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ARTICLE 12 AS AMENDED

RELATING TO PENSIONS

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

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

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

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

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

1 September 30, 2009, or eligible upon passage of this article, and for their beneficiaries, the
2 provisions of this subsection (c) shall not apply.

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

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

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

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

33 (3) Notwithstanding paragraph (d)(2), in each fifth plan year commencing after June 30,
34 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five

1 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
2 (d)(1) above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the
3 Judicial Retirement Benefits Trust, and the State Police Retirement Benefits Trust, calculated by
4 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

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

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

9 (1)(A) As soon as administratively reasonable following the enactment into law of this
10 subsection (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
11 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent (2%)
12 of the lesser of either the justice's retirement allowance or the first twenty-five thousand dollars
13 (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be provided
14 without regard to the retiree's age or number of years since retirement.

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

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

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

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

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

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

9 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
10 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
11 employees' retirement system of Rhode Island, the judicial retirement benefits trust, and the state
12 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
13 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
14 such plan year. Effective July 1, 2024, the funded ratio of the employees' retirement system of
15 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
16 calculated by the system's actuary on an aggregate basis, of exceeding eighty percent (80%) for the
17 benefit adjustment to be reinstated for all members for such plan year shall be replaced with
18 seventy-five percent (75%).

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

22 (3) Notwithstanding subsection (e)(2), in each fourth plan year commencing after June 30,
23 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of four
24 plan years: (i) A benefit adjustment shall be calculated and made in accordance with paragraph
25 (e)(1)(B) above; and (ii) Effective for members and/or beneficiaries of members who retired on or
26 before June 30, 2015, the dollar amount in subsection (e)(1)(B)(II) of twenty-five thousand eight
27 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
28 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the
29 judicial retirement benefits trust, and the state police retirement benefits trust, calculated by the
30 system's actuary on an aggregate basis, exceeds eighty percent (80%). Effective July 1, 2024, the
31 funded ratio of the employees' retirement system of Rhode Island, the judicial retirement benefits
32 trust and the state police retirement benefits trust, calculated by the system's actuary on an
33 aggregate basis, of exceeding eighty percent (80%) shall be replaced with seventy-five percent
34 (75%).

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

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

10 **8-8.2-12. Additional benefits payable to retired judges and their surviving spouses or**
11 **domestic partners.**

12 (a) All judges of the administrative adjudication court and all judges of the administrative
13 adjudication court who have been reassigned to the traffic tribunal, or their surviving spouses or
14 domestic partners, who retire after January 1, 1970 and who receive a retirement allowance
15 pursuant to the provisions of this title, shall, on the first day of January, next following the third
16 anniversary of the retirement, receive a cost of living retirement adjustment in addition to his or her
17 retirement allowance in an amount equal to three percent (3%) of the original retirement allowance.
18 In each succeeding year thereafter during the month of January, the retirement allowance shall be
19 increased an additional three percent (3%) of the original allowance, compounded annually from
20 the year cost of living adjustment was first payable to be continued during the lifetime of the judge
21 or his or her surviving spouse or domestic partner. For the purpose of such computation, credit shall
22 be given for a full calendar year regardless of the effective date of the retirement allowance.

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

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

1 (CPI-U) as published by the United States Department of Labor Statistics determined as of
2 September 30 of the prior calendar year or three percent (3%), whichever is less on the month
3 following the anniversary date of each succeeding year. For judges eligible to retire as of September
4 30, 2009, or eligible upon passage of this article, and for their beneficiaries, the provisions of this
5 subsection (c) shall not apply.

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

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

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

33 In determining whether a funding level under this paragraph (d)(2) has been achieved, the
34 actuary shall calculate the funding percentage after taking into account the reinstatement of any

1 current or future benefit adjustment provided under this section.

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

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

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

12 (1)(A) As soon as administratively reasonable following the enactment into law of this
13 subsection (e)(1)(A), a one-time benefit adjustment shall be provided to justices and/or
14 beneficiaries of justices who retired on or before June 30, 2012, in the amount of two percent (2%)
15 of the lesser of either the justice's retirement allowance or the first twenty-five thousand dollars
16 (\$25,000) of the justice's retirement allowance. This one-time benefit adjustment shall be provided
17 without regard to the retiree's age or number of years since retirement.

