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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 PUBLIC OFFICERS AND EMPLOYEES – RETIREMENT OF MUNICIPAL  
EMPLOYEES AND CLOSED MUNICIPAL RETIREMENT PLANS

Introduced By: Senator Daniel DaPonte

Date Introduced: June 21, 2017

Referred To: Senate Finance

(General Treasurer)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 36-10.2-5, 36-10.2-7 and 36-10.2-8 of the General Laws in  
2 Chapter 36-10.2 entitled "Pension Protection Act" are hereby amended to read as follows:

3 **36-10.2-5. Determination of endangered status.**

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

6 (i) Has a funded percentage of fifty percent (50%) or less; and

7 (ii) The plan's funded percentage has decreased for five (5) consecutive plan years.

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

12 (i) The plan's funded percentage has decreased for five (5) consecutive plan years  
13 following the effective date of participation; and

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

17 (c) Once a plan entering the system in critical status, as defined by §45-65-4, has  
18 achieved a funding status of fifty percent (50%) or greater after the expiration of five (5) years

1 [from the effective date of participation, endangered status shall thereafter be determined for that](#)  
2 [municipality pursuant to the provisions of subsection \(a\) of this section.](#)

3 **36-10.2-7. Funding improvement strategy procedure.**

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

12 (2) The funding improvement strategy shall be formulated to achieve, based on  
13 reasonably anticipated experience and reasonable actuarial assumptions, the following  
14 requirements:

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

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

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

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

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

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

34 ~~(b)~~(c) In the event that the state or a local municipality, as the employer of a plan,

1 determines that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable  
2 measures, the plan cannot reasonably be expected to meet the ~~guidelines requirements~~ of  
3 ~~subdivisions (i) and (ii)~~ subsection (2) of this section, then the employer's legislative governing  
4 body shall provide a report to the retirement board, no later than March 1st following the date the  
5 plan was certified as being in endangered status under § 36-10.2-6, explaining why the plan is not  
6 reasonably expected to meet the ~~guidelines requirements~~ of ~~subdivisions (i) or (ii)~~ subsection (2)  
7 of this section, and ~~provide~~ providing a ~~reasonable~~ proposed funding improvement strategy to  
8 emerge from endangered status.

9 (3) Not later than January 1st following the date the plan was certified as being in  
10 endangered status under § 36-10.2-6, the actuary shall provide to the board, and in the case of  
11 MERS plan shall also provide to the impacted local municipality's legislative governing body, at  
12 least five (5) funding improvement strategies but no more than ten (10) funding improvement  
13 strategies showing revised benefit structures, revised contribution structures, or both, which, if  
14 adopted, may reasonably be expected to enable the plan to meet the applicable requirements  
15 found in subparagraph (2).

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

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

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

34 (7) Notwithstanding any other law to the contrary, any reports and funding strategies

1 submitted to the board pursuant to this section shall be public records.

2 **36-10.2-8. Funding improvement period.**

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

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

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

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

19 SECTION 2. Sections 45-21-4, 45-21-8, 45-21-16, 45-21-17, 45-21-41, 45-21-42.2, 45-  
20 21-43.1 and 45-21-56 of the General Laws in Chapter 45-21 entitled "Retirement of Municipal  
21 Employees" are hereby amended to read as follows:

22 **45-21-4. Acceptance by municipalities -- Effective date.**

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

33 (b) The Smithfield Town Council may by resolution provide that regular police officers  
34 hired after July 2, 1999 and/or regular firefighters who are members of Smithfield's private

1 pension system may become members of the Municipal Employees' Retirement System of the  
2 State of Rhode Island in accordance with chapters 21 or 21.2 of this title. No resolution may be  
3 adopted by the Town of Smithfield pursuant to this subsection until an actuary study has been  
4 completed to determine the potential cost of the resolution. The cost of the actuary study shall be  
5 paid by the Town of Smithfield.

