

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO COURTS AND CIVIL PROCEDURE -- COURTS -- JUSTICES OF
SUPREME, SUPERIOR, AND FAMILY COURTS

Introduced By: Senators Ciccone, F Lombardi, Lombardo, and McCaffrey

Date Introduced: April 05, 2022

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 8-3-15 of the General Laws in Chapter 8-3 entitled "Justices of
2 Supreme, Superior, and Family Courts" is hereby amended to read as follows:

3 **8-3-15. Cost-of-living allowance.**

4 (a) All justices of the supreme court, superior court, family court, or district court, or their
5 surviving spouses or domestic partners, who retire after January 1, 1970, and who receive a
6 retirement allowance pursuant to the provisions of this title shall, on the first day of January next
7 following the third anniversary date of retirement, receive a cost-of-living retirement adjustment in
8 addition to his or her retirement allowance in an amount equal to three percent (3%) of the original
9 retirement allowance. In each succeeding year thereafter during the month of January, the
10 retirement allowance shall be increased an additional three percent (3%) of the original allowance,
11 not compounded, to be continued during the lifetime of the justice or his or her surviving spouse
12 or domestic partner. For the purpose of such computation, credit shall be given for a full calendar
13 year regardless of the effective date of the retirement allowance.

14 (b) Any justice who retired prior to January 31, 1977, shall be deemed for the purpose of
15 this section to have retired on January 1, 1977.

16 (c) For justices not eligible to retire as of September 30, 2009, and not eligible upon passage
17 of this article, and for their beneficiaries, the cost of living adjustment described in subsection (a)
18 above shall only apply to the first thirty-five thousand dollars (\$35,000) of retirement allowance,

1 indexed annually, and shall commence upon the third (3rd) anniversary of the date of retirement or
2 when the retiree reaches age sixty-five (65), whichever is later. The thirty-five thousand dollar
3 (\$35,000) limit shall increase annually by the percentage increase in the Consumer Price Index for
4 all Urban Consumer (CPI-U) as published by the United States Department of Labor Statistics
5 determined as of September 30 of the prior calendar year or three percent (3%), whichever is less.
6 The first thirty-five thousand dollars (\$35,000), as indexed, of retirement allowance shall be
7 multiplied by the percentage of increase in the Consumer Price Index for all Urban Consumers
8 (CPI-U) as published by the United States Department of Labor Statistics determined as of
9 September 30 of the prior calendar year or three percent (3%), whichever is less, on the month
10 following the anniversary date of each succeeding year. For justices eligible to retire as of
11 September 30, 2009, or eligible upon passage of this article, and for their beneficiaries, the
12 provisions of this subsection (c) shall not apply.

13 (d) This subsection (d) shall be effective for the period July 1, 2012, through June 30, 2015.

14 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)(2)
15 below, for all present and former justices, active and retired justices, and beneficiaries receiving
16 any retirement, disability, or death allowance or benefit of any kind, whether provided for or on
17 behalf of justices engaged on or prior to December 31, 1989, as a non-contributory justice or
18 engaged after December 31, 1989, as a contributory justice, the annual benefit adjustment provided
19 in any calendar year under this section shall be equal to (A) multiplied by (B) where (A) is equal
20 to the percentage determined by subtracting five and one-half percent (5.5%) (the "subtrahend")
21 from the Five-Year Average Investment Return of the retirement system determined as of the last
22 day of the plan year preceding the calendar year in which the adjustment is granted, said percentage
23 not to exceed four percent (4%) and not to be less than zero percent (0%), and (B) is equal to the
24 lesser of the justice's retirement allowance or the first twenty-five thousand dollars (\$25,000) of
25 retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be indexed annually
26 in the same percentage as determined under (d)(1)(A) above. The "Five-Year Average Investment
27 Return" shall mean the average of the investment return of the most recent five (5) plan years as
28 determined by the retirement board. Subject to paragraph (d)(2) below, the benefit adjustment
29 provided by this paragraph shall commence upon the third (3rd) anniversary of the date of
30 retirement or the date on which the retiree reaches his or her Social Security retirement age,
31 whichever is later. In the event the retirement board adjusts the actuarially assumed rate of return
32 for the system, either upward or downward, the subtrahend shall be adjusted either upward or
33 downward in the same amount.

34 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for

1 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'
2 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust, and the State Police
3 Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
4 percent (80%) in which event the benefit adjustment will be reinstated for all justices for such plan
5 year.

6 In determining whether a funding level under this paragraph (d)(2) has been achieved, the
7 actuary shall calculate the funding percentage after taking into account the reinstatement of any
8 current or future benefit adjustment provided under this section.

9 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
10 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
11 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
12 (d)(1) above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the
13 Judicial Retirement Benefits Trust, and the State Police Retirement Benefits Trust, calculated by
14 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

15 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
16 (d) of § 8-3-15 shall become effective July 1, 2012, and shall apply to any benefit adjustment not
17 granted on or prior to June 30, 2012.

18 (e) This subsection (e) shall become effective July 1, 2015.

19 (1)(A) As soon as administratively reasonable following the enactment into law of this
20 subsection (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
21 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent (2%)
22 of the lesser of either the justice's retirement allowance or the first twenty-five thousand dollars
23 (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be provided
24 without regard to the retiree's age or number of years since retirement.

25 (B) Notwithstanding the prior subsections of this section, for all present and former
26 justices, active and retired justices, and beneficiaries receiving any retirement, disability or death
27 allowance or benefit of any kind, whether provided for or on behalf of justices engaged on or prior
28 to December 31, 1989, as a non-contributory justice or engaged after December 31, 1989, as a
29 contributory justice, the annual benefit adjustment provided in any calendar year under this section
30 for adjustments on and after January 1, 2016, and subject to subsection (e)(2) below, shall be equal
31 to (I) multiplied by (II):

32 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

33 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
34 (the "subtrahend") from the five-year average investment return of the retirement system

1 determined as of the last day of the plan year preceding the calendar year in which the adjustment
2 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
3 (0%). The "five-year average investment return" shall mean the average of the investment returns
4 of the most recent five (5) plan years as determined by the retirement board. In the event the
5 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
6 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

7 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
8 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
9 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of (i)
10 plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

11 (II) Is equal to the lesser of either the justice's retirement allowance or the first twenty-five
12 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount to be
13 indexed annually in the same percentage as determined under subsection (e)(1)(B)(I) above.

14 The benefit adjustments provided by this subsection (e)(1)(B) shall be provided to all
15 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
16 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
17 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
18 whichever is later.

19 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
20 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
21 employees' retirement system of Rhode Island, the judicial retirement benefits trust, and the state
22 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
23 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
24 such plan year.

25 In determining whether a funding level under this subsection (e)(2) has been achieved, the
26 actuary shall calculate the funding percentage after taking into account the reinstatement of any
27 current or future benefit adjustment provided under this section.

28 (3) Notwithstanding subsection (e)(2), in each fourth plan year commencing after June 30,
29 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four
30 plan years: (i) A benefit adjustment shall be calculated and made in accordance with paragraph
31 (e)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who retired on or
32 before June 30, 2015, the dollar amount in subsection (e)(1)(B)(II) of twenty-five thousand eight
33 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
34 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the

1 judicial retirement benefits trust, and the state police retirement benefits trust, calculated by the
2 system's actuary on an aggregate basis, exceeds eighty percent (80%).

3 (A) Effective for members and or beneficiaries of members who have retired on or before
4 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
5 days following the enactment of the legislation implementing this provision, and a second one-time
6 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
7 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable
8 payment date and shall not be considered cost of living adjustments under the prior provisions of
9 this § 8-3-15.

10 (4) Notwithstanding subsection (e)(2) of this section, for all present and former employees,
11 active and retired members, and beneficiaries receiving any retirement, disability or death
12 allowance or benefit of any kind, a one-time benefit adjustment shall be provided under this section
13 for the calendar year beginning January 1, 2022. The adjustment shall be equal to three percent
14 (3%) and is equal to the lesser of either the member's retirement allowance or the first twenty-five
15 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, indexed by the
16 percentage as determined under subsection (e)(1)(B)(I) of this section. The three percent (3.0%)
17 benefit adjustment amount for calendar year January 1, 2022, shall not be included in the annual
18 indexed percentage as determined under subsection (e)(1)(B)(I) of this section.

19 The benefit adjustment shall be subject to subsection (e)(3)(ii) of this section and is not in
20 addition to any other benefit adjustments provided under subsection (e)(2) of this section.

21 The benefit adjustments provided by this subsection shall be provided to all retirees entitled
22 to receive a benefit adjustment as of June 30, 2012, under the law then in effect, and for all other
23 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement
24 or the date on which the retiree reaches his or her Social Security retirement age, whichever is later.

25 SECTION 2. Section 8-8.2-12 of the General Laws in Chapter 8-8.2 entitled "Traffic
26 Tribunal" is hereby amended to read as follows:

27 **8-8.2-12. Additional benefits payable to retired judges and their surviving spouses or**
28 **domestic partners.**

29 (a) All judges of the administrative adjudication court and all judges of the administrative
30 adjudication court who have been reassigned to the traffic tribunal, or their surviving spouses or
31 domestic partners, who retire after January 1, 1970 and who receive a retirement allowance
32 pursuant to the provisions of this title, shall, on the first day of January, next following the third
33 anniversary of the retirement, receive a cost of living retirement adjustment in addition to his or her
34 retirement allowance in an amount equal to three percent (3%) of the original retirement allowance.

1 In each succeeding year thereafter during the month of January, the retirement allowance shall be
2 increased an additional three percent (3%) of the original allowance, compounded annually from
3 the year cost of living adjustment was first payable to be continued during the lifetime of the judge
4 or his or her surviving spouse or domestic partner. For the purpose of such computation, credit shall
5 be given for a full calendar year regardless of the effective date of the retirement allowance.

6 (b) Any judge who retired prior to January 31, 1980, shall be deemed for the purpose of
7 this section to have retired on January 1, 1980.