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

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

26 (i) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
27 (the "subtrahend") from the five-year average investment return of the retirement system
28 determined as of the last day of the plan year preceding the calendar year in which the adjustment
29 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
30 (0%). The "five-year average investment return" shall mean the average of the investment returns
31 of the most recent five (5) plan years as determined by the retirement board. In the event the
32 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
33 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

34 (ii) Is equal to the lesser of three percent (3%) or the percentage increase in the Consumer

1 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
2 Statistics determined as of September 30 of the prior calendar year.

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

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

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

13 (2) Except as provided in subsection (e)(3), the benefit adjustments under subsection
14 (e)(1)(B) for any plan year shall be suspended in their entirety unless the funded ratio of the
15 employees' retirement system of Rhode Island, the judicial retirement benefits trust, and the state
16 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds
17 eighty percent (80%) in which event the benefit adjustment will be reinstated for all justices for
18 such plan year. [Effective July 1, 2024, the funded ratio of the employees' retirement system of](#)
19 [Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,](#)
20 [calculated by the system's actuary on an aggregate basis, of exceeding eighty percent \(80%\) for the](#)
21 [benefit adjustment to be reinstated for all members for such plan year shall be replaced with](#)
22 [seventy-five percent \(75%\).](#)

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

26 (3) Notwithstanding subsection (e)(2), effective for members and/or beneficiaries of
27 members who retired on or before June 30, 2015, in each fourth plan year commencing after June
28 30, 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of
29 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with subsection
30 (e)(1)(B) above; and (ii) The dollar amount in subsection (e)(1)(B)(II) of twenty-five thousand
31 eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and
32 twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode
33 Island, the judicial retirement benefits trust, and the state police retirement benefits trust, calculated
34 by the system's actuary on an aggregate basis, exceeds eighty percent (80%). [Effective July 1,](#)

1 [2024, the funded ratio of the employees' retirement system of Rhode Island, the judicial retirement](#)
2 [benefits trust and the state police retirement benefits trust, calculated by the system's actuary on an](#)
3 [aggregate basis, of exceeding eighty percent \(80%\) shall be replaced with seventy-five percent](#)
4 [\(75%\).](#)

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

12 SECTION 3. Sections 16-16-1, 16-16-13, 16-16-24.2 and 16-16-40 of the General Laws
13 in Chapter 16-16 entitled "Teachers' Retirement [See Title 16 Chapter 97 — The Rhode Island
14 Board of Education Act]" are hereby amended to read as follows:

15 **16-16-1. Definitions.**

16 (a) The following words and phrases used in this chapter, unless a different meaning is
17 plainly required by the context, have the following meanings:

18 (1) "Active member" means any teacher as defined in this section for whom the retirement
19 system is currently receiving regular contributions pursuant to §§ 16-16-22 and 16-16-22.1.

20 Except as otherwise provided in this section, the words and phrases used in this chapter, so
21 far as applicable, have the same meanings as they have in chapters 8 to 10 of title 36.

22 (2) "Beneficiary" means any person in receipt of annuity, benefit, or retirement allowance
23 from the retirement system as provided in this chapter.

24 (3) "Child" includes a stepchild of a deceased member who has been a stepchild for at least
25 one year immediately preceding the date on which the member died or an adopted child of a
26 deceased member without regard to the length of time the child has been adopted.

27 (4) "Former spouse divorced" means a person divorced from a deceased member, but only
28 if the person meets one of the following conditions:

29 (i) Is the mother or father of the deceased member's child(ren);

30 (ii) Legally adopted the deceased member's child(ren) while married to the deceased
31 member and while the child(ren) was under the age of eighteen (18) years;

32 (iii) Was married to the deceased member at the time both of them legally adopted a
33 child(ren) under the age of eighteen (18) years; or

34 (iv) Was married to the deceased member for ten (10) or more years and to whom the

1 deceased member was required by a court order to contribute post-divorce support.

2 (5) "Member" means any person included in the membership of the retirement system
3 under the provisions of this chapter.

4 (6) "Prior service" means service as a teacher rendered prior to the first day of July, 1949,
5 certified on the teacher's prior service certificate and allowable as prior service under the provisions
6 of this chapter.

