current unfunded actuarial accrued liability as of June  
6 30, 2014 over a closed twenty-five (25) year period. Future actuarial gains and losses occurring  
7 within a plan year will be amortized over individual new twenty (20) year closed periods.  
8 Employers shall have the one-time option before August 1, 2015 to remain under the amortization  
9 schedule set forth in subsection (b) above.

10 (d) For a municipality joining the system (on or after the effective date of this provision.)  
11 the determination of the employer contribution rate shall be computed as of the effective date of  
12 participation using an amortization period for the unfunded actuarial accrued liability not to  
13 exceed 30 years as determined by the board, based upon the recommendation of the plan's  
14 actuary. Future actuarial gains and losses accruing within a plan year will be amortized over  
15 individual new twenty (20) year closed periods.

16 **45-21-56. Credit for other municipal service.**

17 (a) Any member who was employed by a municipality, as defined in § 45-21-2, which  
18 did not elect to accept this chapter, as provided in § 45-21-4, shall be given credit for that service  
19 for the various purposes of this system; provided, that the member pays to the retirement system a  
20 lump sum amount equal to the full actuarial cost of that credit as certified by the retirement board.

21 (b) The retirement board shall fix and determine rules and regulations to govern the  
22 provisions of this section.

23 (c) If any member who was employed by a participating municipality is subsequently  
24 hired by a different participating municipality, his or her service credits from the former employer  
25 shall transfer in ~~the~~ total to the current employer. The retirement system shall transfer all prior  
26 employee contributions to the account of the current employing municipality and calculate the  
27 full actuarial value of the accrued benefit with the former employing municipality. If the full  
28 actuarial value of the accrued benefit with the former employer is greater than the total employee  
29 contributions transferred, the retirement system shall also transfer the difference between the full  
30 actuarial value of the accrued benefit with the former employer and the employee's contributions  
31 from the account of the former employing municipality to the account of the current employing  
32 municipality.

33 (d) Notwithstanding anything in this section to the contrary, if an employee of a  
34 participating municipality in critical status as defined in §45-65-4 leaves employment and is hired

1 by another participating municipality that is not in critical status as defined in §45-65-4, then the  
2 retirement system shall transfer the amount of the member's total accrued liability with the former  
3 employer, multiplied by the funded status of the former employer, to the account of the current  
4 employing municipality.

5 SECTION 2. Sections 36-10.2-5, 36-10.2-7 and 36-10.2-8 of the General Laws in  
6 Chapter 36-10.2 entitled "Pension Protection Act" are hereby amended to read as follows:

7 **36-10.2-5. Determination of endangered status.**

8 (a) A plan is in endangered status for a plan year if the retirement board determines, in  
9 consultation with the plan actuary, that the plan:

10 ~~(1)~~ (1) Has a funded percentage of fifty percent (50%) or less;

11 ~~(2)~~ (2) The plan's funded percentage has decreased for five (5) consecutive plan years.

12 (b) Notwithstanding subsection (a) of this section, for a plan entering the system in  
13 critical status as defined by §45-65-4, as of the effective date of participation, the plan shall only  
14 be determined to be in endangered status for a plan year if the retirement board determines, in  
15 consultation with the plan actuary, that:

16 (1) The plan's funded percentage has decreased for five (5) consecutive plan years  
17 following the effective date of participation; and

18 (2) The plan's funded percentage has decreased by one half (1/2) or more between the  
19 first and last year of any five (5) year period commencing on or after the effective date of  
20 participation.

21 (c) Once a plan entering the system in critical status as defined by §45-65-4, has achieved  
22 a funding status of fifty percent (50%) or greater after the expiration of five (5) years from the  
23 effective date of participation, endangered status shall thereafter be determined for that  
24 municipality pursuant to the provisions of subsection (a) of this section.

25 **36-10.2-7. Funding improvement strategy procedure.**

26 (1) In any case in which a plan is in endangered status for a plan year, except for a plan  
27 year where a plan is already in a funding improvement period and meeting its scheduled funding  
28 targets for the three (3) consecutive prior plan years, a funding improvement strategy shall be  
29 implemented not later than June 30th following the date the plan was certified as being in  
30 endangered status under § 36-10.2-6. The plan actuary shall submit preliminary funding  
31 improvement strategies including a default strategy as described in subparagraphs (3) and (4) to  
32 the board for review not later than January 1st following the date the plan was certified as being  
33 in endangered status under § 36-10.2-6.