8 (c) For judges not eligible to retire as of September 30, 2009, and not eligible upon passage
9 of this article, and for their beneficiaries, the cost of living adjustment described in subsection (a)
10 above shall only apply to the first thirty-five thousand dollars (\$35,000) of retirement allowance,
11 indexed annually, and shall commence upon the third (3rd) anniversary of the date of retirement or
12 when the retiree reaches age sixty-five (65), whichever is later. The thirty-five thousand dollar
13 (\$35,000) limit shall increase annually by the percentage increase in the Consumer Price Index for
14 all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics
15 determined as of September 30 of the prior calendar year or three percent (3%), whichever is less.
16 The first thirty-five thousand dollars (\$35,000), as indexed, of retirement allowance shall be
17 multiplied by the percentage of increase in the Consumer Price Index for all Urban Consumers
18 (CPI-U) as published by the United States Department of Labor Statistics determined as of
19 September 30 of the prior calendar year or three percent (3%), whichever is less on the month
20 following the anniversary date of each succeeding year. For judges eligible to retire as of September
21 30, 2009, or eligible upon passage of this article, and for their beneficiaries, the provisions of this
22 subsection (c) shall not apply.

23 (d) This subsection (d) shall be effective for the period July 1, 2012, through June 30, 2015.

24 (d)(1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)(2)
25 below, for all present and former justices, active and retired justices, and beneficiaries receiving
26 any retirement, disability or death allowance or benefit of any kind, whether provided for or on
27 behalf of justices engaged on or prior to December 31, 1989 as a non-contributory justice or
28 engaged after December 31, 1989 as a contributory justice, the annual benefit adjustment provided
29 in any calendar year under this section shall be equal to (A) multiplied by (B) where (A) is equal
30 to the percentage determined by subtracting five and one-half percent (5.5%) (the "subtrahend")
31 from the Five-Year Average Investment Return of the retirement system determined as of the last
32 day of the plan year preceding the calendar year in which the adjustment is granted, said percentage
33 not to exceed four percent (4%) and not to be less than zero percent (0%), and (B) is equal to the
34 lesser of the justice's retirement allowance or the first twenty-five thousand dollars (\$25,000) of

1 retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be indexed annually
2 in the same percentage as determined under (d)(1)(A) above. The "Five-Year Average Investment
3 Return" shall mean the average of the investment return of the most recent five (5) plan years as
4 determined by the retirement board. Subject to paragraph (d)(2) below, the benefit adjustment
5 provided by this paragraph shall commence upon the third (3rd) anniversary of the date of
6 retirement or the date on which the retiree reaches his or her Social Security retirement age,
7 whichever is later. In the event the retirement board adjusts the actuarially assumed rate of return
8 for the system, either upward or downward, the subtrahend shall be adjusted either upward or
9 downward in the same amount.

10 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for
11 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'
12 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust, and the State Police
13 Retirements Benefits Trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
14 percent (80%) in which even the benefit adjustment will be reinstated for all justices for such plan
15 year.

16 In determining whether a funding level under this paragraph (d)(2) has been achieved, the
17 actuary shall calculate the funding percentage after taking into account the reinstatement of any
18 current or future benefit adjustment provided under this section.

19 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
20 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
21 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
22 (d)(1) above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the
23 Judicial Retirement Benefits Trust, and the State Police Retirement Benefits Trust, calculated by
24 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

25 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
26 (d) of § 8-8.2-12 shall become effective July 1, 2012, and shall apply to any benefit adjustment not
27 granted on or prior to June 30, 2012.

28 (e) This subsection (e) shall become effective July 1, 2015.

29 (1)(A) As soon as administratively reasonable following the enactment into law of this
30 subsection (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
31 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent (2%)
32 of the lesser of either the justice's retirement allowance or the first twenty-five thousand dollars
33 (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be provided
34 without regard to the retiree's age or number of years since retirement.

1 (B) Notwithstanding the prior subsections of this section, for all present and former
2 justices, active and retired justices, and beneficiaries receiving any retirement, disability or death
3 allowance or benefit of any kind, whether provided for or on behalf of justices engaged on or prior
4 to December 31, 1989 as a non-contributory justice or engaged after December 31, 1989 as a
5 contributory justice, the annual benefit adjustment provided in any calendar year under this section
6 for adjustments on and after January 1, 2016, and subject to subsection (e)(2) below, shall be equal
7 to (I) multiplied by (II):

8 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

9 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
10 (the "subtrahend") from the five-year average investment return of the retirement system
11 determined as of the last day of the plan year preceding the calendar year in which the adjustment
12 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
13 (0%). The "five-year average investment return" shall mean the average of the investment returns
14 of the most recent five (5) plan years as determined by the retirement board. In the event the
15 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
16 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

17 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
18 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
19 Statistics determined as of September 30 of the prior calendar year.

20 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be less
21 than zero percent (0%).

22 (II) Is equal to the lesser of either the justice's retirement allowance or the first twenty-five
23 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount to be
24 indexed annually in the same percentage as determined under subsection (e)(1)(B)(I) above.

25 The benefit adjustments provided by this subsection (e)(1)(B) shall be provided to all
26 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
27 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
28 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
29 whichever is later.

30 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
31 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
32 employees' retirement system of Rhode Island, the judicial retirement benefits trust, and the state
33 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
34 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for

1 such plan year.

2 In determining whether a funding level under this subsection (e)(2) has been achieved, the
3 actuary shall calculate the funding percentage after taking into account the reinstatement of any
4 current or future benefit adjustment provided under this section.

5 (3) Notwithstanding subsection (e)(2), effective for members and/or beneficiaries of
6 members who retired on or before June 30, 2015, in each fourth plan year commencing after June
7 30, 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of
8 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with subsection
9 (e)(1)(B) above; and (ii) The dollar amount in subsection (e)(1)(B)(II) of twenty-five thousand
10 eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and
11 twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode
12 Island, the judicial retirement benefits trust, and the state police retirement benefits trust, calculated
13 by the system's actuary on an aggregate basis, exceeds eighty percent (80%).

14 (A) Effective for members and or beneficiaries of members who have retired on or before
15 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
16 days following the enactment of the legislation implementing this provision, and a second one-time
17 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
18 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable
19 payment date and shall not be considered cost of living adjustments under the prior provisions of
20 this § 8-8.2-12.

21 (B) Notwithstanding subsection (e)(2) of this section, for all present and former employees,
22 active and retired members, and beneficiaries receiving any retirement, disability or death
23 allowance or benefit of any kind, a one-time benefit adjustment shall be provided under this section
24 for the calendar year beginning January 1, 2022, the adjustment shall be equal to three percent (3%)
25 and is equal to the lesser of either the member's retirement allowance or the first twenty-five
26 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, indexed by the
27 percentage as determined under subsection (e)(1)(B)(I) of this section. The three percent (3%)
28 benefit adjustment amount for calendar year January 1, 2022, shall not be included in the annual
29 indexed percentage as determined under subsection (e)(1)(B)(I) of this section.

30 The benefit adjustment shall be subject to subsection (e)(3)(ii) of this section and is not in
31 addition to any other benefit adjustments provided under subsection (e)(2) of this section.

32 The benefit adjustments provided by this subsection shall be provided to all retirees entitled
33 to receive a benefit adjustment as of June 30, 2012, under the law then in effect, and for all other
34 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement

1 [or the date on which the retiree reaches his or her Social Security retirement age, whichever is later.](#)

2 SECTION 3. Section 16-16-40 of the General Laws in Chapter 16-16 entitled "Teachers'
3 Retirement [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby
4 amended to read as follows:

5 **16-16-40. Additional benefits payable to retired teachers.**

6 (a) All teachers and all beneficiaries of teachers receiving any service retirement or
7 ordinary or accidental disability retirement allowance pursuant to the provisions of this chapter and
8 chapter 17 of this title, on or before December 31, 1967, shall receive a cost of living retirement
9 adjustment equal to one and one-half percent (1.5%) per year of the original retirement allowance,
10 not compounded, for each year the retirement allowance has been in effect. For purposes of
11 computation credit shall be given for a full calendar year regardless of the effective date of the
12 retirement allowance. This cost of living retirement adjustment shall be added to the amount of the
13 service retirement allowance as of January 1, 1970, and payment shall begin as of July 1, 1970. An
14 additional cost of living retirement adjustment shall be added to the original retirement allowance
15 equal to three percent (3%) of the original retirement allowance on the first day of January, 1971,
16 and each year thereafter through December 31, 1980.

17 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary
18 disability retirement allowance pursuant to the provisions of this title who retired on or after January
19 1, 1968, shall, on the first day of January, next following the third (3rd) year on retirement, receive
20 a cost of living adjustment, in addition to his or her retirement allowance, an amount equal to three
21 percent (3%) of the original retirement allowance. In each succeeding year thereafter, on the first
22 day of January, the retirement allowance shall be increased an additional three percent (3%) of the
23 original retirement allowance, not compounded, to be continued through December 31, 1980.

24 (c)(1) Beginning on January 1, 1981, for all teachers and beneficiaries of teachers receiving
25 any service retirement and all teachers and all beneficiaries of teachers who have completed at least
26 ten (10) years of contributory service on or before July 1, 2005, pursuant to the provisions of this
27 chapter, and for all teachers and beneficiaries of teachers who receive a disability retirement
28 allowance pursuant to §§ 16-16-14 -- 16-16-17, the cost of living adjustment shall be computed
29 and paid at the rate of three percent (3%) of the original retirement allowance or the retirement
30 allowance as computed in accordance with § 16-16-40.1, compounded annually from the year for
31 which the cost of living adjustment was determined to be payable by the retirement board pursuant
32 to the provisions of subsection (a) or (b) of this section. Such cost of living adjustments are available
33 to teachers who retire before October 1, 2009, or are eligible to retire as of September 30, 2009.

34 (2) The provisions of this subsection shall be deemed to apply prospectively only and no

1 retroactive payment shall be made.