7 (7) "Retired teacher" means any teacher who retired prior to July 1, 1949, pursuant to the
8 provisions of G.L. 1938, ch. 195, as amended, and who on June 30, 1949, was in receipt of a pension
9 under the provisions of that chapter.

10 (8) "Retirement system" and "system" means the employees' retirement system of the state
11 of Rhode Island created by chapter 8 of title 36, and "retirement board" means the board established
12 under that chapter.

13 (9) "Salary" or "compensation" includes any and all salary paid for teaching services
14 regardless of whether any part of the salary or compensation is derived from any state or federal
15 grant or appropriation for teachers' salaries, as the term is defined in § 36-8-1(8). "Average
16 compensation" shall be defined in accordance with section 36-8-1(5)~~(a)~~(b).

17 (10) "Service" means service as a teacher as described in subdivision (12) of this section.
18 Periods of employment as teacher, principal, assistant principal, supervisor, superintendent, or
19 assistant superintendent shall be combined in computing periods of service and employment.

20 (11) "Spouse" means the surviving person who was married to a deceased member, but
21 only if the surviving person meets one of the following conditions:

22 (i) Was married to the deceased member for not less than one year immediately prior to the
23 date on which the member died;

24 (ii) Is the mother or father of the deceased member's child(ren);

25 (iii) Legally adopted the deceased member's child(ren) while married to the deceased
26 member and while the child(ren) was under the age of eighteen (18) years; or

27 (iv) Was married to the deceased member at the time both of them legally adopted a
28 child(ren) under the age of eighteen (18) years.

29 (12) "Teacher" means a person required to hold a certificate of qualification issued by or
30 under the authority of the board of regents for elementary and secondary education and who is
31 engaged in teaching as their principal occupation and is regularly employed as a teacher in the
32 public schools of any city or town in the state, or any formalized, commissioner approved,
33 cooperative service arrangement. The term includes a person employed as a teacher, supervisor,
34 principal, assistant principal, superintendent, or assistant superintendent of schools, director,

1 assistant director, coordinator, consultant, dean, assistant dean, educational administrator, nurse
2 teacher, and attendance officer or any person who has worked in the field of education or is working
3 in the field of education who holds a teaching or administrative certificate. In determining the
4 number of days served by a teacher the total number of days served in any public school of any city
5 or town in the state may be combined for any one school year. The term also includes a school
6 business administrator whether or not the administrator holds a teaching or administrative
7 certificate, and also includes occupational therapists and physical therapists licensed by the
8 department of health and employed by a school committee in the state, or by any formalized,
9 commissioner approved, cooperative service arrangement.

10 (13) "Teaching" includes teaching, supervising, and superintending or assistant
11 superintending of schools.

12 (14) "Total service" means prior service as defined in subdivision (6) of this section, plus
13 service rendered as a member of the system on or after the first day of July, 1949.

14 (15) For purposes of this chapter, "domestic partner" shall be defined as a person who,
15 prior to the decedent's death, was in an exclusive, intimate, and committed relationship with the
16 decedent, and who certifies by affidavit that their relationship met the following qualifications:

17 (i) Both partners were at least eighteen (18) years of age and were mentally competent to
18 contract;

19 (ii) Neither partner was married to anyone else;

20 (iii) Partners were not related by blood to a degree that would prohibit marriage in the state
21 of Rhode Island;

22 (iv) Partners resided together and had resided together for at least one year at the time of
23 death; and

24 (v) Partners were financially interdependent as evidenced by at least two (2) of the
25 following:

26 (A) Domestic partnership agreement or relationship contract;

27 (B) Joint mortgage or joint ownership of primary residence;

28 (C) Two (2) of: (I) Joint ownership of motor vehicle; (II) Joint checking account; (III) Joint
29 credit account; (IV) Joint lease; and/or

30 (D) The domestic partner had been designated as a beneficiary for the decedent's will,
31 retirement contract, or life insurance.

32 (b) The masculine pronoun wherever used shall also include the feminine pronoun.

33 (c) Any term not specifically defined in this chapter and specifically defined in chapters 8
34 — 10 of title 36 shall have the same definition as set forth in chapters 8 — 10 of title 36.