34 (2) The funding improvement strategy shall be formulated to achieve, based on

1 reasonably anticipated experience and reasonable actuarial assumptions, the following  
2 requirements:

3 (a) The plan's funded percentage shall improve in accordance with paragraph (i) or  
4 paragraph (ii), applying the paragraph that produces the greater funded percentage increase for  
5 the plan in a ten (10) year period.

6 (i) As of the close of a ten (10) year funding improvement period, the plan's funded  
7 percentage shall equal or exceed the sum of:

8 (I) The plan's funded percentage as of the beginning of the plan year that the actuary  
9 initially certified the plan as endangered; plus

10 (II) Fifty percent (50%) of the difference between eighty percent (80%) and the plan's  
11 funded percentage under paragraph (I); or

12 (ii) The plan's funded percentage shall improve at the rate of at least one percent (1%)  
13 annually until the plan's funded percentage equals or exceeds eighty percent (80%).

14 (b) Notwithstanding anything in this section to the contrary, for a plan entering the  
15 system in critical status as defined by §45-65-4, determined to be in endangered status in  
16 accordance with §36-10.2-5(b), the funding improvement period established in subsection 2(a) of  
17 this section, may be set by the retirement board at a time period not to exceed fifteen (15) years,  
18 based upon the recommendation of the plan's actuary, provided that if a plan entering the system  
19 in critical status as defined by §45-65-4, has achieved a funding status of fifty percent (50%) or  
20 greater after the expiration of five (5) years from the effective date of participation, the plan shall  
21 be subject to the provisions of subsection 2(a) of this section.

22 ~~(b)~~(c) In the event that the state or a local municipality, as the employer of a plan,  
23 determines that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable  
24 measures, the plan cannot reasonably be expected to meet the ~~guidelines requirements~~ of  
25 ~~subdivisions (i) and (ii)~~ subsection 2 of this section, then the employer's legislative governing  
26 body shall provide a report to the retirement board, no later than March 1st following the date the  
27 plan was certified as being in endangered status under § 36-10.2-6, explaining why the plan is not  
28 reasonably expected to meet the ~~guidelines requirements~~ of ~~subdivisions (i) and (ii)~~ subsection 2  
29 of this section, and ~~provide~~ providing a ~~reasonable proposed~~ funding improvement strategy to  
30 emerge from endangered status.

31 (3) Not later than January 1st following the date the plan was certified as being in  
32 endangered status under § 36-10.2-6, the actuary shall provide to the board, and in the case of  
33 MERS plan shall also provide to the impacted local municipality's legislative governing body, at  
34 least five (5) funding improvement strategies but no more than ten (10) funding improvement

1 strategies showing revised benefit structures, revised contribution structures, or both, which, if  
2 adopted, may reasonably be expected to enable the plan to meet the applicable requirements  
3 found in subparagraph (2).

4 (4) In addition to any funding improvement strategies provided by the board in  
5 subparagraph (3), the board shall include a default funding improvement strategy ("Default A")  
6 that shall show increases in employer and employee contributions under the plan necessary to  
7 achieve the applicable requirements found in subsection (2), assuming no amendments to reduce  
8 future benefit accruals under the plan.

9 (5) Not later than April 1st following the date the plan was certified as being in  
10 endangered status under § 36-10.2-6, the board shall submit the "Default A" strategy as described  
11 in subparagraph (4) and one additional funding improvement strategy, as selected by the board, to  
12 the general assembly.

13 (6) Not later than June 30th following the date the plan was certified as being in  
14 endangered status under § 36-10.2-6, the general assembly shall select and enact into law one of  
15 the two (2) submitted funding improvement strategies. If no funding improvement strategy is  
16 approved by the general assembly by June 30th, the "Default A" strategy as described in  
17 subparagraph (4) shall be enacted into law effective July 1st following the date the plan was  
18 certified as being in endangered status under § 36-10.2-6. "Default A" shall remain in effect until  
19 either the actuary certifies under § 36-10.2-6 for a plan year that the plan is no longer in  
20 endangered status or the general assembly selects a funding improvement strategy consistent with  
21 the provisions of this chapter.

22 (7) Notwithstanding any other law to the contrary, any reports and funding strategies  
23 submitted to the board pursuant to this section shall be public records.

