

2017 -- S 0571 SUBSTITUTE A

LC002027/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO EDUCATION -- TEACHERS' RETIREMENT BENEFITS

Introduced By: Senator Daniel DaPonte

Date Introduced: March 15, 2017

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 16-16-26 of the General Laws in Chapter 16-16 entitled "Teachers' Retirement [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended to read as follows:

16-16-26. Spouse's or domestic partner's benefits. -- (a) Spouse's and domestic partner's benefits are payable following the decease of a member as provided in §§ 16-16-25 through 16-16-38. (b) The spouse or domestic partner shall be entitled to benefits upon attaining the age of sixty (60) years. (c) The spouse or domestic partner was living with the deceased member at the time of the member's death. A spouse or domestic partner is deemed to have been living with the deceased member if they were both members of the same household on the date of the deceased member's death, or the spouse or domestic partner was receiving regular contributions from the deceased member toward support on that date, or the deceased member had been ordered by a court to contribute to the spouse's or domestic partner's support. (d) Remarriage of the spouse or domestic partner or establishment of a domestic partnership shall render him or her ineligible to receive current or future benefits under this section. (e) The spouse or domestic partner of a member, as defined in this section, shall be entitled to monthly benefits payable in accordance with the following table:

Highest Annual Salary	Spouse's or Domestic Partner's Monthly Minimum Benefit
\$17,000 or less	\$750 <u>825</u>
\$17,001 to \$25,000	875 <u>963</u>

1	\$25,001 to \$33,000	1,000 <u>\$1,100</u>
2	\$33,001 to \$40,000	1,125 <u>1,238</u>
3	\$40,001 and over	1,250 <u>\$1,375</u>

4 (f) A yearly cost-of-living adjustment for spouse's or domestic partner's benefits shall be
5 based on the annual social security adjustment.

6 SECTION 2. Section 16-16-35 of the General Laws in Chapter 16-16 entitled "Teachers'
7 Retirement [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby
8 amended to read as follows:

9 **16-16-35. Contributions.**

10 (a) The cost of the benefits provided in §§ 16-16-25 -- 16-16-38 shall be two percent
11 (2%) of the member's annual salary up to but not exceeding an annual salary of ~~ninety-six~~
12 ~~hundred dollars (\$9,600)~~ eleven thousand five hundred dollars (\$11,500); one-half (1/2) of the
13 cost shall be contributed by the member by deductions from his or her salary, and the other half
14 (1/2) shall be contributed and paid by the respective city, town, or school district by which the
15 member is employed. These contributions shall be in addition to the contributions provided in §
16 16-16-22 and shall be paid into the teachers' survivors benefit fund created by §§ 16-16-25 -- 16-
17 16-38 in the same manner as contributions are made under the provisions of § 16-16-22.

18 (b) In the event the market value of the Teachers' Survivor Benefit Plan assets shall
19 decrease below ~~one hundred and twenty (120%)~~ one hundred (100%) percent of the Teachers'
20 Survivor Benefit Plan liabilities as reported by a qualified actuary pursuant to § 16-16-37, the
21 retirement board shall determine and fix the amount of contributions necessary to maintain a
22 funding level of not less than ~~one hundred and twenty (120%)~~ one hundred (100%) percent of
23 assets to liabilities ratio. Any adjusted cost of the benefits provided in §§ 16-16-25 -- 16-16-38
24 shall be paid for by the member by deduction from his or her salary. These contributions shall be
25 in addition to the contributions provided in § 16-16-22 and shall be paid into the teachers'
26 survivors benefit fund created by §§ 16-16-25 -- 16-16-38 in the same manner as contributions
27 are made under the provisions of § 16-16-22; provided, however, that payments to compensate
28 for asset to liability ratios less than one hundred (100%) percent shall be amortized over
29 individual ten (10) year close periods. Notwithstanding anything to the contrary in this chapter or
30 in any other provision of Rhode Island law, no benefit enhancements, beyond the current
31 provisions within §§16-16-25 through 16-16-38, shall be granted until the market value of the
32 Teachers' Survivor Benefit Plan assets shall increase above one hundred and twenty (120%)
33 percent of the Teachers' Survivor Benefit Plan liabilities as reported by a qualified actuary
34 pursuant to §16-16-37.

1 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO EDUCATION -- TEACHERS' RETIREMENT BENEFITS

1 This act would increase the monthly minimum benefits of spouses and domestic partners
2 of retired teachers.

3 This act would take effect upon passage.

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