1 or her average highest three (3) consecutive years of compensation multiplied by the number of
2 years of total service, but in no case to exceed eighty percent (80%) of the compensation, payable
3 at completion of thirty-five (35) years of service; provided, however, for teachers retiring on or
4 after October 1, 2009, who were not eligible to retire as of September 30, 2009, the calculation
5 shall be based on the average highest five (5) consecutive years of compensation; provided,
6 however for teachers retiring on or after July 1, 2024, the calculation shall be based on the average
7 highest three (3) consecutive years of compensation.

8 The retirement allowance of any teacher whose membership commenced after July 1, 2005,
9 or who has not completed at least ten (10) years of contributory service as of July 1, 2005, shall be
10 in an amount equal to the percentage allowance specified in Schedule B of his or her average
11 highest three (3) consecutive years of compensation multiplied by the number of years of total
12 service, but in no case to exceed seventy-five percent (75%) of the compensation, payable at
13 completion of thirty-eight (38) years of service; provided, however, for teachers retiring on or after
14 October 1, 2009, who were not eligible to retire as of September 30, 2009 the calculation shall be
15 based on the average highest five (5) consecutive years of compensation; provided, however for
16 teachers retiring on or after July 1, 2024, the calculation shall be based on the average highest three
17 (3) consecutive years of compensation.

18 Any teacher who has in excess of thirty-five (35) years on or before June 2, 1985, shall not
19 be entitled to any refund, and any teacher with thirty-five (35) years or more on or after June 2,
20 1985, shall contribute from July 1, 1985, until his or her retirement.

21 (c) For service prior to July 2012, the retirement allowance of a teacher shall be determined
22 in accordance with subsections (a)(1) and (a)(2) above. For service on and after July 1, 2012:

23 (i) For teachers with fewer than twenty (20) years of total service as of June 30, 2012, a
24 teacher's retirement allowance shall be equal to one percent (1%) of the teacher's average
25 compensation multiplied by the teacher's years of total service on and after July 1, 2012; and

26 (ii) For teachers with twenty (20) or more years of total service as of June 30, 2012, a
27 teacher's retirement allowance shall be equal to one percent (1%) of the teacher's average
28 compensation multiplied by the teacher's years of total service between July 1, 2012, and June 30,
29 2015, and two percent (2%) of the teacher's average compensation multiplied by the teacher's years
30 of total service on and after July 1, 2015. For purposes of computing a teacher's total service under
31 the preceding sentence, service purchases shall be included in total service only with respect to
32 those service purchases approved prior to June 30, 2012, and those applications for service
33 purchases received by the retirement system on or before June 30, 2012. In no event shall a
34 teacher's retirement allowance exceed the maximum limitations set forth in subsection (b) above.

1 **16-16-24.2. Substitute teaching and post-retirement employment related to statewide**
2 **staffing.**

3 (a) Notwithstanding any public or general law, or rule or regulation to the contrary, any
4 teacher, administrator, or staff member who has retired under the provisions of title 16, 36, or 45
5 may exceed the ninety-day (90) cap on post-retirement employment upon:

6 (1) A determination by the local education authority that there exists a specialized need,
7 within their authority, to fill positions on a temporary basis, that may exceed the ninety-day (90)
8 cap on post-retirement employment;

9 (2) Retired teachers, administrators, and staff members being asked to exceed the ninety-
10 day (90) cap on post-retirement employment possess the skills, training, and knowledge necessary
11 to help address teacher and administrative staffing shortages; and

12 (3) The local education authority has notified the state retirement board that it has
13 determined that exceeding the ninety-day (90) cap on post-retirement employment is necessary to
14 help address teacher and administrative staffing shortages.

15 Provided, however, that no employment may be offered to a retiree subject to this section
16 unless the employer has made a good-faith effort each school year to fill the position with a
17 nonretired employee without success, and certifies, in writing, that it has done so to the employees'
18 retirement system and to the bargaining agents of all education unions with whom the employer
19 has collective bargaining agreements.

20 (b) Any teacher, administrator, or staff member who has retired under the provisions of
21 title 16, 36, or 45, and has been employed or re-employed under the provisions of this section, shall
22 not be entitled to additional service credits for such employment, and the teacher, administrator, or
23 staff member shall not be responsible for any contribution to the pension system as a result of the
24 employment; provided however, the local educational authority shall make the employer
25 contribution for the teacher, administrator, or staff member as if the district had hired a new teacher,
26 administrator or staff member.