2 (3) The retirement allowance of all teachers and all beneficiaries of teachers who have not
3 completed at least ten (10) years of contributory service on or before July 1, 2005, or were not
4 eligible to retire as of September 30, 2009, shall, on the month following the third anniversary date
5 of the retirement, and on the month following the anniversary date of each succeeding year be
6 adjusted and computed by multiplying the retirement allowance by three percent (3%) or the
7 percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published
8 by the United States Department of Labor Statistics, determined as of September 30 of the prior
9 calendar year, whichever is less; the cost of living adjustment shall be compounded annually from
10 the year for which the cost of living adjustment was determined payable by the retirement board;
11 provided, that no adjustment shall cause any retirement allowance to be decreased from the
12 retirement allowance provided immediately before such adjustment.

13 (d) For teachers not eligible to retire in accordance with this chapter as of September 30,
14 2009, and not eligible upon passage of this article, and for their beneficiaries, the cost of living
15 adjustment described in subsection (3) above shall only apply to the first thirty-five thousand
16 dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon the third
17 (3rd) anniversary of the date of retirement or when the retiree reaches age sixty-five (65), whichever
18 is later. The thirty-five thousand dollar (\$35,000) limit shall increase annually by the percentage
19 increase in the Consumer Price Index for all Urban Consumer (CPI-U) as published by the United
20 States Department of Labor Statistics determined as of September 30 of the prior calendar year or
21 three percent (3%), whichever is less. The first thirty-five thousand dollars (\$35,000), as indexed,
22 of retirement allowance shall be multiplied by the percentage of increase in the Consumer Price
23 Index for all Urban Consumers (CPI-U) as published by the United States Department of Labor
24 Statistics determined as of September 30 of the prior calendar year or three percent (3%), whichever
25 is less, on the month following the anniversary date of each succeeding year. For teachers eligible
26 to retire as of September 30, 2009, or eligible upon passage of this article, and for their
27 beneficiaries, the provisions of this subsection (d) shall not apply.

28 (e) The provisions of §§ 45-13-7 -- 45-13-10 shall not apply to this section.

29 (f) This subsection (f) shall be effective for the period July 1, 2012, through June 30, 2015.

30 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (f)(2)
31 below, for all present and former teachers, active and retired teachers, and beneficiaries receiving
32 any retirement, disability or death allowance or benefit of any kind, the annual benefit adjustment
33 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
34 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the

1 "subtrahend") from the Five-Year Average Investment Return of the retirement system determined
2 as of the last day of the plan year preceding the calendar year in which the adjustment is granted,
3 said percentage not to exceed four percent (4%) and not to be less than zero percent (0%), and (B)
4 is equal to the lesser of the teacher's retirement allowance or the first twenty-five thousand dollars
5 (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be
6 indexed annually in the same percentage as determined under paragraph (f)(1)(A) above. The
7 "Five-Year Average Investment Return" shall mean the average of the investment returns of the
8 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (f)(2)
9 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)
10 anniversary of the date of retirement or the date on which the retiree reaches his or her Social
11 Security retirement age, whichever is later. In the event the retirement board adjusts the actuarially
12 assumed rate of return for the system, either upward or downward, the subtrahend shall be adjusted
13 either upward or downward in the same amount.

14 (2) Except as provided in paragraph (f)(3), the benefit adjustments under this section for
15 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'
16 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the State Police
17 Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
18 percent (80%) in which event the benefit adjustment will be reinstated for all teachers for such plan
19 year.

20 In determining whether a funding level under this paragraph (f)(2) has been achieved, the
21 actuary shall calculate the funding percentage after taking into account the reinstatement of any
22 current or future benefit adjustment provided under this section.

23 (3) Notwithstanding paragraph (f)(2), in each fifth plan year commencing after June 30,
24 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
25 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (f)(l)
26 above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the Judicial
27 Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by the system's
28 actuary on an aggregate basis, exceeds eighty percent (80%).

29 (4) Notwithstanding any other provisions of this chapter, the provisions of this paragraph
30 (f) of § 16-16-40 shall become effective July 1, 2012, and shall apply to any benefit adjustments
31 not granted on or prior to June 30, 2012.

32 (g) This subsection (g) shall become effective July 1, 2015.

33 (1)(A) As soon as administratively reasonable following the enactment into law of this
34 subsection (g)(1)(A), a one-time benefit adjustment shall be provided to teachers and/or

1 beneficiaries of teachers who retired on or before June 30, 2012, in the amount of two percent (2%)
2 of the lesser of either the teacher's retirement allowance or the first twenty-five thousand dollars
3 (\$25,000) of the teacher's retirement allowance. This one-time benefit adjustment shall be provided
4 without regard to the retiree's age or number of years since retirement.

5 (B) Notwithstanding the prior subsections of this section, for all present and former
6 teachers, active and retired teachers, and beneficiaries receiving any retirement, disability or death
7 allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year under
8 this section for adjustments on and after January 1, 2016, and subject to subsection (g)(2) below,
9 shall be equal to (I) multiplied by (II):

10 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

11 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
12 (the "subtrahend") from the five-year average investment return of the retirement system
13 determined as of the last day of the plan year preceding the calendar year in which the adjustment
14 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
15 (0%). The "five-year average investment return" shall mean the average of the investment returns
16 of the most recent five (5) plan years as determined by the retirement board. In the event the
17 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
18 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

19 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
20 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
21 Statistics determined as of September 30 of the prior calendar year.

22 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be less
23 than (0%) percent.

24 (II) is equal to the lesser of either the teacher's retirement allowance or the first twenty-five
25 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount to be
26 indexed annually in the same percentage as determined under subsection (g)(1)(B)(I) above.

27 The benefit adjustments provided by this subsection (g)(1)(B) shall be provided to all
28 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
29 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
30 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
31 whichever is later.

32 (2) Except as provided in subsection (g)(3), the benefit adjustments under subsection
33 (g)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
34 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state

1 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
2 eighty percent (80%) in which event the benefit adjustment will be reinstated for all teachers for
3 such plan year.

4 In determining whether a funding level under this subsection (g)(2) has been achieved, the
5 actuary shall calculate the funding percentage after taking into account the reinstatement of any
6 current or future benefit adjustment provided under this section.

7 (3) Notwithstanding subsection (g)(2), in each fourth plan year commencing after June 30,
8 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four
9 plan years: (i) A benefit adjustment shall be calculated and made in accordance with subsection
10 (g)(1)(B) above; and (ii) Effective for teachers and/or beneficiaries of teachers who retired on or
11 before June 30, 2015, the dollar amount in subsection (g)(1)(B)(II) of twenty-five thousand eight
12 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
13 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the
14 judicial retirement benefits trust and the state police retirement benefits trust, calculated by the
15 system's actuary on an aggregate basis, exceeds eighty percent (80%).

16 (4) Effective for teachers and or beneficiaries of teachers who have retired on or before
17 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
18 days following the enactment of the legislation implementing this provision, and a second one-time
19 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
20 shall be payable to all retired teachers or beneficiaries receiving a benefit as of the applicable
21 payment date and shall not be considered cost of living adjustments under the prior provisions of
22 this § 16-16-40.

23 (5) Notwithstanding subsection (g)(2) of this section, for all present and former employees,
24 active and retired members and beneficiaries receiving any retirement, disability or death allowance
25 or benefit of any kind, a one-time benefit adjustment shall be provided under this section for the
26 calendar year beginning January 1, 2022, the adjustment shall be equal to three percent (3%) and
27 is equal to the lesser of either the member's retirement allowance or the first twenty-five thousand
28 eight hundred and fifty-five dollars (\$25,855) of retirement allowance, indexed by the percentage
29 as determined under subsection (g)(1)(B)(I) of this section. The three percent (3%) benefit
30 adjustment amount for calendar year January 1, 2022, shall not be included in the annual indexed
31 percentage as determined under subsection (g)(1)(B)(I) of this section.

32 The benefit adjustment shall be subject to subsection (g)(3)(ii) of this section and is not in
33 addition to any other benefit adjustments provided under subsection (g)(2) of this section.

34 The benefit adjustments provided by this subsection shall be provided to all retirees entitled

1 to receive a benefit adjustment as of June 30, 2012. under the law then in effect, and for all other
2 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement
3 or the date on which the retiree reaches his or her Social Security retirement age, whichever is later.

4 SECTION 4. Section 28-30-18 of the General Laws in Chapter 28-30 entitled "Workers'
5 Compensation Court" is hereby amended to read as follows:

6 **28-30-18. Additional benefits payable to retired judges and their surviving spouses or**
7 **domestic partners.**

8 (a) All judges of the workers' compensation court, or their surviving spouses or domestic
9 partners, who retire after January 1, 1970, and who receive a retirement allowance pursuant to the
10 provisions of this title, shall, on the first day of January next following the third anniversary date
11 of their retirement, receive a cost of living retirement adjustment in addition to his or her retirement
12 allowance in an amount equal to three percent (3%) of the original retirement allowance. In each
13 succeeding subsequent year during the month of January the retirement allowance shall be
14 increased an additional three percent (3%) of the original allowance, compounded annually from
15 the year the cost of living adjustment was first payable to be continued during the lifetime of that
16 judge or his or her surviving spouse or domestic partner. For the purpose of that computation, credit
17 shall be given for a full calendar year regardless of the effective date of the retirement allowance.

18 (b) Any judge who retired prior to January 31, 1980, shall be deemed for the purpose of
19 this section to have retired on January 1, 1980.