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

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

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

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

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

34 (b) Any employee or elected official of a participating municipality in service prior to the

1 effective date of participation, who is not a member of any other pension or retirement system  
2 supported wholly or in part by a participating municipality, ~~and who does not notify the~~  
3 ~~retirement board in writing before the expiration of sixty (60) days from the effective date of~~  
4 ~~participation that he or she does not wish to join the system,~~ shall automatically become a  
5 member; ~~and.~~

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

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

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

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

34 (g) Notwithstanding the provisions of this section, any city of Cranston employees who

1 will be members of Teamsters Local Union No. 251, hired after June 30, 2010, shall be enrolled  
2 in a defined contribution plan (i.e., a 403 (b) plan or equivalent thereof) established by the city of  
3 Cranston and shall not be a member of the retirement system established by this chapter.

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

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

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

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

1 equivalent thereof) established by the town of Middletown should the member cease employment  
2 with the town of Middletown or in the Middletown Municipal Employees Association NEARI  
3 Local 869 bargaining unit and re-enter the system with any participating employer who has  
4 accepted the provisions as defined in § 45-21-4.

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

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

17 **45-21-16. Retirement on service allowance.**

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

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

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

33 (A) A member with contributory service on or after July 1, 2012, shall be eligible to retire  
34 upon the completion of at least five (5) years of contributory service and attainment of the



1 member's Social Security retirement age.

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

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

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

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

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

Year Preceding	Cumulative Annual	Cumulative Monthly Retirement Reduction
For Year 1	9%	.75%
For Year 2	8%	.667%
For Year 3	7%	.583%
For Year 4	7%	.583%
For Year 5	7%	.583%

28 (D) (1) Notwithstanding any other provisions of section 42-21-16(1)(ii), a member who  
29 has completed ten (10) or more years of contributory service as of June 30, 2012, may elect to  
30 retire at his or her eligible retirement date as determined under paragraph

31 (i) above provided that a member making an election under this paragraph shall receive  
32 the member's retirement benefit determined and calculated based on the member's service and  
33 average compensation as of June 30, 2012. This provision shall be interpreted and administered in  
34 a manner to protect a member's accrued benefit on June 30, 2012.

1 (iii) Notwithstanding any other provisions of subsection (ii) above, effective July 1, 2015,  
2 members in active service shall be eligible to retire upon the earlier of: (I) The attainment of at  
3 least age sixty-five (65) and the completion of at least thirty (30) years of total service, or the  
4 attainment of at least age sixty-four (64) and the completion of at least thirty-one (31) years of  
5 total service, or the attainment of at least age sixty-three (63) and the completion of at least thirty-  
6 two (32) years of total service, or the attainment of at least age sixty-two (62) and the completion  
7 of at least thirty-three (33) years of total service; or (II) The member's retirement eligibility date  
8 under subsections (ii)(A) or (ii)(B) above.

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

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

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

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

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

19 (iii) Any person who becomes a member of the employees' retirement system pursuant to  
20 § 45-21-4 shall be considered a contributing member for the purpose of this chapter.

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

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

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

32 (II) For service purchases for time periods for official periods of leave as authorized by  
33 law, the purchase must be made within three (3) years of the time the official leave was  
34 concluded by the member.

1           Notwithstanding (I) and (II) above, service purchases from time periods prior to June 30,  
2 2012 may be made on or prior to June 30, 2015.

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

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

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

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

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

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

1 [or after the effective date of participation, which shall be subject to the retirement ages set forth in](#)  
2 [subsection \(1\) of this section.](#)