27 (c) This section shall become effective on June 21, 2024, and unless ~~Unless~~ extended by
28 the general assembly, this section shall sunset on June 20, ~~2024~~ 2025.

29 **16-16-40. Additional benefits payable to retired teachers.**

30 (a) All teachers and all beneficiaries of teachers receiving any service retirement or
31 ordinary or accidental disability retirement allowance pursuant to the provisions of this chapter and
32 chapter 17 of this title, on or before December 31, 1967, shall receive a cost of living retirement
33 adjustment equal to one and one-half percent (1.5%) per year of the original retirement allowance,
34 not compounded, for each year the retirement allowance has been in effect. For purposes of

1 computation credit shall be given for a full calendar year regardless of the effective date of the
2 retirement allowance. This cost of living retirement adjustment shall be added to the amount of the
3 service retirement allowance as of January 1, 1970, and payment shall begin as of July 1, 1970. An
4 additional cost of living retirement adjustment shall be added to the original retirement allowance
5 equal to three percent (3%) of the original retirement allowance on the first day of January, 1971,
6 and each year thereafter through December 31, 1980.

7 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary
8 disability retirement allowance pursuant to the provisions of this title who retired on or after January
9 1, 1968, shall, on the first day of January, next following the third (3rd) year on retirement, receive
10 a cost of living adjustment, in addition to his or her retirement allowance, an amount equal to three
11 percent (3%) of the original retirement allowance. In each succeeding year thereafter, on the first
12 day of January, the retirement allowance shall be increased an additional three percent (3%) of the
13 original retirement allowance, not compounded, to be continued through December 31, 1980.

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

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

26 (3) The retirement allowance of all teachers and all beneficiaries of teachers who have not
27 completed at least ten (10) years of contributory service on or before July 1, 2005, or were not
28 eligible to retire as of September 30, 2009, shall, on the month following the third anniversary date
29 of the retirement, and on the month following the anniversary date of each succeeding year be
30 adjusted and computed by multiplying the retirement allowance by three percent (3%) or the
31 percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published
32 by the United States Department of Labor Statistics, determined as of September 30 of the prior
33 calendar year, whichever is less; the cost of living adjustment shall be compounded annually from
34 the year for which the cost of living adjustment was determined payable by the retirement board;

1 provided, that no adjustment shall cause any retirement allowance to be decreased from the
2 retirement allowance provided immediately before such adjustment.

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

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

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

20 (1) Notwithstanding the prior paragraphs of this section, and subject to subsection (f)(2)
21 below, for all present and former teachers, active and retired teachers, and beneficiaries receiving
22 any retirement, disability or death allowance or benefit of any kind, the annual benefit adjustment
23 provided in any calendar year under this section shall be equal to (A) multiplied by (B) where (A)
24 is equal to the percentage determined by subtracting five and one-half percent (5.5%) (the
25 “subtrahend”) from the Five-Year Average Investment Return of the retirement system determined
26 as of the last day of the plan year preceding the calendar year in which the adjustment is granted,
27 said percentage not to exceed four percent (4%) and not to be less than zero percent (0%), and (B)
28 is equal to the lesser of the teacher’s retirement allowance or the first twenty-five thousand dollars
29 (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000) amount to be
30 indexed annually in the same percentage as determined under (f)(1)(A) above. The “Five-Year
31 Average Investment Return” shall mean the average of the investment returns of the most recent
32 five (5) plan years as determined by the retirement board. Subject to subsection (f)(2) below, the
33 benefit adjustment provided by this subsection (f)(1) shall commence upon the third (3rd)
34 anniversary of the date of retirement or the date on which the retiree reaches his or her Social

1 Security retirement age, whichever is later. In the event the retirement board adjusts the actuarially
2 assumed rate of return for the system, either upward or downward, the subtrahend shall be adjusted
3 either upward or downward in the same amount.

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

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

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

19 (4) Notwithstanding any other provisions of this chapter, the provisions of this subsection
20 (f) shall become effective July 1, 2012, and shall apply to any benefit adjustments not granted on
21 or prior to June 30, 2012.