20 (c) For judges not eligible to retire as of September 30, 2009, and not eligible upon passage
21 of this article, and for their beneficiaries, the cost of living adjustment described in subsection (a)
22 above shall only apply to the first thirty-five thousand dollars (\$35,000) of retirement allowance,
23 indexed annually, and shall commence upon the third (3rd) anniversary of the date of retirement or
24 when the retiree reaches age sixty-five (65), whichever is later. The thirty-five thousand dollar
25 (\$35,000) limit shall increase annually by the percentage increase in the Consumer Price Index for
26 all Urban Consumers (CPI-U) as published by the United States Department of Labor Statistics
27 determined as of September 30 of the prior calendar year or three percent (3%), whichever is less.
28 The first thirty-five thousand dollars (\$35,000), as indexed, of retirement allowance shall be
29 multiplied by the percentage of increase in the Consumer Price Index for all Urban Consumers
30 (CPI-U) as published by the United States Department of Labor Statistics determined as of
31 September 30 of the prior calendar year or three percent (3%), whichever is less on the month
32 following the anniversary date of each succeeding year. For judges eligible to retire as of September
33 30, 2009 or eligible upon passage of this article, and for their beneficiaries, the provisions of this
34 subsection (c) shall not apply.

1 (d) This subsection (d) shall be effective for the period July 1, 2012, through June 30, 2015.

2 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (d)(2)
3 below, for all present and former justices, active and retired justices, and beneficiaries receiving
4 any retirement, disability or death allowance or benefit of any kind, whether provided for or on
5 behalf of justices engaged on or prior to December 31, 1989, as a non-contributory justice or
6 engaged after December 31, 1989, as a contributory justice, the annual benefit adjustment provided
7 in any calendar year under this section shall be equal to (A) multiplied by (B) where (A) is equal
8 to the percentage determined by subtracting five and one-half percent (5.5%) (the "subtrahend")
9 from the Five-Year Average Investment Return of the retirement system determined as of the last
10 day of the plan year preceding the calendar year in which the adjustment is granted, said percentage
11 not to exceed four percent (4%) and not to be less than zero percent (0%), and (B) is equal to the
12 lesser of the justice's retirement allowance or the first twenty-five thousand dollars (\$25,000) of
13 retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be indexed annually
14 in the same percentage as determined under (d)(1)(A) above. The "Five-Year Average Investment
15 Return" shall mean the average of the investment return of the most recent five (5) plan years as
16 determined by the retirement board. Subject to paragraph (d)(2) below, the benefit adjustment
17 provided by this paragraph shall commence upon the third (3rd) anniversary of the date of
18 retirement or the date on which the retiree reaches his or her Social Security retirement age,
19 whichever is later. In the event the retirement board adjusts the actuarially assumed rate of return
20 for the system, either upward or downward, the subtrahend shall be adjusted either upward or
21 downward in the same amount.

22 (2) Except as provided in paragraph (d)(3), the benefit adjustments under this section for
23 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'
24 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the State Police
25 Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
26 percent (80%) in which event the benefit adjustment will be reinstated for all justices for such plan
27 year.

28 In determining whether a funding level under this paragraph (d)(2) has been achieved, the
29 actuary shall calculate the funding percentage after taking into account the reinstatement of any
30 current or future benefit adjustment provided under this section.

31 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
32 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
33 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
34 (d)(1) above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the

1 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by
2 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

3 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
4 (d) of § 28-30-18 shall become effective July 1, 2012, and shall apply to any benefit adjustment not
5 granted on or prior to June 30, 2012.

6 (e) This subsection (e) shall become effective July 1, 2015.

7 (1)(A) As soon as administratively reasonable following the enactment into law of this
8 subsection (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
9 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent (2%)
10 of the lesser of either the justice's retirement allowance or the first twenty-five thousand dollars
11 (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be provided
12 without regard to the retiree's age or number of years since retirement.

13 (B) Notwithstanding the prior subsections of this section, for all present and former
14 justices, active and retired justices, and beneficiaries receiving any retirement, disability or death
15 allowance or benefit of any kind, whether provided for or on behalf of justices engaged on or prior
16 to December 31, 1989, as a non-contributory justice or engaged after December 31, 1989, as a
17 contributory justice, the annual benefit adjustment provided in any calendar year under this section
18 for adjustments on and after January 1, 2016, and subject to subsection (e)(2) below, shall be equal
19 to (I) multiplied by (II):

20 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

21 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
22 (the "subtrahend") from the five-year average investment return of the retirement system
23 determined as of the last day of the plan year preceding the calendar year in which the adjustment
24 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
25 (0%). The "five-year average investment return" shall mean the average of the investment returns
26 of the most recent five (5) plan years as determined by the retirement board. In the event the
27 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
28 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

29 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
30 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
31 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of (i)
32 plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

33 (II) Is equal to the lesser of either the justice's retirement allowance or the first twenty-five
34 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount to be

1 indexed annually in the same percentage as determined under subsection (e)(1)(B)(I) above.

2 The benefit adjustments provided by this subsection (e)(1)(B) shall be provided to all
3 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
4 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
5 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
6 whichever is later.

7 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
8 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
9 employees' retirement system of Rhode Island, the judicial retirement benefits trust and the state
10 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
11 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
12 such plan year.

13 In determining whether a funding level under this subsection (e)(2) has been achieved, the
14 actuary shall calculate the funding percentage after taking into account the reinstatement of any
15 current or future benefit adjustment provided under this section.

16 (3) Notwithstanding subsection (e)(2), in each fourth plan year commencing after June 30,
17 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four
18 plan years: (i) A benefit adjustment shall be calculated and made in accordance with subsection
19 (e)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who retired on or
20 before June 30, 2015, the dollar amount in subsection (e)(1)(B)(II) of twenty-five thousand eight
21 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
22 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the
23 judicial retirement benefits trust and the state police retirement benefits trust, calculated by the
24 system's actuary on an aggregate basis, exceeds eighty percent (80%).

25 (4) Effective for members and/or beneficiaries of members who have retired on or before
26 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
27 days following the enactment of the legislation implementing this provision, and a second one-time
28 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
29 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable
30 payment date and shall not be considered cost of living adjustments under the prior provisions of
31 this § 8-8.2-12.

32 (5) Notwithstanding subsection (e)(2) of this section, for all present and former employees,
33 active and retired members, and beneficiaries receiving any retirement, disability or death
34 allowance or benefit of any kind, a one-time benefit adjustment shall be provided under this section

1 for the calendar beginning January 1, 2022, the adjustment shall be equal to three percent (3%)
2 and is equal to the lesser of either the member's retirement allowance or the first twenty-five
3 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, indexed by the
4 percentage as determined under subsection (e)(1)(B)(I) of this section. The three percent (3%)
5 benefit adjustment amount for calendar year January 1, 2022, shall not be included in the annual
6 indexed percentage as determined under subsection (e)(1)(B)(I) of this section.

7 The benefit adjustment shall be subject to subsection (e)(3)(ii) of this section and is not in
8 addition to any other benefit adjustments provided under subsection (e)(2) of this section.

9 The benefit adjustments provided by this subsection shall be provided to all retirees entitled
10 to receive a benefit adjustment as of June 30, 2012, under the law then in effect, and for all other
11 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement
12 or the date on which the retiree reaches his or her Social Security retirement age, whichever is later.

13 SECTION 5. Section 36-10-35 of the General Laws in Chapter 36-10 entitled "Retirement
14 System - Contributions and Benefits" is hereby amended to read as follows:

15 **36-10-35. Additional benefits payable to retired employees.**

16 (a) All state employees and all beneficiaries of state employees receiving any service
17 retirement or ordinary or accidental disability retirement allowance pursuant to the provisions of
18 this title on or before December 31, 1967, shall receive a cost of living retirement adjustment equal
19 to one and one-half percent (1.5%) per year of the original retirement allowance, not compounded,
20 for each calendar year the retirement allowance has been in effect. For the purposes of computation,
21 credit shall be given for a full calendar year regardless of the effective date of the retirement
22 allowance. This cost of living adjustment shall be added to the amount of the retirement allowance
23 as of January 1, 1968, and an additional one and one-half percent (1.5%) shall be added to the
24 original retirement allowance in each succeeding year during the month of January, and provided
25 further, that this additional cost of living increase shall be three percent (3%) for the year beginning
26 January 1, 1971, and each year thereafter, through December 31, 1980. Notwithstanding any of the
27 above provisions, no employee receiving any service retirement allowance pursuant to the
28 provisions of this title on or before December 31, 1967, or the employee's beneficiary, shall receive
29 any additional benefit hereunder in an amount less than two hundred dollars (\$200) per year over
30 the service retirement allowance where the employee retired prior to January 1, 1958.

31 (b) All state employees and all beneficiaries of state employees retired on or after January
32 1, 1968, who are receiving any service retirement or ordinary or accidental disability retirement
33 allowance pursuant to the provisions of this title shall, on the first day of January next following
34 the third anniversary date of the retirement, receive a cost of living retirement adjustment, in

1 addition to his or her retirement allowance, in an amount equal to three percent (3%) of the original
2 retirement allowance. In each succeeding year thereafter through December 31, 1980, during the
3 month of January, the retirement allowance shall be increased an additional three percent (3%) of
4 the original retirement allowance, not compounded, to be continued during the lifetime of the
5 employee or beneficiary. For the purposes of computation, credit shall be given for a full calendar
6 year regardless of the effective date of the service retirement allowance.

7 (c)(1) Beginning on January 1, 1981, for all state employees and beneficiaries of the state
8 employees receiving any service retirement and all state employees, and all beneficiaries of state
9 employees, who have completed at least ten (10) years of contributory service on or before July 1,
10 2005, pursuant to the provisions of this chapter, and for all state employees, and all beneficiaries
11 of state employees who receive a disability retirement allowance pursuant to §§ 36-10-12 -- 36-10-
12 15, the cost of living adjustment shall be computed and paid at the rate of three percent (3%) of the
13 original retirement allowance or the retirement allowance as computed in accordance with § 36-
14 10-35.1, compounded annually from the year for which the cost of living adjustment was
15 determined to be payable by the retirement board pursuant to the provisions of subsection (a) or (b)
16 of this section. Such cost of living adjustments are available to members who retire before October
17 1, 2009, or are eligible to retire as of September 30, 2009.

18 (2) The provisions of this subsection shall be deemed to apply prospectively only and no
19 retroactive payment shall be made.