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

6 **45-21-17. Service retirement allowance.**

7 (a) Upon retirement from service after January 1, 1969, a member shall receive a  
8 retirement allowance which is a life annuity terminable upon death of the annuitant and is an  
9 amount equal to two percent (2%) of final compensation multiplied by the number of years of  
10 total service, not to exceed thirty-seven and one-half (37 1/2) years for services on and prior to  
11 June 30, 2012. For service on and after July 1, 2012: (i) For members with fewer than twenty (20)  
12 years of total service as of June 30, 2012, a member's retirement allowance shall be equal to one  
13 percent (1%) of the member's final compensation multiplied by the member's years of total  
14 service on and after July 1, 2012; and (ii) For members with twenty (20) or more years of total  
15 service as of June 30, 2012, a member's retirement allowance shall be equal to one percent (1%)  
16 of the member's average compensation multiplied by the member's years of total service between  
17 July 1, 2012 and June 30, 2015, and two percent (2%) of the member's average compensation  
18 multiplied by the member's years of total service on and after July 1, 2015. For purposes of  
19 computing a member's total service under the preceding sentence, service purchases shall be  
20 included in total service only with respect to those service purchases approved prior to June 30,  
21 2012 and those applications for service purchases received by the retirement system on or before  
22 June 30, 2012. ~~In no event shall~~ [Subject to the provisions of subsection \(g\) of this section,](#) a  
23 member's retirement allowance [shall not](#) exceed seventy-five percent (75%) of the member's final  
24 compensation. Provided, however, that every person elected prior to July 1, 2012 who has served  
25 as a part time elected official of the city of Cranston for a period of ten (10) years, is entitled to  
26 receive, upon retirement from that part time service, and not being otherwise regularly employed  
27 by the city of Cranston in which that person has served, a service retirement allowance equivalent  
28 to fifty percent (50%) of the salary received at the time of retirement by that part time elected  
29 official; and, provided, further, that if that person retires after a period of service greater than ten  
30 (10) years, the person is entitled to receive an additional service retirement allowance equivalent  
31 to five percent (5%) of the salary received at the time of retirement for each whole year of  
32 service, in excess of ten (10) years up to a maximum additional allowance equivalent to fifty  
33 percent (50%) of the salary received.

34 (b) This section also applies to any former part time elected official of the city of

1 Cranston who is presently receiving retirement benefits from the municipal retirement system.

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

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

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

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

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

1 be permissible pursuant to subsection (a) of this section shall not apply to new employees hired  
2 on or after the effective date of participation, which shall be subject to the maximum retirement  
3 allowance set forth in subsection (a) of this section.

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

7 **45-21-41. Members' contributions -- Payroll deductions -- Certification to board.**

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

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

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

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

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

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

7 **45-21-42.2. Fiscal impact of proposed legislation impacting the retirement system.**

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

31 **45-21-43.1. Actuarial cost method.**

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

1 (b) The determination of the employer contribution rate for fiscal year 2013 shall include  
2 a re-amortization of the unfunded actuarial accrued liability (UAAL) over a closed twenty-five  
3 (25) year period. After an initial period of five (5) years, future actuarial gains and losses  
4 occurring within a plan year will be amortized over individual new twenty (20) year closed  
5 periods.

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

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

18 **45-21-56. Credit for other municipal service.**

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

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

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



1 (d) Notwithstanding anything in this section to the contrary, if an employee of a  
2 participating municipality in critical status as defined in §45-65-4 leaves employment and is hired  
3 by another participating municipality that is not in critical status as defined in §45-65-4, then the  
4 retirement system shall transfer the amount of the member's total accrued liability with the former  
5 employer, multiplied by the funded status of the former employer, to the account of the current  
6 employing municipality.

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) years of which must be completed as a  
16 member, 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, 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 established 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 respect 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 The monies or other assets of any closed municipal retirement plan that are included in a  
13 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, pursuant to §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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LC002203  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES – RETIREMENT OF MUNICIPAL  
EMPLOYEES AND CLOSED MUNICIPAL RETIREMENT PLANS

\*\*\*

1           This act would make it more efficient for locally administered municipal retirement plans  
2 to join the state municipal employees retirement system, by providing greater flexibility in  
3 funding policies depending on the circumstances of each municipal plan. This act would also  
4 enable municipal governmental entities to allow the state investment commission, in conjunction  
5 with the treasurer, to invest municipal assets with new participants in order to maximize cost  
6 efficiency and improve safety and liquidity.

7           This act would take effect upon passage.

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