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

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

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

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

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

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

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

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

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

22 (2) Except for teachers and/or beneficiaries of teachers who retired on or before June 30,
23 2012, the ~~The~~ benefit adjustments under subsection (g)(1)(B) for any plan year shall be reduced to
24 twenty-five percent (25%) of the benefit adjustment unless the funded ratio of the employees’
25 retirement system of Rhode Island, the judicial retirement benefits trust and the state police
26 retirement benefits trust, calculated by the system’s actuary on an aggregate basis, exceeds eighty
27 percent (80%) in which event the benefit adjustment will be reinstated for all teachers for such plan
28 year. Effective July 1, 2024, the funded ratio of the employees’ retirement system of Rhode Island,
29 the judicial retirement benefits trust and the state police retirement benefits trust, calculated by the
30 system’s actuary on an aggregate basis, of exceeding eighty percent (80%) for the benefit
31 adjustment to be reinstated for all teachers for such plan year shall be replaced with seventy-five
32 percent (75%).

33 In determining whether a funding level under this subsection (g)(2) has been achieved, the
34 actuary shall calculate the funding percentage after taking into account the reinstatement of any

1 current or future benefit adjustment provided under this section.

2 (3) Effective for teachers and/or beneficiaries of teachers who retired [after June 30, 2012](#)
3 [or](#) on or before June 30, 2015, the dollar amount in subsection (g)(1)(B)(II) of twenty-five thousand
4 eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and
5 twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode
6 Island, the judicial retirement benefits trust and the state police retirement benefits trust, calculated
7 by the system's actuary on an aggregate basis, exceeds eighty percent (80%). [Effective July 1,](#)
8 [2024, the funded ratio of the employees' retirement system of Rhode Island, the judicial retirement](#)
9 [benefits trust and the state police retirement benefits trust, calculated by the system's actuary on an](#)
10 [aggregate basis, of exceeding eighty percent \(80%\) shall be replaced with seventy-five percent](#)
11 [\(75%\).](#)

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

19 SECTION 4. Section 36-8-1 of the General Laws in Chapter 36-8 entitled "Retirement
20 System — Administration" is hereby amended to read as follows:

21 **36-8-1. Definition of terms.**

22 The following words and phrases as used in chapters 8 to 10 of this title unless a different
23 meaning is plainly required by the context, shall have the following meanings:

24 (1) "Accumulated contributions" shall mean the sum of all the amounts deducted from the
25 compensation of a member and credited to his or her individual pension account.

26 (2) "Active member" shall mean any employee of the state of Rhode Island as defined in
27 this section for whom the retirement system is currently receiving regular contributions pursuant to
28 §§ 36-10-1 and 36-10-1.1.

29 (3) "Actuarial equivalent" shall mean an allowance or benefit of equal value to any other
30 allowance or benefit when computed upon the basis of the actuarial tables in use by the system.

31 (4) "Annuity reserve" shall mean the present value of all payments to be made on account
32 of any annuity, benefit, or retirement allowance granted under the provisions of chapter 10 of this
33 title computed upon the basis of such mortality tables as shall be adopted from time to time by the
34 retirement board with regular interest.

1 (5)(a) "Average compensation" for members eligible to retire as of September 30, 2009
2 shall mean the average of the highest three (3) consecutive years of compensation, within the total
3 service when the average compensation was the highest. For members eligible to retire on or after
4 October 1, 2009, "Average compensation" shall mean the average of the highest five (5)
5 consecutive years of compensation within the total service when the average compensation was the
6 highest.

7 (b) For members eligible to and who retire on or after July 1, 2024, "average compensation"
8 means the average of the highest three (3) consecutive years of compensation within the total
9 service when the average compensation was the highest.

10 ~~(b)~~(c) For members who become eligible to retire on or after July 1, 2012, if more than
11 one-half (½) of the member's total years of service consist of years of service during which the
12 member devoted less than thirty (30) business hours per week to the service of the state, but the
13 member's average compensation consists of three (3) or more years during which the member
14 devoted more than thirty (30) business hours per week to the service of the state, such member's
15 average compensation shall mean the average of the highest ten (10) consecutive years of
16 compensation within the total service when the average compensation was the highest; provided
17 however, effective July 1, 2015, if such member's average compensation as defined in subsection
18 (a) Above is equal to or less than thirty-five thousand dollars (\$35,000), such amount to be indexed
19 annually in accordance with § 36-10-35(h)(1)(B), such member's average compensation shall mean
20 the greater of: (i) The average of the highest ten (10) consecutive years of compensation within the
21 total service when the average compensation was the highest; or (ii) The member's average
22 compensation as defined in subsection (a) above. To protect a member's accrued benefit on June
23 30, 2012 under this § 36-8-1(5)~~(b)~~(c), in no event shall a member's average compensation be lower
24 than his or her average compensation determined as of June 30, 2012.