20 (3) The retirement allowance of all state employees and all beneficiaries of state employees
21 who have not completed at least ten (10) years of contributory service on or before July 1, 2005, or
22 were not eligible to retire as of September 30, 2009, shall, on the month following the third
23 anniversary date of retirement, and on the month following the anniversary date of each succeeding
24 year be adjusted and computed by multiplying the retirement allowance by three percent (3%) or
25 the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as
26 published by the United States Department of Labor Statistics determined as of September 30 of
27 the prior calendar year, whichever is less; the cost of living adjustment shall be compounded
28 annually from the year for which the cost of living adjustment was determined payable by the
29 retirement board; provided, that no adjustment shall cause any retirement allowance to be decreased
30 from the retirement allowance provided immediately before such adjustment.

31 (d) For state employees not eligible to retire in accordance with this chapter as of
32 September 30, 2009, and not eligible upon passage of this article, and for their beneficiaries, the
33 cost of living adjustment described in subsection (c)(3) of this section shall only apply to the first
34 thirty-five thousand dollars (\$35,000) of retirement allowance, indexed annually, and shall

1 commence upon the third (3rd) anniversary of the date of retirement or when the retiree reaches
2 age sixty-five (65), whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase
3 annually by the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-
4 U) as published by the United States Department of Labor Statistics determined as of September
5 30 of the prior calendar year or three percent (3%), whichever is less. The first thirty-five thousand
6 dollars (\$35,000) of retirement allowance, as indexed, shall be multiplied by the percentage of
7 increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United
8 States Department of Labor Statistics determined as of September 30 of the prior calendar year or
9 three percent (3%), whichever is less, on the month following the anniversary date of each
10 succeeding year. For state employees eligible to retire as of September 30, 2009, or eligible upon
11 passage of this article, and for their beneficiaries, the provisions of this subsection (d) shall not
12 apply.

13 (e) All legislators and all beneficiaries of legislators who are receiving a retirement
14 allowance pursuant to the provisions of § 36-10-9.1 for a period of three (3) or more years, shall,
15 commencing January 1, 1982, receive a cost of living retirement adjustment, in addition to a
16 retirement allowance, in an amount equal to three percent (3%) of the original retirement allowance.
17 In each succeeding year thereafter during the month of January, the retirement allowance shall be
18 increased an additional three percent (3%) of the original retirement allowance, compounded
19 annually, to be continued during the lifetime of the legislator or beneficiary. For the purposes of
20 computation, credit shall be given for a full calendar year regardless of the effective date of the
21 service retirement allowance.

22 (f) The provisions of §§ 45-13-7 -- 45-13-10 shall not apply to this section.

23 (g) This subsection (g) shall be effective for the period July 1, 2012, through June 30, 2015.

24 (1) Notwithstanding the prior paragraphs of this section, and subject to paragraph (g)(2)
25 below, for all present and former employees, active and retired members, and beneficiaries
26 receiving any retirement, disability or death allowance or benefit of any kind, the annual benefit
27 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by (B)
28 where (A) is equal to the percentage determined by subtracting five and one-half percent (5.5%)
29 (the "subtrahend") from the Five-Year Average Investment Return of the retirement system
30 determined as of the last day of the plan year preceding the calendar year in which the adjustment
31 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
32 (0%), and (B) is equal to the lesser of the member's retirement allowance or the first twenty-five
33 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
34 amount to be indexed annually in the same percentage as determined under (g)(1)(A) above. The

1 "Five-Year Average Investment Return" shall mean the average of the investment returns of the
2 most recent five (5) plan years as determined by the retirement board. Subject to paragraph (g)(2)
3 below, the benefit adjustment provided by this paragraph shall commence upon the third (3rd)
4 anniversary of the date of retirement or the date on which the retiree reaches his or her Social
5 Security retirement age, whichever is later. In the event the retirement board adjusts the actuarially
6 assumed rate of return for the system, either upward or downward, the subtrahend shall be adjusted
7 either upward or downward in the same amount.

8 (2) Except as provided in paragraph (g)(3), the benefit adjustments under this section for
9 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'
10 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the State Police
11 Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
12 percent (80%) in which event the benefit adjustment will be reinstated for all members for such
13 plan year.

14 In determining whether a funding level under this paragraph (g)(2) has been achieved, the
15 actuary shall calculate the funding percentage after taking into account the reinstatement of any
16 current or future benefit adjustment provided under this section.

17 (3) Notwithstanding paragraph (g)(2), in each fifth plan year commencing after June 30,
18 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
19 plan years, a benefit adjustment shall be calculated and made in accordance with paragraph (g)(1)
20 above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the Judicial
21 Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by the system's
22 actuary on an aggregate basis, exceeds eighty percent (80%).

23 (4) Notwithstanding any other provision of this chapter, the provisions of this paragraph
24 (g) shall become effective July 1, 2012, and shall apply to any benefit adjustment not granted on or
25 prior to June 30, 2012.

26 (h) This subsection (h) shall become effective July 1, 2015.

27 (1)(A) As soon as administratively reasonable following the enactment into law of this
28 subsection (h)(1)(A), a one-time benefit adjustment shall be provided to members and/or
29 beneficiaries of members who retired on or before June 30, 2012, in the amount of 2% of the lesser
30 of either the member's retirement allowance or the first twenty-five thousand dollars (\$25,000) of
31 the member's retirement allowance. This one-time benefit adjustment shall be provided without
32 regard to the retiree's age or number of years since retirement.

33 (B) Notwithstanding the prior subsections of this section, for all present and former
34 employees, active and retired members, and beneficiaries receiving any retirement, disability or

1 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year
2 under this section for adjustments on and after January 1, 2016, and subject to subsection (h)(2)
3 below, shall be equal to (I) multiplied by (II):

4 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

5 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
6 (the "subtrahend") from the five-year average investment return of the retirement system
7 determined as of the last day of the plan year preceding the calendar year in which the adjustment
8 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
9 (0%). The "five-year average investment return" shall mean the average of the investment returns
10 of the most recent five (5) plan years as determined by the retirement board. In the event the
11 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
12 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

13 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
14 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
15 Statistics determined as of September 30 of the prior calendar year. In no event shall the sum of (i)
16 plus (ii) exceed three and one-half percent (3.5%) or be less than zero percent (0%).

17 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-
18 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
19 to be indexed annually in the same percentage as determined under subsection (h)(1)(B)(I) above.

20 The benefit adjustments provided by this subsection (h)(1)(B) shall be provided to all
21 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
22 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
23 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
24 whichever is later.

25 (2) Except as provided in subsection (h)(3) of this section, the benefit adjustments under
26 subsection (h)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio
27 of the employees' retirement system of Rhode Island, the judicial retirement benefits trust and the
28 state police retirement benefits trust, calculated by the system's actuary on an aggregate basis,
29 exceeds eighty percent (80%) in which event the benefit adjustment will be reinstated for all
30 members for such plan year.

31 In determining whether a funding level under this subsection (h)(2) has been achieved, the
32 actuary shall calculate the funding percentage after taking into account the reinstatement of any
33 current or future benefit adjustment provided under this section.

34 (3) Notwithstanding subsection (h)(2), in each fourth plan year commencing after June 30,

1 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four
2 plan years:

3 (i) A benefit adjustment shall be calculated and made in accordance with subsection
4 (h)(1)(B) above; and

5 (ii) Effective for members and/or beneficiaries of members who retired on or before June
6 30, 2015, the dollar amount in subsection (h)(1)(B)(II) of twenty-five thousand eight hundred and
7 fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six dollars
8 (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the judicial
9 retirement benefits trust and the state police retirement benefits trust, calculated by the system's
10 actuary on an aggregate basis, exceeds eighty percent (80%).

11 (i) Effective for members and/or beneficiaries of members who have retired on or before
12 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
13 days following the enactment of the legislation implementing this provision, and a second one-time
14 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
15 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable
16 payment date and shall not be considered cost of living adjustments under the prior provisions of
17 this section.

18 (4) Notwithstanding subsection (h)(2) of this section, for all present and former employees,
19 active and retired members, and beneficiaries receiving any retirement, disability or death
20 allowance or benefit of any kind, a one-time benefit adjustment shall be provided under this section
21 for the calendar beginning January 1, 2022, the adjustment shall be equal to three percent (3%)
22 and is equal to the lesser of either the member's retirement allowance or the first twenty-five
23 thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, indexed by the
24 percentage as determined under subsection (h)(1)(B)(I) of this section. The three percent (3%)
25 benefit adjustment amount for calendar year January 1, 2022, shall not be included in the annual
26 indexed percentage as determined under subsection (h)(1)(B)(I) of this section.

27 The benefit adjustment shall be subject to subsection (h)(3)(ii) of this section and is not in
28 addition to any other benefit adjustments provided under subsection (h)(2) of this section.

29 The benefit adjustments provided by this subsection shall be provided to all retirees entitled
30 to receive a benefit adjustment as of June 30, 2012, under the law then in effect, and for all other
31 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement
32 or the date on which the retiree reaches his or her Social Security retirement age, whichever is later.

33 SECTION 6. Section 42-28-22 of the General Laws in Chapter 42-28 entitled "State
34 Police" is hereby amended to read as follows:

1 **42-28-22. Retirement of members.**

2 (a) Whenever any member of the state police hired prior to July 1, 2007, has served for
3 twenty (20) years, he or she may retire therefrom or he or she may be retired by the superintendent
4 with the approval of the governor, and in either event a sum equal to one-half (½) of the whole
5 salary for the position from which he or she retired determined on the date he or she receives his or
6 her first retirement payment shall be paid him or her during life.

7 (b) For purposes of this section, the term "whole salary" means:

8 (1) For each member who retired prior to July 1, 1966, "whole salary" means the base
9 salary for the position from which he or she retired as the base salary for that position was
10 determined on July 31, 1972;

11 (2) For each member who retired between July 1, 1966, and June 30, 1973, "whole salary"
12 means the base salary for the position from which he or she retired as the base salary, implemented
13 by the longevity increment, for that position was determined on July 31, 1972, or on the date of his
14 or her retirement, whichever is greater;

15 (3) For each member who retired or who retires after July 1, 1973, "whole salary" means
16 the base salary, implemented by the longevity increment, holiday pay, and clothing allowance, for
17 the position from which he or she retired or retires.

