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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO EDUCATION -- TEACHER'S RETIREMENT

Introduced By: Representatives Fellela, Serpa, Messier, McNamara, and Amore

Date Introduced: February 24, 2021

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-16-12 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 **16-16-12. Procedure for service retirement.**

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

7 (a)(i) Any member may retire upon his or her written application to the retirement board
8 as of the first day of the calendar month in which the application was filed, provided the member
9 was separated from service prior to filing the application, and further provided however, that if
10 separation from service occurs during the month in which the application is filed, the effective date
11 shall be the first day following the separation from service, and provided further that the member
12 on retirement date has attained the age of sixty (60) years and has completed at least ten (10) years
13 of contributory service on or before July 1, 2005, or regardless of age has completed twenty-eight
14 (28) years of total service and has completed at least ten (10) years of contributory service on or
15 before July 1, 2005, and who retire before October 1, 2009, or are eligible to retire as of September
16 30, 2009.

17 (ii) For teachers who become eligible to retire on or after October 1, 2009, and prior to July
18 1, 2012, benefits are available to teachers who have attained the age of sixty-two (62) and
19 completed at least ten (10) years of contributory service. For teachers in service as of October 1,

1 2009, who were not eligible to retire as of September 30, 2009, but became eligible to retire prior
2 to July 1, 2012, the minimum retirement age of sixty-two (62) will be adjusted downward in
3 proportion to the amount of service the member has earned as of September 30, 2009. The
4 proportional formula shall work as follows:

5 (A) The formula shall determine the first age of retirement eligibility under the laws in
6 effect on September 30, 2009, which shall then be subtracted from the minimum retirement age of
7 sixty-two (62).

8 (B) The formula shall then take the teacher's total service credit as of September 30, 2009,
9 as the numerator and the years of service credit determined under (A) as the denominator.

10 (C) The fraction determined in (B) shall then be multiplied by the age difference in (1) to
11 apply a reduction in years from age sixty-two (62).

12 (b)(i) Any member, who has not completed at least ten (10) years of contributory service
13 on or before July 1, 2005, may retire upon his or her written application to the retirement board as
14 of the first day of the calendar month in which the application was filed; provided, the member was
15 separated from service prior thereto; and further provided, however, that if separation from service
16 occurs during the month in which application is filed, the effective date shall be the first day
17 following that separation from service; provided, the member on his or her retirement date had
18 attained the age of fifty-nine (59) and had completed at least twenty-nine (29) years of total service;
19 or provided, that the member on his or her retirement date had attained the age of sixty-five (65)
20 and had completed at least ten (10) years of contributory service; or provided, that the member on
21 his or her retirement date had attained the age of fifty-five (55) and had completed twenty (20)
22 years of total service and provided, that the retirement allowance, as determined according to the
23 formula in § 16-16-13 is reduced actuarially for each month that the age of the member is less than
24 sixty-five (65) years and who retire before October 1, 2009, or are eligible to retire as of September
25 30, 2009.

26 (ii) For teachers who become eligible to retire on or after October 1, 2009, and prior to July
27 1, 2012, benefits are available to teachers who have attained the age of sixty-two (62) and have
28 completed at least twenty-nine (29) years of total service or have attained the age of sixty-five (65)
29 and completed at least ten (10) years of contributory service. For teachers in service as of October
30 1, 2009, who were not eligible to retire as of September 30, 2009, but become eligible to retire prior
31 to July 1, 2012, who have a minimum retirement age of sixty-two (62), the retirement age will be
32 adjusted downward in proportion to the amount of service the member has earned as of September
33 30, 2009. The proportional formula shall work as follows:

34 (A) The formula shall determine the first age of retirement eligibility under the laws in

1 effect on September 30, 2009, which shall then be subtracted from the minimum retirement age of
2 sixty-two (62).

3 (B) The formula shall then take the teacher's total service credit as of September 30, 2009,
4 as the numerator and the years of service credit determined under (A) as the denominator.

5 (C) The fraction determined in (B) shall then be multiplied by the age difference
6 determined in (A) to apply a reduction in years from age sixty-two (62).