25 (6) "Beneficiary" shall mean any person in receipt of a pension, an annuity, a retirement
26 allowance, or other benefit as provided by chapter 10 of this title.

27 (7) "Casual employee" shall mean those persons hired for a temporary period, a period of
28 emergency or an occasional period.

29 (8) "Compensation" as used in chapters 8 — 10 of this title, chapters 16 and 17 of title 16,
30 and chapter 21 of title 45 shall mean salary or wages earned and paid for the performance of duties
31 for covered employment, including regular longevity or incentive plans approved by the board, but
32 shall not include payments made for overtime or any other reason other than performance of duties,
33 including but not limited to the types of payments listed below:

34 (i) Payments contingent on the employee having terminated or died;

1 (ii) Payments made at termination for unused sick leave, vacation leave, or compensatory
2 time;

3 (iii) Payments contingent on the employee terminating employment at a specified time in
4 the future to secure voluntary retirement or to secure release of an unexpired contract of
5 employment;

6 (iv) Individual salary adjustments which are granted primarily in anticipation of the
7 employee's retirement;

8 (v) Additional payments for performing temporary or extra duties beyond the normal or
9 regular work day or work year.

10 (9) "Employee" shall mean any officer or employee of the state of Rhode Island whose
11 business time is devoted exclusively to the services of the state, but shall not include one whose
12 duties are of a casual or seasonal nature. The retirement board shall determine who are employees
13 within the meaning of this chapter. The governor of the state, the lieutenant governor, the secretary
14 of state, the attorney general, the general treasurer, and the members of the general assembly, ex
15 officio, shall not be deemed to be employees within the meaning of that term unless and until they
16 elect to become members of the system as provided in § 36-9-6, but in no case shall it deem as an
17 employee, for the purposes of this chapter, any individual who devotes less than twenty (20)
18 business hours per week to the service of the state, and who receives less than the equivalent of
19 minimum wage compensation on an hourly basis for his or her services, except as provided in §
20 36-9-24. Any commissioner of a municipal housing authority or any member of a part-time state,
21 municipal or local board, commission, committee or other public authority shall not be deemed to
22 be an employee within the meaning of this chapter.

23 (10) "Full actuarial costs" or "full actuarial value" shall mean the lump sum payable by a
24 member claiming service credit for certain employment for which that payment is required which
25 is determined according to the age of the member and the employee's annual rate of compensation
26 at the time he or she applies for service credit and which is expressed as a rate percent of the
27 employee's annual rate of compensation to be multiplied by the number of years for which he or
28 she claims service credit as prescribed in a schedule adopted by the retirement board from time to
29 time on the basis of computation by the actuary. Except as provided in §§ 16-16-7.1, 36-5-3, 36-9-
30 31, 36-10-10.4, 45-21-53, 36-10-8, 45-21-29, 8-3-16(c), 8-8-10.1(c), 42-28-22.1(d) and 28-30-
31 18.1(c):

32 (i) all service credit purchases requested after June 16, 2009 and prior to July 1, 2012, shall
33 be at full actuarial value; and

34 (ii) all service credit purchases requested after June 30, 2012 shall be at full actuarial value

1 which shall be determined using the system's assumed investment rate of return minus one percent
2 (1%).

3 The rules applicable to a service credit purchase shall be the rules of the retirement system
4 in effect at the time the purchase application is submitted to the retirement system.

5 (11) "Funded ratio" shall mean the ratio of the actuarial value of assets to the actuarial
6 accrued liability consistent with the funding policy of the retirement board as defined in § 36-8-4.

7 (12) "Inactive member" shall mean a member who has withdrawn from service as an
8 employee but who has not received a refund of contributions.

9 (13) "Members" shall mean any person included in the membership of the retirement
10 system as provided in §§ 36-9-1 — 36-9-7.

11 (14) "Prior service" shall mean service as a member rendered before July 1, 1936, certified
12 on his or her prior service certificate and allowable as provided in § 36-9-28.