24 **36-10.2-8. Funding improvement period.**

25 (1) The funding improvement period for any funding improvement strategy adopted  
26 pursuant to this chapter shall begin on the first day of July immediately after the adoption date of  
27 the funding improvement strategy.

28 (2) The funding improvement period shall be a ten (10) year period unless the actuary  
29 certifies under § 36-10.2-6 for a plan year that the plan is no longer in endangered status. In such  
30 a case, the funding improvement period shall end as of the close of the preceding plan year.

31 (3) A plan may not be amended during the funding improvement period so as to be  
32 inconsistent with the funding improvement strategy.

33 (4) Notwithstanding anything in this section to the contrary, for a plan entering the  
34 system in critical status as defined by §45-65-4, as of the effective date of participation,



1 determined to be in endangered status as determined in accordance with §36-10.2-5(b), the  
2 funding improvement period may be set by the retirement board at a time period not to exceed  
3 fifteen (15) years, based upon the recommendation of the plan's actuary, provided that if a plan  
4 entering the system in critical status as defined by §45-65-4, has achieved a funding status of fifty  
5 percent (50%) or greater after the expiration of five (5) years from the effective date of  
6 participation, the plan shall be subject to the provisions of subsection 2 of this section.

7 SECTION 3. Section 45-21.2-6 of the General Laws in Chapter 45-21.2 entitled  
8 "Optional Retirement for Members of Police Force and Fire Fighters" is hereby amended to read  
9 as follows:

10 **45-21.2-6. Service retirement allowance.**

11 (a) Upon retirement from service pursuant to § 45-21.2-5, a member receives a retirement  
12 allowance which is a life annuity terminable at the death of the annuitant and shall be an amount  
13 equal to two percent (2%) of final compensation multiplied by the years of total service, provided  
14 that a member who retires upon the attainment of age of fifty-seven (57) years and has completed  
15 at least thirty (30) years of total service, twenty (20) of which must be completed as a member,  
16 shall receive a retirement allowance which is a life annuity terminable at the death of the  
17 annuitant and shall be an amount equal to the greater of: (i) Two and one quarter percent (2.25%)  
18 of final compensation multiplied by total years of service; or (ii) The member's accrued benefit  
19 determined as of June 30, 2012 plus two and one quarter percent (2.25%) of final compensation  
20 multiplied by member's years of service after June 30, 2012; provided further that the life annuity  
21 under this subsection (a) shall not exceed seventy-five percent (75%) of final compensation.

22 (b) Notwithstanding anything in this section to the contrary, any locally administered  
23 plan which prior to the effective date of participation offered a different accrued benefit than  
24 would otherwise be available pursuant to subsection (a) of this section, shall have a one-time  
25 election to allow members joining the system to receive upon retirement, their accrued benefit  
26 based on their prior service, as of the effective date of participation. In the event the municipality  
27 makes this election, the member shall not otherwise be entitled to a retirement allowance from the  
28 system for prior service calculated pursuant to subsection (a) of this section, and on and after the  
29 effective date of participation of the municipality, any member entering the system shall accrue  
30 benefits on service at the rates set forth in subsection (a) of this section.

31 (c) Should a locally administered plan entering the system not make the election provided  
32 for in subsection (b) of this section, any member entering the system shall accrue benefits on total  
33 service at the rates set forth in subsection (a) of this section.

34 (d) Notwithstanding anything in this section to the contrary, any locally administered

1 plan entering the system, which prior to the effective date of participation provided for a lower  
2 maximum retirement allowance than would otherwise be permissible pursuant to subsection (a) of  
3 this section, shall have a one-time election to retain a lower maximum retirement allowance for  
4 employees entering the system, which may be no lower than the plan's maximum retirement  
5 allowance as of the effective date of participation, and which may not exceed the maximum  
6 retirement allowance otherwise permissible pursuant to subsection (a) of this section, for any  
7 employees in active service as of the effective date of participation, provided that the plan's  
8 election to retain a different maximum retirement allowance than would otherwise be permissible  
9 pursuant to subsection (a) of this section shall not apply to new employees hired on or after the  
10 effective date of participation, which shall be subject to the maximum retirement allowance set  
11 forth in subsection (a) of this section.

12 (e) Should a locally administered plan entering the system not make the election  
13 authorized by subsection (d) of this section, members entering the system shall be subject to the  
14 maximum retirement allowance set forth in subsection (a) of this section.