7 (c) Effective July 1, 2012, the following shall apply to all teachers not eligible to retire
8 prior to July 1, 2012:

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

12 (ii) For teachers with five (5) or more years of contributory service as of June 30, 2012,
13 with contributory service on and after July 1, 2012, who have a retirement age of Social Security
14 Retirement Age, the retirement age will be adjusted downward in proportion to the amount of
15 service the teacher has earned as of June 30, 2012, but in no event shall a teacher's retirement age
16 under this subparagraph (ii) be prior to the attainment of age fifty-nine (59) or prior to the teacher's
17 retirement age determined under the laws in effect on June 30, 2012. The proportional formula shall
18 work as follows:

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

21 (2) The formula shall then take the teacher's total service credit as of June 30, 2012, as the
22 numerator and the projected service at retirement age in effect on June 30, 2012, as the
23 denominator;

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

26 (iii) Effective July 1, 2015, a teacher who has completed twenty (20) or more years of total
27 service and who has attained an age within five (5) years of the eligible retirement age under
28 subdivisions (c)(i) or (c)(ii) above or subsection (d) below, may elect to retire provided that the
29 retirement allowance shall be reduced actuarially for each month that the age of the teacher is less
30 than the eligible retirement age under subdivisions (c)(i) or (c)(ii) above or subsection (d) below in
31 accordance with the following table:

32 Year Preceding Retirement	32 Cumulative Annual Reduction	32 Cumulative	32 Monthly
33 Reduction			
34 For Year 1	9%		.75%

1	For Year 2	8%	.667%
2	For Year 3	7%	.583%
3	For Year 4	7%	.583%
4	For Year 5	7%	.583%

5 (iv) Notwithstanding any other provisions of section § 16-16-12(c), a teacher who has
6 completed ten (10) or more years of contributory service as of June 30, 2012, may elect to retire at
7 his or her eligible retirement date as determined under subsections (a) and (b) above provided that
8 a teacher making an election under this paragraph shall receive the teacher's retirement benefit
9 determined and calculated based on the teacher's service and average compensation as of June 30,
10 2012. This provision shall be interpreted and administered in a manner to protect a teacher's accrued
11 benefit on June 30, 2012.

12 (d)(i) Notwithstanding any other provisions of subsection (c) above, effective July 1, 2015,
13 teachers in active service shall be eligible to retire upon the earlier of:

14 (A) The attainment of at least age sixty-five (65) and the completion of at least thirty (30)
15 years of total service, or the attainment of at least age sixty-four (64) and the completion of at least
16 thirty-one (31) years of total service, or the attainment of at least age sixty-three (63) and the
17 completion of at least thirty-two (32) years of total service, or the attainment of at least age sixty-
18 two (62) and the completion of at least thirty-three (33) years of total service; or

19 (B) The teacher's retirement eligibility date under subsections (c)(i) or (c)(ii) above.

20 (ii) Notwithstanding any other provisions of subsection (c) or subsection (d)(i) of this
21 section, commencing July 1, 2021, teachers in active service shall be eligible to retire upon the
22 earlier of:

23 (A) The attainment of at least age sixty (60) and the completion of at least thirty (30) years
24 of total service; or

25 (B) The teacher's retirement eligibility date under subsections (c)(i) or (c)(ii) of this section.

26 (e) Except as specifically provided in §§ 36-10-9.1, 36-10-12 through 36-10-15, and 45-
27 21-19 through 45-21-22, no member shall be eligible for pension benefits under this chapter unless

28 (i) The member shall have been a contributing member of the employees' retirement system
29 for at least ten (10) years; or

30 (ii) For teachers in active contributory service on or after July 1, 2012, the teacher shall
31 have been a contributing member of the employees' retirement system for at least five (5) years.

32 (2) Provided, however, a person who has ten (10) years service credit shall be vested;
33 provided that for teachers in active contributory service on or after July 1, 2012, a teacher who has
34 five (5) years of contributory service shall be vested.

1 (3) Furthermore, any past service credits purchased in accordance with § 36-9-38 shall be
2 counted towards vesting.

3 (4) Any person who becomes a member of the employees' retirement system pursuant to §
4 45-21-8 shall be considered a contributing member for the purpose of chapter 21 of title 45 and this
5 chapter.

6 (5) Notwithstanding any other provision of law, no more than five (5) years of service
7 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
8 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years
9 of service credit before January 1, 1995, shall be permitted to apply the purchases towards the
10 member's service retirement. However, no further purchase will be permitted.

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

13 (i) For service purchases for time periods prior to a teacher's initial date of hire, the
14 purchase must be made within three (3) years of the teacher's initial date of hire; and

15 (ii) For service purchases for time periods for official periods of leave as authorized by
16 law, the purchase must be made within three (3) years of the time the official leave was concluded
17 by the teacher. Notwithstanding paragraphs (i) and (ii) above, service purchases from time periods
18 prior to June 30, 2012, may be made on or prior to June 30, 2015.