18 (c)(1) Any member who retired prior to July 1, 1977, shall receive a benefits payment
19 adjustment equal to three percent (3%) of his or her original retirement, as determined in subsection
20 (b) of this section, in addition to his or her original retirement allowance. In each succeeding year
21 thereafter during the month of January, the retirement allowance shall be increased an additional
22 three percent (3%) of the original retirement allowance, not compounded, to be continued until
23 January 1, 1991. For the purposes of the computation, credit shall be given for a full calendar year
24 regardless of the effective date of the service retirement allowance. For purposes of this subsection,
25 the benefits payment adjustment shall be computed from January 1, 1971, or the date of retirement,
26 whichever is later in time.

27 (2) Any member of the state police who retires pursuant to the provisions of this chapter
28 on or after January 1, 1977, shall on the first day of January, next following the third anniversary
29 date of the retirement receive a benefits payment adjustment, in addition to his or her retirement
30 allowance, in an amount equal to three percent (3%) of the original retirement allowance. In each
31 succeeding year thereafter during the month of January, the retirement allowance shall be increased
32 an additional three percent (3%) of the original retirement allowance, not compounded, to be
33 continued until January 1, 1991. For the purposes of the computation, credit shall be given for a
34 full calendar year regardless of the effective date of the service retirement allowance.

1 (3) Any retired member of the state police who is receiving a benefit payment adjustment
2 pursuant to subdivisions (1) and (2) of this section shall beginning January 1, 1991, and ending
3 June 30, 2012, receive a benefits payment adjustment equal to fifteen hundred dollars (\$1,500).

4 (d) The benefits payment adjustment as provided in this section shall apply to and be in
5 addition to the retirement benefits under the provisions of § 42-28-5, and to the injury and death
6 benefits under the provisions of § 42-28-21.

7 (e)(1) Any member who retires after July 1, 1972, and is eligible to retire prior to July 1,
8 2012, and who has served beyond twenty (20) years shall be allowed an additional amount equal
9 to three percent (3%) for each completed year served after twenty (20) years, but in no event shall
10 the original retirement allowance exceed sixty-five percent (65%) of his or her whole salary as
11 defined in subsection (b) hereof or sixty-five percent (65%) of his or her salary as defined in
12 subsection (b) hereof in his or her twenty-fifth (25th) year whichever is less.

13 (2) Each member who retired prior to July 1, 1975, shall be entitled to all retirement
14 benefits as set forth above or shall be paid benefits as set forth in subdivision (b)(1) with "whole
15 salary" meaning the base salary for the position from which he or she retired as the base salary for
16 the position was determined on July 1, 1975, whichever is greater.

17 (f)(1) Any member who retires, has served as a member for twenty (20) years or more, and
18 who served for a period of six (6) months or more of active duty in the armed service of the United
19 States or in the merchant marine service of the United States as defined in § 2 of chapter 1721 of
20 the Public Laws, 1946, may purchase credit for such service up to a maximum of two (2) years;
21 provided that any member who has served at least six (6) months or more in any one year shall be
22 allowed to purchase one year for such service and any member who has served a fraction of less
23 than six (6) months in his or her total service shall be allowed to purchase six (6) months' credit for
24 such service.

25 (2) The cost to purchase these credits shall be ten percent (10%) of the member's first year
26 salary as a state policeman multiplied by the number of years and/or fraction thereof of such armed
27 service up to a maximum of two (2) years. The purchase price shall be paid into the general fund.
28 For members hired on or after July 1, 1989, the purchase price shall be paid into a restricted revenue
29 account entitled "state police retirement benefits" and shall be held in trust.

30 (3) There will be no interest charge provided the member makes such purchase during his
31 or her twentieth (20th) year or within five (5) years from May 18, 1981, whichever is later, but will
32 be charged regular rate of interest as defined in § 36-8-1 as amended to date of purchase from the
33 date of his or her twentieth (20th) year of state service or five (5) years from May 18, 1981,
34 whichever is later.

1 (4) Any member who is granted a leave of absence without pay for illness, injury or any
2 other reason may receive credit therefor by making the full actuarial cost as defined in subdivision
3 36-8-1(10); provided the employee returns to state service for at least one year upon completion of
4 the leave.

5 (5) In no event shall the original retirement allowance exceed sixty-five percent (65%) of
6 his or her whole salary as defined in subsection (b) hereof or sixty-five percent (65%) of his or her
7 salary as defined in subsection (b) hereof in his or her twenty-fifth (25th) year, whichever is less.

8 (6) Notwithstanding any other provision of law, no more than five (5) years of service
9 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
10 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years
11 of service credits before January 1, 1995, shall be permitted to apply those purchases towards the
12 member's service retirement. However, no further purchase will be permitted. Repayment in
13 accordance with applicable law and regulation of any contribution previously withdrawn from the
14 system shall not be deemed a purchase of service credit.

15 (g) The provisions of this section shall not apply to civilian employees in the Rhode Island
16 state police; and, further, from and after April 28, 1937, chapters 8 -- 10, inclusive, of title 36 shall
17 not be construed to apply to the members of the Rhode Island state police, except as provided by
18 §§ 36-8-3, 36-10-1.1, 42-28-22.1, and 42-28-22.2, and § 36-8-1(5) and (8)(a) effective July 1, 2012.

19 (h) Any member of the state police other than the superintendent of state police, who is
20 hired prior to July 1, 2007, and who has served for twenty-five (25) years or who has attained the
21 age of sixty-two (62) years, whichever shall first occur, shall retire therefrom.

22 (i)(1) Any member of the state police, other than the superintendent, who is hired on or
23 after July 1, 2007, and who has served for twenty-five (25) years, may retire therefrom or he or she
24 may be retired by the superintendent with the approval of the governor, and shall be entitled to a
25 retirement allowance of fifty percent (50%) of his or her "whole salary" as defined in subsection
26 (b) hereof.

27 (2) Any member of the state police who is hired on or after July 1, 2007, may serve up to
28 a maximum of thirty (30) years, and shall be allowed an additional amount equal to three percent
29 (3.0%) for each completed year served after twenty-five (25) years, but in no event shall the original
30 retirement allowance exceed sixty-five percent (65%) of his or her "whole salary" as defined in
31 subsection (b) hereof.

32 (j) Effective July 1, 2012, any other provision of this section notwithstanding:

33 (j)(1) Any member of the state police, other than the superintendent of state police, who is
34 not eligible to retire on or prior to June 30, 2012, may retire at any time subsequent to the date the

1 member's retirement allowance equals or exceeds fifty percent (50%) of average compensation as
2 defined in § 36-8-1(5)(a), provided that a member shall retire upon the first to occur of:

3 (i) The date the member's retirement allowance equals sixty-five percent (65%); or

4 (ii) The later of the attainment of age sixty-two (62) or completion of five (5) years of
5 service; provided however, any current member as of June 30, 2012, who has not accrued fifty
6 percent (50%) upon attaining the age of sixty-two (62) shall retire upon accruing fifty percent
7 (50%); and upon retirement a member shall receive a retirement allowance which shall equal:

8 (A) For members hired prior to July 1, 2007, the sum of (i), (ii) and (iii) where

9 (i) Is calculated as the member's years of total service before July 1, 2012, multiplied by
10 two and one-half percent (2.5%) of average compensation for a member's first twenty (20) total
11 years,

12 (ii) Is calculated as the member's years of total service before July 1, 2012, in excess of
13 twenty (20) years not to exceed twenty-five (25) years multiplied by three percent (3%) of average
14 compensation, and

15 (iii) Is the member's years of total service on or after July 1, 2012, multiplied by two percent
16 (2%) of average compensation as defined in § 36-8-1(5)(a).

17 (B) For members hired on or after July 1, 2007, the member's retirement allowance shall
18 be calculated as the member's years of total contributory service multiplied by two percent (2%) of
19 average compensation.

20 (C) Any member of the state police who is eligible to retire on or prior to June 30, 2012,
21 shall retire with a retirement allowance calculated in accordance with paragraph (a) and (e) above
22 except that whole salary shall be defined as final compensation where compensation for purposes
23 of this section and § 42-28-22.1 includes base salary, longevity and holiday pay.

24 (D) Notwithstanding the preceding provisions, in no event shall a member's final
25 compensation be lower than his or her final compensation determined as of June 30, 2012.

26 (2) In no event shall a member's original retirement allowance under any provisions of this
27 section exceed sixty-five percent (65%) of his or her average compensation.

28 (3) For each member who retires on or after July 1, 2012, except as provided in paragraph
29 (j)(1)(C) above, compensation and average compensation shall be defined in accordance with § 36-
30 8-1(5)(a) and (8), provided that for a member whose regular work period exceeds one hundred
31 forty-seven (147) hours over a twenty-four (24) day period at any time during the four (4) year
32 period immediately prior to his/her retirement that member shall have up to four hundred (400)
33 hours of his/her pay for regularly scheduled work earned during this period shall be included as
34 "compensation" and/or "average compensation" for purposes of this section and § 42-28-22.1.

1 (4) This subsection (4) shall be effective for the period July 1, 2012, through June 30, 2015.

