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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO EDUCATION -- TEACHERS' RETIREMENT

Introduced By: Senators DiPalma, DaPonte, Seveney, Sosnowski, and Pearson

Date Introduced: February 02, 2017

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 [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby  
3 amended to read as follows:

4 **16-16-22. Contributions to state system.**

5 (a) Prior to July 1, 2012, each teacher shall contribute into the system nine and one-half  
6 percent (9.5%) of compensation as his or her share of the cost of annuities, benefits, and  
7 allowances. Effective July 1, 2012, each teacher shall contribute an amount equal to three and  
8 three quarters percent (3.75%) of his or her compensation. Effective July 1, 2015, each teacher  
9 with twenty (20) or more years of total service as of June 30, 2012, shall contribute an amount  
10 equal to eleven percent (11%) of his or her compensation. The employer contribution on behalf of  
11 teacher members of the system shall be in an amount that will pay a rate percent of the  
12 compensation paid to the members, according to the method of financing prescribed in the State  
13 Retirement Act in chapters 8 -- 10 and 10.3 of title 36. This amount shall be paid forty percent  
14 (40%) by the state, and sixty percent (60%) by the city, town, local educational agency, or any  
15 formalized commissioner approved cooperative service arrangement by whom the teacher  
16 members are employed, effective July 1, 2018, the amount paid by the state shall be forty-two  
17 percent (42%) and fifty-eight percent (58%) by the city, town or local educational agency;  
18 effective July 1, 2019, the amount paid by the state shall be forty-four percent (44%) and fifty-six  
19 percent (56%) by the city, town or local educational agency; effective July 1, 2020, the amount

1 paid by the state shall be forty-six percent (46%) and fifty-four percent (54%) by the city, town or  
2 local educational agency; effective July 1, 2021, the amount paid by the state shall be forty-eight  
3 percent (48%) and fifty-two percent (52%) by the city, town or local educational agency;  
4 effective July 1, 2022, the amount paid by the state shall be fifty percent (50%) and fifty percent  
5 (50%) by the city, town or local educational agency; with the exception of teachers who work in  
6 federally funded projects and further with the exception of any supplemental contributions by a  
7 local municipality employer under chapter 36-10.3 which supplemental employer contributions  
8 shall be made wholly by the local municipality. Provided, however, that the rate percent paid  
9 shall be rounded to the nearest hundredth of one percent (.01%).

10 (b) The employer contribution on behalf of teacher members of the system who work in  
11 fully or partially federally funded programs shall be prorated in accordance with the share of the  
12 contribution paid from the funds of the federal, city, town, or local educational agency, or any  
13 formalized commissioner approved cooperative service arrangement by whom the teacher  
14 members are approved.

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

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

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

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

1 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 gradually increase the state's contribution to the teachers' retirement  
2 system, while reducing the municipal contribution, eventually resulting in the contributions being  
3 shared equally.

4           This act would take effect upon passage.

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