19 (f) No member of the teachers' retirement system shall be permitted to purchase service
20 credits for casual or seasonal employment, for employment as a temporary or emergency employee,
21 a page in the general assembly, or for employment at any state college or university while the
22 employee is a student or graduate of the college or university.

23 (g) Except as specifically provided in §§ 16-16-6.2 and 16-16-6.4, a member shall not
24 receive service credit in this retirement system for any year or portion of a year which counts as
25 service credit in any other retirement system in which the member is vested or from which the
26 member is receiving a pension and/or any annual payment for life. This subsection shall not apply
27 to any payments received pursuant to the federal Social Security Act, 42 U.S.C. § 301 et seq.

28 (h) A member who seeks to purchase or receive service credit in this retirement system
29 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a
30 vested member in any other retirement system and/or is receiving a pension, retirement allowance,
31 or any annual payment for life. The retirement board shall have the right to investigate as to whether
32 or not the member has utilized the same time of service for credit in any other retirement system.
33 The member has an affirmative duty to cooperate with the retirement board including, by way of
34 illustration and not by way of limitation, the duty to furnish or have furnished to the retirement

1 board any relevant information that is protected by any privacy act.

2 (i) A member who fails to cooperate with the retirement board shall not have the time of
3 service credit counted toward total service credit until the time the member cooperates with the
4 retirement board and until the time the retirement board determines the validity of the service credit.

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

8 SECTION 2. Section 36-10-9 of the General Laws in Chapter 36-10 entitled "Retirement
9 System - Contributions and Benefits" is hereby amended to read as follows:

10 **36-10-9. Retirement on service allowance -- In general.**

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

13 (1)(a)(i) Any member may retire upon his or her written application to the retirement board
14 as of the first day of the calendar month in which the application was filed; provided, the member
15 was separated from service prior thereto; and further provided, however, that if separation from
16 service occurs during the month in which application is filed, the effective date shall be the first
17 day following that separation from service; and provided further that the member on his or her
18 retirement date attained the age of sixty (60) and completed at least ten (10) years of contributory
19 service on or before July 1, 2005, or who, regardless of age, has completed twenty-eight (28) years
20 of total service and has completed at least ten (10) years of contributory service on or before July
21 1, 2005, and who retire before October 1, 2009, or are eligible to retire as of September 30, 2009.

22 (ii) For members who become eligible to retire on or after October 1, 2009, and prior to
23 July 1, 2012, benefits are available to members who have attained the age of sixty-two (62) and
24 completed at least ten (10) years of contributory service. For members in service as of October 1,
25 2009, who were not eligible to retire as of September 30, 2009, but become eligible to retire prior
26 to July 1, 2012, the minimum retirement age of sixty-two (62) will be adjusted downward in
27 proportion to the amount of service the member has earned as of September 30, 2009. The
28 proportional formula shall work as follows:

29 (1) The formula shall determine the first age of retirement eligibility under the laws in
30 effect on September 30, 2009, which shall then be subtracted from the minimum retirement age of
31 sixty-two (62).

32 (2) The formula shall then take the member's total service credit as of September 30, 2009,
33 as the numerator and the years of service credit determined under (1) as the denominator.

34 (3) The fraction determined in (2) shall then be multiplied by the age difference determined

1 in (1) to apply a reduction in years from age sixty-two (62).

2 (b)(i) Any member, who has not completed at least ten (10) years of contributory service
3 on or before July 1, 2005, may retire upon his or her written application to the retirement board as
4 of the first day of the calendar month in which the application was filed; provided, the member was
5 separated from service prior thereto; and further provided, however, that if separation from service
6 occurs during the month in which application is filed, the effective date shall be the first day
7 following that separation from service; provided, the member or his or her retirement date had
8 attained the age of fifty-nine (59) and had completed at least twenty-nine (29) years of total service
9 or provided that the member on his or her retirement date had attained the age of sixty-five (65)
10 and had completed at least ten (10) years of contributory service; or provided, that the member on
11 his or her retirement date had attained the age of fifty-five (55) and had completed twenty (20)
12 years of total service provided, that the retirement allowance, as determined according to the
13 formula in § 36-10-10 is reduced actuarially for each month that the age of the member is less than
14 sixty-five (65) years, and who retire before October 1, 2009, or are eligible to retire as of September
15 30, 2009.