2 (i) Notwithstanding the prior paragraphs of this section, and subject to paragraph (4)(ii)
3 below, for all present and former members, active and retired members, and beneficiaries receiving
4 any retirement, disability or death allowance or benefit of any kind, whether for or on behalf of a
5 non-contributory member or contributory member, the annual benefit adjustment provided in any
6 calendar year under this section shall be equal to (A) multiplied by (B) where (A) is equal to the
7 percentage determined by subtracting five and one-half percent (5.5%) (the "subtrahend") from the
8 Five-Year Average Investment Return of the retirement system determined as of the last day of the
9 plan year preceding the calendar year in which the adjustment is granted, said percentage not to
10 exceed four percent (4%) and not to be less than zero percent (0%), and (B) is equal to the lesser
11 of the member's retirement allowance or the first twenty-five thousand dollars (\$25,000) of
12 retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be indexed annually
13 in the same percentage as determined under (4)(i)(A) above. The "Five-Year Average Investment
14 Return" shall mean the average of the investment returns for the most recent five (5) plan years as
15 determined by the retirement board. Subject to paragraph (4)(ii) below, the benefit adjustment
16 provided by this paragraph shall commence upon the third (3rd) anniversary of the date of
17 retirement or the date on which the retiree reaches age fifty-five (55), whichever is later. In the
18 event the retirement board adjusts the actuarially assumed rate of return for the system, either
19 upward or downward, the subtrahend shall be adjusted either upward or downward in the same
20 amount.

21 (ii) Except as provided in paragraph (4)(iii), the benefit adjustments under this section for
22 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'
23 Retirement System of Rhode Island, the Judicial Retirement Benefits Trust and the State Police
24 Retirement Benefits Trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
25 percent (80%) in which event the benefit adjustment will be reinstated for all members for such
26 plan year.

27 In determining whether a funding level under this paragraph (4)(ii) has been achieved, the
28 actuary shall calculate the funding percentage after taking into account the reinstatement of any
29 current or future benefit adjustment provided under this section.

30 (iii) Notwithstanding paragraph (4)(ii), in each fifth plan year commencing after June 30,
31 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
32 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
33 (4)(i) above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the
34 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by

1 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

2 (iv) The provisions of this paragraph (j)(4) shall become effective July 1, 2012, and shall
3 apply to any benefit adjustment not granted on or prior to June 30, 2012.

4 (v) The cost-of-living adjustment as provided in this paragraph (j)(4) shall apply to and be
5 in addition to the retirement benefits under the provisions of § 42-28-5 and to the injury and death
6 benefits under the provisions of § 42-28-21.

7 (5) This subsection (5) shall become effective July 1, 2015.

8 (i)(A) As soon as administratively reasonable following the enactment into law of this
9 paragraph (5)(i)(A), a one-time benefit adjustment shall be provided to members and/or
10 beneficiaries of members who retired on or before June 30, 2012, in the amount of two percent
11 (2%) of the lesser of either the member's retirement allowance or the first twenty-five thousand
12 dollars (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall be
13 provided without regard to the retiree's age or number of years since retirement.

14 (B) Notwithstanding the prior subsections of this section, for all present and former
15 members, active and retired members, and beneficiaries receiving any retirement, disability or
16 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year
17 under this section for adjustments on and after January 1, 2016, and subject to subsection (5)(ii)
18 below, shall be equal to (I) multiplied by (II):

19 (I) Shall equal the sum of fifty percent (50%) of (1) plus fifty percent (50%) of (2) where:

20 (1) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
21 (the "subtrahend") from the five-year average investment return of the retirement system
22 determined as of the last day of the plan year preceding the calendar year in which the adjustment
23 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
24 (0%). The "five-year average investment return" shall mean the average of the investment returns
25 of the most recent five (5) plan years as determined by the retirement board. In the event the
26 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
27 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

28 (2) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
29 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
30 Statistics determined as of September 30 of the prior calendar year.

31 In no event shall the sum of (1) plus (2) exceed three and one-half percent (3.5%) or be
32 less than zero percent (0%).

33 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-
34 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount

1 to be indexed annually in the same percentage as determined under subsection (5)(i)(B)(I) above.
2 The benefit adjustments provided by this subsection (5)(i)(B) shall be provided to all retirees
3 entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect, and for all
4 other retirees the benefit adjustments shall commence upon the third anniversary of the date of
5 retirement or the date on which the retiree reaches his or her Social Security retirement age,
6 whichever is later.

7 (ii) Except as provided in subsection (5)(iii), the benefit adjustments under subsection
8 (5)(i)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
9 employees' retirement system of Rhode Island, the Judicial retirement benefits trust and the state
10 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
11 eighty percent (80%) in which event the benefit adjustment will be reinstated for all members for
12 such plan year.

13 In determining whether a funding level under this subsection (5)(ii) has been achieved, the
14 actuary shall calculate the funding percentage after taking into account the reinstatement of any
15 current or future benefit adjustment provided under this section.

16 (iii) Notwithstanding subsection (5)(ii), in each fourth plan year commencing after June
17 30, 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of
18 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with paragraph
19 (5)(i)(B) above; and (ii) Effective for members and/or beneficiaries of members who retired on or
20 before June 30, 2015, the dollar amount in subsection (5)(i)(B)(II) of twenty-five thousand eight
21 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
22 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the
23 judicial retirement benefits trust and the state police retirement benefits trust, calculated by the
24 system's actuary on an aggregate basis, exceeds eighty percent (80%).

25 (iv) Effective for members and or beneficiaries of members who have retired on or before
26 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
27 days following the enactment of the legislation implementing this provision, and a second one-time
28 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
29 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable
30 payment date and shall not be considered cost of living adjustments under the prior provisions of
31 this section.

32 (v) Notwithstanding subsection (j)(5)(ii) of this section, for all present and former
33 employees, active and retired members, and beneficiaries receiving any retirement, disability or
34 death allowance or benefit of any kind, a one-time benefit adjustment shall be provided under

1 this section for the calendar year beginning January 1, 2022. The adjustment shall be equal to
2 three percent (3%) and is equal to the lesser of either the member's retirement allowance or the first
3 twenty-five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance,
4 indexed by the percentage as determined under subsection (j)(5)(i)(B)(I) of this section. The three
5 percent (3.0%) benefit adjustment amount for calendar year January 1, 2022, shall not be included
6 in the annual indexed percentage as determined under subsection (j)(5)(i)(B)(I) of this section.

7 The benefit adjustment shall be subject to (j)(5)(iii)(ii) of this section and is not in addition
8 to any other benefit adjustments provided under subsection (j)(5)(ii) of this section.

9 The benefit adjustments provided by this subsection shall be provided to all retirees entitled
10 to receive a benefit adjustment as of June 30, 2012, under the law then effect, and for all other
11 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement
12 or the date on which the retiree reaches his or her Social Security retirement age, whichever is later.

13 (6) Any member with contributory service on or after July 1, 2012, who has completed at
14 least five (5) years of contributory service but who has not retired in accordance with (j)(1) above,
15 shall be eligible to retire upon the attainment of member's Social Security retirement age as defined
16 in § 36-8-1(20).

17 (7) In no event shall a member's retirement allowance be less than the member's retirement
18 allowance calculated as of June 30, 2012, based on the member's years of total service and whole
19 salary as of June 30, 2012.

20 (k) In calculating the retirement benefit for any member, the term base salary as used in
21 subdivision (b)(3) or average compensation as used in paragraph (j) shall not be affected by a
22 deferral of salary plan or a reduced salary plan implemented to avoid shutdowns or layoffs or to
23 effect cost savings. Basic salary shall remain for retirement calculation that which it would have
24 been but for the salary deferral or salary reduction due to a plan implemented to avoid shutdowns
25 or layoffs or to effect cost savings.

26 SECTION 7. Section 45-21-52 of the General Laws in Chapter 45-21 entitled "Retirement
27 of Municipal Employees" is hereby amended to read as follows:

28 **45-21-52. Automatic increase in service retirement allowance.**

29 (a) The local legislative bodies of the cities and towns may extend to their respective
30 employees automatic adjustment increases in their service retirement allowances, by a resolution
31 accepting any of the plans described in this section:

32 (1) Plan A. All employees and beneficiaries of those employees receiving a service
33 retirement or disability retirement allowance under the provisions of this chapter on December 31
34 of the year their city or town accepts this section, receive a cost of living adjustment equal to one

1 and one-half percent (1 1/2%) per year of the original retirement allowance, not compounded, for
2 each calendar year the retirement allowance has been in effect. This cost of living adjustment is
3 added to the amount of the retirement allowance as of January 1 following acceptance of this
4 provision, and an additional one and one-half percent (1 1/2%) is added to the original retirement
5 allowance in each succeeding year during the month of January, and provided, further, that this
6 additional cost of living increase is three percent (3%) for the year beginning January 1 of the year
7 the plan is accepted and each succeeding year.

8 (2) Plan B. All employees and beneficiaries of those employees receiving a retirement
9 allowance under the provisions of this chapter on December 31 of the year their municipality
10 accepts this section, receive a cost of living adjustment equal to three percent (3%) of their original
11 retirement allowance. This adjustment is added to the amount of the retirement allowance as of
12 January 1 following acceptance of this provision, and an additional three percent (3%) of the
13 original retirement allowance, not compounded, is payable in each succeeding year in the month
14 of January.

15 (3) Plan C. All employees and beneficiaries of those employees who retire on or after
16 January 1 of the year following acceptance of this section, on the first day of January next following
17 the date of the retirement, receive a cost of living adjustment in an amount equal to three percent
18 (3%) of the original retirement allowance.

19 (b) In each succeeding year in the month of January, the retirement allowance is increased
20 an additional three percent (3%) of the original retirement allowance, not compounded.

21 (c) This subsection (c) shall be effective for the period July 1, 2012, through June 30, 2015.