15 ~~(f)~~(f) Upon retirement, the member may elect to receive the actuarial equivalent of his or  
16 her retirement allowance in a lesser retirement allowance as determined by actuarial calculation,  
17 which is payable throughout life with the provision that:

18 (1) Option 1. A reduced retirement allowance payable during the member's life with the  
19 provisions that after his or her death it shall continue during the life of and be paid to the person  
20 that he or she nominated by written designation duly acknowledged and filed with the retirement  
21 board at the time of retirement; or

22 (2) Option 2. A reduced retirement allowance payable during the member's life with the  
23 provision that after his or her death an allowance equal to one-half (1/2) of his or her reduced  
24 allowance shall continue during the life of and be paid to the person that he or she nominated by  
25 written designation duly acknowledged and filed with the board at the time of retirement.

26 ~~(g)~~(g) If prior to July 1, 2012, a member elected an optional form of benefit other than a  
27 life annuity in accordance with paragraph (b)(1) or (2) above, the member may elect to change his  
28 or her form of benefit to a life annuity by filing an election with the retirement board on or before  
29 June 30, 2013 provided that the member's beneficiary is still alive at the time the election is filed.

30 SECTION 4. Title 35 of the General Laws entitled "PUBLIC FINANCE" is hereby  
31 amended by adding thereto the following chapter:

32 CHAPTER 10.4

33 RHODE ISLAND CLOSED MUNICIPAL RETIREMENT PLANS TRUST FUND ACT

34 **35-10.4-1. Short title.**

1        This chapter shall be known and may be cited as the "Rhode Island Closed Municipal  
2 Retirement Plans Trust Fund Act".

3        **35-10.4-2. Purpose.**

4        The purpose of this chapter is to enable eligible municipal governmental entities to allow  
5 the state investment commission, in conjunction with the general treasurer, to invest the assets  
6 held in eligible municipal employee retirement plans which have been closed to new participants  
7 in order to maximize the efficient and cost effective investment of such assets and improve the  
8 safety and liquidity of such assets through one or more pooled investment trust funds.

9        **35-10.4-3. Definitions.**

10       As used in this chapter, the following terms, unless the context requires a different  
11 interpretation, shall have the following meanings:

12       (1) "Closed municipal retirement plan" means any employee defined benefit plan  
13 sponsored by a municipality that has been closed to any new participants in accordance with state  
14 and federal laws.

15       (2) "Commission" means the state investment commission as defined in §35-10-1.

16       (3) "Municipality" means any town or city in the state of Rhode Island, any city or town  
17 housing authority, fire, water, sewer district, regional school district, public building authority as  
18 established by chapter 14 of title 37, or any other municipal financed agency which has one or  
19 more closed municipal retirement plans.

20       **35-10.4-4. Establishing trust funds.**

21       (a) Notwithstanding any general or special law or regulation to the contrary, the general  
22 treasurer may establish, subject to the approval of the commission, one or more trust funds in  
23 which a municipality may request all of the assets in one or more of its closed municipal  
24 retirement plans, together with future contributions to any such closed municipal retirement plans,  
25 be included for investment on a pooled basis together with certain other monies in accordance  
26 with §35-10.4-5. The trust fund or trust funds established under this section shall be maintained  
27 pursuant to written documents as directed by the general treasurer with the approval of the  
28 commission. Such trust fund documents shall expressly provide that none of the assets of a closed  
29 municipal retirement plan that is part of the trust fund shall be used or diverted for purposes other  
30 than the payment of benefits to the participants of such closed municipal retirement plan and their  
31 beneficiaries or the payment of the administrative and investment management expenses of such  
32 closed municipal retirement plan in accordance with its terms.

33       (b) The general treasurer, with the approval of the commission, shall determine in their  
34 sole and absolute discretion if the assets of a closed municipal retirement plan may, upon the

1 request of the municipality sponsoring the closed municipal retirement plan, be included in or, at  
2 any time after its inclusion, be removed from any such trust fund.

3 (c) A municipality in its sole and absolute discretion may have the assets of any closed  
4 municipal retirement plan sponsored by such municipality removed from participation in any  
5 such trust fund at any time upon at least ninety (90) days prior written notice to the general  
6 treasurer and the commission.

7 (d) Upon any removal of a closed municipal retirement plan from any such trust fund, the  
8 investment management, and all related duties and responsibilities associated therewith or  
9 otherwise provided by the general treasurer or the commission under this chapter, shall revert in  
10 all respects back to the municipality that sponsors such closed municipal retirement plan.