16 (ii) For members who become eligible to retire on or after October 1, 2009 and prior to
17 July 1, 2012, benefits are available to members who have attained the age of sixty-two (62) and
18 completed at least twenty-nine (29) years of total service or have attained the age of sixty-five (65)
19 and completed at least ten (10) years of contributory service. For members in service as of October
20 1, 2009, who were not eligible to retire as of September 30, 2009, but become eligible to retire prior
21 to July 1, 2012, who have a minimum retirement age of sixty-two (62), the retirement age will be
22 adjusted downward in proportion to the amount of service the member has earned as of September
23 30, 2009. The proportional formula shall work as follows:

24 (1) The formula shall determine the first age of retirement eligibility under the laws in
25 effect on September 30, 2009, which shall then be subtracted from the minimum retirement age of
26 sixty-two (62).

27 (2) The formula shall then take the member's total service credit as of September 30, 2009,
28 as the numerator and the years of service credit determined under (1) as the denominator.

29 (3) The fraction determined in (2) above shall then be multiplied by the age difference
30 determined in (1) to apply a reduction in years from age sixty-two (62).

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

33 (i) 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 member's

1 Social Security retirement age.

2 (ii) 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 age
6 under this subparagraph (ii) be prior to the attainment of age fifty-nine (59) or prior to the member's
7 retirement age determined under the laws in effect on June 30, 2012. The proportional formula shall
8 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 the
12 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 determined
15 in (1) to apply a reduction in years from Social Security retirement age.

16 (iii) 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 (c)(i) or (c)(ii) above or subsection (d) below, may elect to retire provided that the
19 retirement allowance shall be reduced actuarially for each month that the age of the member is less
20 than the eligible retirement age under subparagraphs (c)(i) or (c)(ii) above or subsection (d) below
21 in accordance with the following table:

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

29 (iv) Notwithstanding any other provisions of section 36-10-9(c), a member who has
30 completed ten (10) or more years of contributory service as of June 30, 2012, may elect to retire at
31 his or her eligible retirement date as determined under paragraphs (1)(a) and (1)(b) above provided
32 that a member making an election under this paragraph shall receive the member's retirement
33 benefit determined and calculated based on the member's service and average compensation as of
34 June 30, 2012. This provision shall be interpreted and administered in a manner to protect a

1 member's accrued benefit on June 30, 2012.

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

10 (ii) Notwithstanding any other provisions of subsection (c) or subsection (d)(i) of this
11 section, commencing July 1, 2021, teachers in active service shall be eligible to retire upon the
12 earlier of:

13 (A) The attainment of at least age sixty (60) and the completion of at least thirty (30) years
14 of total service; or

15 (B) The teacher's retirement eligibility date under subsections (c)(i) or (c)(ii) of this section.

16 (2) Any faculty employee at a public institution of higher education under the jurisdiction
17 of the council on postsecondary education shall not be involuntarily retired upon attaining the age
18 of seventy (70) years.

19 (3)(i) Except as specifically provided in § 36-10-9.1, §§ 36-10-12 -- 36-10-15, and §§ 45-
20 21-19 -- 45-21-22, (I) On or prior to June 30, 2012 no member shall be eligible for pension benefits
21 under this chapter unless the member shall have been a contributing member of the employee's
22 retirement system for at least ten (10) years, or (II) For members in active contributory service on
23 or after July 1, 2012, the member shall have been a contributing member of the retirement system
24 for at least five (5) years.

25 (ii) Provided, however, a person who has ten (10) years service credit on or before June 16,
26 1991, shall be vested.

27 (iii) Furthermore, any past service credits purchased in accordance with § 36-9-38 shall be
28 counted towards vesting.

29 (iv) Any person who becomes a member of the employees' retirement system pursuant to
30 § 45-21-4 shall be considered a contributing member for the purpose of chapter 21 of title 45 and
31 this chapter.

32 (v) Notwithstanding any other provision of law, no more than five (5) years of service
33 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
34 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years

1 of service credits before January 1, 1995, shall be permitted to apply those purchases towards the
2 member's service retirement. However, no further purchase will be permitted. Repayment in
3 accordance with applicable law and regulation of any contribution previously withdrawn from the
4 system shall not be deemed a purchase of service credit.

5 (vi) Notwithstanding any other provision of law, effective July 1, 2012, except for
6 purchases under §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4, and 45-21-53, (A) For service
7 purchases for time periods prior to a member's initial date of hire, the purchase must be made within
8 three (3) years of the member's initial date of hire, (B) For service purchases for time periods for
9 official periods of leave as authorized by law, the purchase must be made within three (3) years of
10 the time the official leave was concluded by the member. Notwithstanding the preceding sentence,
11 service purchases from time periods prior to June 30, 2012, may be made on or prior to June 30,
12 2015.