22 (1) Notwithstanding any other paragraphs of this section, and subject to paragraph (c)(2)
23 below, for all present and former employees, active and retired members, and beneficiaries
24 receiving any retirement, disability or death allowance or benefit of any kind by reason of adoption
25 of this section by their employer, the annual benefit adjustment provided in any calendar year under
26 this section shall be equal to (A) multiplied by (B) where (A) is equal to the percentage determined
27 by subtracting five and one-half percent (5.5%) (the "subtrahend") from the Five-Year Average
28 Investment Return of the retirement system determined as of the last day of the plan year preceding
29 the calendar year in which the adjustment is granted, said percentage not to exceed four percent
30 (4%) and not to be less than zero percent (0%), and (B) is equal to the lesser of the member's
31 retirement allowance or the first twenty-five thousand dollars (\$25,000) of retirement allowance,
32 such twenty-five thousand dollars (\$25,000) amount to be indexed annually in the same percentage
33 as determined under (c)(1)(A) above. The "Five-Year Average Investment Return" shall mean the
34 average of the investment returns of the most recent five (5) plan years as determined by the

1 retirement board. Subject to paragraph (c)(2) below, the benefit adjustment provided by this
2 paragraph shall commence upon the third (3rd) anniversary of the date of retirement or the date on
3 which the retiree reaches his or her Social Security retirement age, whichever is later; or for
4 municipal police and fire retiring under the provisions of chapter 45-21.2, the benefit adjustment
5 provided by this paragraph shall commence on the later of the third (3rd) anniversary of the date of
6 retirement or the date on which the retiree reaches age fifty-five (55). In the event the retirement
7 board adjusts the actuarially assumed rate of return for the system, either upward or downward, the
8 subtrahend shall be adjusted either upward or downward in the same amount.

9 (2) Except as provided in paragraph (c)(3) the benefit adjustments provided under this
10 section for any plan year shall be suspended in their entirety for each municipal plan within the
11 municipal employees retirement system unless the municipal plan is determined to be funded at a
12 Funded Ratio equal to or greater than eighty percent (80%) as of the end of the immediately
13 preceding plan year in accordance with the retirement system's actuarial valuation report as
14 prepared by the system's actuary, in which event the benefit adjustment will be reinstated for all
15 members for such plan year.

16 In determining whether a funding level under this paragraph (c)(2) has been achieved, the
17 actuary shall calculate the funding percentage after taking into account the reinstatement of any
18 current or future benefit adjustment provided under this section.

19 (3) Notwithstanding paragraph (c)(2), for each municipal plan that has a Funded Ratio of
20 less than eighty percent (80%) as of June 30, 2012, in each fifth plan year commencing after June
21 30, 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of
22 five (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
23 (c)(1) above until the municipal plan's Funded Ratio exceeds eighty percent (80%).

24 (d) This subsection (d) shall become effective July 1, 2015.

25 (1)(A) As soon as administratively reasonable following the enactment into law of this
26 subsection (d)(1)(A), a one-time benefit adjustment shall be provided to members and/or
27 beneficiaries of members who retired on or before June 30, 2012, in the amount of two percent
28 (2%) of the lesser of either the employee's retirement allowance or the first twenty-five thousand
29 dollars (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall be
30 provided without regard to the retiree's age or number of years since retirement.

31 (B) Notwithstanding the prior subsections of this section, for all present and former
32 employees, active and retired employees, and beneficiaries receiving any retirement, disability or
33 death allowance or benefit of any kind by reason of adoption of this section by their employer, the
34 annual benefit adjustment provided in any calendar year under this section for adjustments on and

1 after January 1, 2016, and subject to paragraph (d)(2) below, shall be equal to (I) multiplied by (II):

2 (I) Shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:

3 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
4 (the "subtrahend") from the five-year average investment return of the retirement system
5 determined as of the last day of the plan year preceding the calendar year in which the adjustment
6 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
7 (0%). The "five-year average investment return" shall mean the average of the investment returns
8 of the most recent five (5) plan years as determined by the retirement board. In the event the
9 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
10 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

11 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer
12 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
13 Statistics determined as of September 30 of the prior calendar year.

14 In no event shall the sum of (i) plus (ii) exceed three and one-half percent (3.5%) or be less
15 than zero percent (0%).

16 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-
17 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
18 to be indexed annually in the same percentage as determined under subsection (d)(1)(B)(I) above.

19 The benefit adjustments provided by this subsection (d)(1)(B) shall be provided to all
20 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
21 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
22 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
23 whichever is later; or for municipal police and fire retiring under the provisions of § 45-21.2-
24 5(b)(1)(A), the benefit adjustment provided by this paragraph shall commence on the later of the
25 third anniversary of the date of retirement or the date on which the retiree reaches age fifty-five
26 (55); or for municipal police and fire retiring under the provisions of § 45-21.2-5(b)(1)(B), the
27 benefit adjustment provided by this paragraph shall commence on the later of the third anniversary
28 of the date of retirement or the date on which the retiree reaches age fifty (50).

29 (2) Except as provided in subsection (d)(3), the benefit adjustments under subsection
30 (d)(1)(B) for any plan year shall be suspended in their entirety for each municipal plan within the
31 municipal employees retirement system unless the municipal plan is determined to be funded at a
32 funded ratio equal to or greater than eighty percent (80%) as of the end of the immediately
33 preceding plan year in accordance with the retirement system's actuarial valuation report as
34 prepared by the system's actuary, in which event the benefit adjustment will be reinstated for all

1 members for such plan year.

2 In determining whether a funding level under this subsection (d)(2) has been achieved, the
3 actuary shall calculate the funding percentage after taking into account the reinstatement of any
4 current or future benefit adjustment provided under this section.

5 (3) Notwithstanding subsection (d)(2), in each fourth plan year commencing after June 30,
6 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four
7 plan years: (i) A benefit adjustment shall be calculated and made in accordance with subsection
8 (d)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who retired on or
9 before June 30, 2015, the dollar amount in subsection (d)(1)(B)(II) of twenty-five thousand eight
10 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
11 dollars (\$31,026) until the municipal plan's funded ratio exceeds eighty percent (80%).

12 (4) Notwithstanding subsection (d)(2) of this section, for all present and former employees,
13 active and retired members, and beneficiaries receiving any retirement, disability or death
14 allowance or benefit of any kind, a one-time benefit adjustment shall be provided under this section
15 for the calendar beginning January 1, 2022, the adjustment shall be equal to three percent (3%) and
16 is equal to the lesser of either the member's retirement allowance or the first twenty-five thousand
17 eight hundred and fifty-five dollars (\$25,855) of retirement allowance, indexed by the percentage
18 as determined under subsection (d)(1)(B)(I) of this section. The three percent (3%) benefit
19 adjustment amount for calendar year January 1, 2022, shall not be included in the annual indexed
20 percentage as determined under subsection (d)(1)(B)(I) of this section.

21 The benefit adjustment shall be subject to subsection (d)(3)(ii) of this section and is not in
22 addition to any other benefit adjustments provided under subsection (d)(2) of this section. If a plan
23 is receiving benefit adjustments as a result of the funded ratio exceeding the amount in section
24 (d)(3)(ii), and the calculated benefit adjustment as determined by subsection (d)(1)(B) of this section
25 is less than three percent (3%), then the annual benefit adjustment will be replaced with three
26 percent (3%) for calendar year January 1, 2022 only. If a plan is receiving a benefit adjustments as
27 a result of the funded ratio exceeding the amount in subsection (d)(3)(ii) of this section, and the
28 calculated benefit adjustment as determined by subsection (d)(1)(B) of this section is greater than
29 three percent (3%), then the annual benefit adjustment shall be the greater amount.

30 The benefit adjustments provided by this subsection shall be provided to all retirees entitled
31 to receive a benefit adjustment as of June 30, 2012. under the law then in effect, and for all other
32 retirees, the benefit adjustments shall commence upon the third anniversary of the date of retirement
33 or the date on which the retiree reaches his or her Social Security retirement age, whichever is later;
34 or for municipal police and fire retiring under the provisions of § 45-21.2-S(b)(1)(A), the benefit

1 adjustment provided by this subsection shall commence on the later of the third anniversary of the
2 date of retirement or the date on which the retiree reaches age fifty-five (55); or for municipal police
3 and fire retiring under the provisions of § 45-21.2-5(b)(1)(B), the benefit adjustment provided by
4 this subsection shall commence on the later of the third anniversary of the date of retirement or the
5 date on which the retiree reaches age fifty (50).

6 The benefit adjustments provided by this subsection shall not be applicable to those plans
7 that have accepted the provisions of chapters 21.4 and 21.5 of this title.

8 (e) Upon acceptance of any of the plans in this section, each employee shall on January 1
9 next succeeding the acceptance, contribute by means of salary deductions, pursuant to § 45-21-41,
10 one percent (1%) of the employee's compensation concurrently with and in addition to
11 contributions otherwise being made to the retirement system.

12 (f) The city or town shall make any additional contributions to the system, pursuant to the
13 terms of § 45-21-42, for the payment of any benefits provided by this section.

14 (g) The East Greenwich town council shall be allowed to accept Plan C of subsection (a)(3)
15 of this section for all employees of the town of East Greenwich who either, pursuant to contract
16 negotiations, bargain for Plan C, or who are non-union employees who are provided with Plan C
17 and who shall all collectively be referred to as the "Municipal-COLA Group" and shall be separate
18 from all other employees of the town and school department, union or non-union, who are in the
19 same pension group but have not been granted Plan C benefits. Upon acceptance by the town
20 council, benefits in accordance with this section shall be available to all such employees who retire
21 on or after January 1, 2003.

22 (h) Effective for members and/or beneficiaries of members who have retired on or before
23 July 1, 2015, and without regard to whether the retired member or beneficiary is receiving a benefit
24 adjustment under this section, a one-time stipend of five hundred dollars (\$500) shall be payable
25 within sixty (60) days following the enactment of the legislation implementing this provision, and
26 a second one-time stipend of five hundred dollars (\$500) in the same month of the following year.
27 These stipends shall not be considered cost of living adjustments under the prior provisions of this
28 section.

29 SECTION 8. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COURTS AND CIVIL PROCEDURE -- COURTS -- JUSTICES OF
SUPREME, SUPERIOR, AND FAMILY COURTS

1 This act would provide, for all present and former employees, active and retired members,
2 and beneficiaries receiving any retirement, disability or death allowance or benefit of any kind,
3 including judicial employees and judges, teachers, state police, and state and municipal employees,
4 a one-time benefit adjustment for the calendar year beginning January 1, 2022.

5 This act would take effect upon passage.

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