11 **35-10.4-5. Other monies available for investment with any trust funds.**

12 (a) The monies or other assets of any closed municipal retirement plan that are included  
13 in a trust fund under this chapter may be invested, as determined by the general treasurer with the  
14 approval of the commission, together with any, or a combination of any, of the following:

15 (1) Monies of any of the several funds of the state, according to §35-10-2, including,  
16 without limitation, the employees' retirement fund; and

17 (2) The monies and other assets of any closed municipal retirement plans that are  
18 included in a trust fund under this chapter.

19 **35-10.4-6. Trustee of the funds.**

20 The general treasurer shall serve as trustee for each established trust fund in accordance  
21 with this chapter.

22 **35-10.4-7. Investment and distribution of funds.**

23 (a) The general treasurer shall invest each trust fund in the manner determined, and in  
24 amounts approved, by the commission in accordance with §§35-10-2 and 35-10-6, including the  
25 investment of the funds in accordance with the prudent person standard as defined in §35-10-6.

26 (b) While the assets of a closed municipal retirement plan are included in a trust fund  
27 established under this chapter, disbursements from the assets of such closed municipal retirement  
28 plan shall be made in accordance with rules and regulations adopted by the general treasurer,  
29 subject to the approval of the commission, under §35-10.4-10.

30 **35-10.4-8. Immunity from liability.**

31 The general treasurer, members of the commission and their representatives and agents  
32 shall have no liability or responsibility, and shall be immune from suit in any civil action, for any  
33 damages or economic loss incurred by any municipality, participants or beneficiaries under any  
34 closed municipal retirement plan or any other party as a result of the administration of, or

1 disbursement of funds under, any closed municipal retirement plan or as a result of any actions or  
2 omissions by the general treasurer, the commission or their representatives or agents in  
3 connection with the management and investment of funds relating to any trust fund under this  
4 chapter, provided that such actions or omissions were taken in the good faith performance of their  
5 duties consistent with the standard set forth in §35-10-6(b).

6 **35-10.4-9. Reporting.**

7 (a) The general treasurer shall keep a separate account for each municipality having funds  
8 in a trust fund under this chapter with respect to a closed municipal retirement plan. Each account  
9 shall record the individual amounts deposited from time to time in the trust fund, the interest in  
10 the trust fund held, the date of the withdrawals and the earnings credited or paid.

11 (b) Within ninety (90) days after the end of each fiscal year during which the commission  
12 is investing trust funds under this chapter, the commission shall prepare and submit to the  
13 governor, the speaker of the house of representatives, the president of the senate, and the  
14 secretary of state its annual report in accordance with §35-10-1(e) with information included on  
15 the balance of funds held in trust under this chapter, the earnings of each trust fund, the  
16 administrative expenses of each trust fund, and such other information on each trust fund as the  
17 commission deems relevant.

18 **35-10.4-10. Rules and regulations.**

19 The general treasurer, subject to the approval of the commission, shall by rule prescribe  
20 the procedure and documents required for the administration of the investment of the funds for  
21 the closed municipal retirement plans included in any trust fund under this chapter. The general  
22 treasurer, subject to the approval of the commission, shall promulgate such other rules as are  
23 deemed necessary for the efficient operation of any trust fund under this chapter.

24 **35-10.4-11. Severability.**

25 If any provision of this chapter, any rule, or regulation made thereunder, or the  
26 application thereof to any person or circumstance is held invalid by a court of competent  
27 jurisdiction, the remainder of this chapter, rules, or regulations and the application of those  
28 provisions to other persons or circumstances shall not be affected thereby.

29 SECTION 5. This act shall take effect upon passage.

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LC002249  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TOWNS AND CITIES - RETIREMENT OF MUNICIPAL EMPLOYEES AND  
CLOSED MUNICIPAL RETIREMENT PLANS

\*\*\*

1           This act would make it easier for locally administered municipal retirement plans to join  
2 the municipal employees' retirement system, by providing greater flexibility in funding policies  
3 than would otherwise be required, depending upon the needs and circumstances of each  
4 municipal plan. This act would also enable eligible municipal governmental entities to allow the  
5 state investment commission, in conjunction with the general treasurer, to invest the assets of  
6 eligible municipal plans closed to new participants, in order to maximize the efficient and cost  
7 effective investment of such assets, as well as to improve their safety and liquidity.

8           This act would take effect upon passage.

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