13 (4) No member of the employees' retirement system shall be permitted to purchase service
14 credits for casual, seasonal, or temporary employment, or emergency appointment, for employment
15 as a page in the general assembly, or for employment at any state college or university while the
16 employee is a student or graduate assistant of the college or university.

17 (5) Except as specifically provided in §§ 16-16-6.2 and 16-16-6.4, a member shall not
18 receive service credit in this retirement system for any year or portion of it, which counts as service
19 credit in any other retirement system in which the member is vested or from which the member is
20 receiving a pension and/or any annual payment for life. This subsection shall not apply to any
21 payments received pursuant to the federal Social Security Act or to payments from a military
22 pension earned prior to participation in state or municipal employment, or to military service credits
23 earned prior to participation in state or municipal employment.

24 (6) A member who seeks to purchase or receive service credit in this retirement system
25 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a
26 vested member in any other retirement system and/or is receiving a pension, retirement allowance,
27 or any annual payment for life. The retirement board shall have the right to investigate as to whether
28 or not the member has utilized the same time of service for credit in any other retirement system.
29 The member has an affirmative duty to cooperate with the retirement board including, by way of
30 illustration and not by way of limitations the duty to furnish or have furnished to the retirement
31 board any relevant information which is protected by any privacy act.

32 (7) A member who fails to cooperate with the retirement board shall not have the time of
33 service counted toward total service credit until such time as the member cooperates with the
34 retirement board and until such time as the retirement board determines the validity of the service

1 credit.

2 (8) A member who knowingly makes a false statement to the retirement board regarding
3 service time or credit shall not be entitled to a retirement allowance and is entitled only to the return
4 of his or her contributions without interest.

5 SECTION 3. Section 45-21-16 of the General Laws in Chapter 45-21 entitled "Retirement
6 of Municipal Employees" is hereby amended to read as follows:

7 **45-21-16. Retirement on service allowance.**

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

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

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

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

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

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

34 (2) The formula shall then take the member's total service credit as of June 30, 2012, as the

1 numerator and the projected service at retirement age in effect on June 30, 2012, as the
2 denominator;

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

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

11 Year Preceding Retirement	Cumulative Annual Reduction	Cumulative	Monthly
12 Reduction			
13 For Year 1	9%		.75%
14 For Year 2	8%		.667%
15 For Year 3	7%		.583%
16 For Year 4	7%		.583%
17 For Year 5	7%		.583%

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

25 (iii)(A) Notwithstanding any other provisions of subsection (ii) above, effective July 1,
26 2015, members in active service shall be eligible to retire upon the earlier of: (I) The attainment of
27 at least age sixty-five (65) and the completion of at least thirty (30) years of total service, or the
28 attainment of at least age sixty-four (64) and the completion of at least thirty-one (31) years of total
29 service, or the attainment of at least age sixty-three (63) and the completion of at least thirty-two
30 (32) years of total service, or the attainment of at least age sixty-two (62) and the completion of at
31 least thirty-three (33) years of total service; or (II) The member's retirement eligibility date under
32 subsections (ii)(A) or (ii)(B) above.

33 (B) Notwithstanding any other provisions of subsection (ii) or subsection (iii)(A) of this
34 section, commencing July 1, 2021, members in active service shall be eligible to retire upon the

1 earlier of:

2 (I) The attainment of least age sixty (60) and the completion of at least thirty (30) years of
3 total service; or

4 (II) The member's retirement eligibility date under subsections (ii)(A) or (ii)(B) of this
5 section.

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

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

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

12 (i) Provided, however, a person who has ten (10) years service credit on or before June 16,
13 1991, is vested.

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

16 (iii) Any person who becomes a member of the employees' retirement system pursuant to
17 § 45-21-4 shall be considered a contributing member for the purpose of this chapter.

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

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

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

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

32 Notwithstanding (I) and (II) above, service purchases from time periods prior to June 30,
33 2012, may be made on or prior to June 30, 2015.

34 (3) No member of the municipal employees' retirement system is permitted to purchase

1 service credits for casual, temporary, emergency or seasonal employment, for employment as a
2 page in the general assembly, or for employment at any state college or university while the
3 employee is a student or graduate assistant of the college or university.

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

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

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

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

25 SECTION 4. This act shall take effect upon passage.

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LC001466
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO EDUCATION -- TEACHER'S RETIREMENT

1 This act would allow teachers, state and municipal employees to retire upon the earlier of
2 reaching age sixty (60) with thirty (30) years of service or the employee's retirement eligibility date
3 under present state statutes.

4 This act would take effect upon passage.

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LC001466
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