13 (15) "Regular interest" shall mean interest at the assumed investment rate of return,
14 compounded annually, as may be prescribed from time to time by the retirement board.

15 (16) "Retirement allowance" shall mean annual payments for life made after retirement
16 under and in accordance with chapters 8 to 10 of this title. All allowances shall be paid in equal
17 monthly installments beginning as of the effective date thereof; provided, that a smaller pro rata
18 amount may be paid for part of a month where separation from service occurs during the month in
19 which the application was filed, and when the allowance ceases before the last day of the month.

20 (17) "Retirement board" or "board" shall mean the board provided in § 36-8-3 to administer
21 the retirement system.

22 (18) "Retirement system" shall mean the employees' retirement system of the state of
23 Rhode Island as defined in § 36-8-2.

24 (19) "Service" shall mean service as an employee of the state of Rhode Island as described
25 in subdivision (9) of this section.

26 (20) "Social Security retirement age" shall mean a member's full retirement age as
27 determined in accordance with the federal Old Age, Survivors and Disability Insurance Act, not to
28 exceed age sixty-seven (67).

29 (21) "Total service" shall mean prior service as defined above, plus service rendered as a
30 member on or after July 1, 1936.

31 SECTION 5. Sections 36-10-1, 36-10-10, 36-10-35 and 36-10-36 of the General Laws in
32 Chapter 36-10 entitled "Retirement System — Contributions and Benefits" are hereby amended to
33 read as follows:

34 **36-10-1. Member contributions — Deduction from compensation.**

1 (a)(1) Prior to July 1, 2012, each member of the retirement system shall contribute an
2 amount equal to eight and three-quarters percent (8.75%) of his or her compensation as his or her
3 share of the cost of annuities, benefits, and allowances. Effective July 1, 2012, each member of the
4 retirement system shall contribute an amount equal to three and three quarters percent (3.75%) of
5 his or her compensation, except for correctional officers as defined in § 36-10-9.2 who shall
6 contribute an amount equal to eight and three quarters percent (8.75%) of his or her compensation.
7 Effective July 1, 2015, each member of the retirement system, except for correctional officers as
8 defined in § 36-10-9.2, with twenty (20) or more years of total service as of June 30, 2012 shall
9 contribute an amount equal to eleven percent (11%) of compensation. The contributions shall be
10 made in the form of deductions from compensation.

11 2) Effective January 1, 2025, those members of the retirement system who are state
12 employees employed as deputy sheriffs, capitol police officers, environmental police officers,
13 juvenile program workers, shift coordinators, firefighters, crew chiefs, assistant chiefs, fire
14 investigators, fire safety inspectors, fire safety training officers, explosives and flammable liquids
15 technicians, and campus police officers employed by the State of Rhode Island shall contribute an
16 amount equal to ten percent (10%) of compensation.

17 (3) The contributions shall be made in the form of deductions from compensation.

18 (b) The deductions provided for herein shall be made notwithstanding that the minimum
19 compensation provided by law for any member shall be reduced thereby. Every member shall be
20 deemed to consent and agree to the deductions made and provided for herein and receipt of his or
21 her full compensation and payment of compensation, less the deductions, shall be a full and
22 complete discharge and acquittance of all claims and demands whatsoever for the services rendered
23 by the person during the period covered by the payment except as to the benefit provided under this
24 chapter.

25 **36-10-10. Amount of service retirement allowance.**

26 (a)(1)(i) For employees eligible to retire on or before September 30, 2009, upon retirement
27 for service under § 36-10-9, a member whose membership commenced before July 1, 2005, and
28 who has completed at least ten (10) years of contributory service on or before July 1, 2005, shall
29 receive a retirement allowance which shall be determined in accordance with schedule A below for
30 service prior to July 1, 2012:

31 Schedule A

32 Years of Service	Percentage Allowance
33 1st through 10th inclusive	1.7%
34 11th through 20th inclusive	1.9%

1	21st through 34th inclusive	3.0%
2	35 th	2.0%

3 (ii) For employees eligible to retire on or after October 1, 2009, who were not eligible to
4 retire on or before September 30, 2009, upon retirement from service under § 36-10-9, a member
5 whose membership commenced before July 1, 2005, and who has completed at least ten (10) years
6 of contributory service on or before July 1, 2005, shall receive a retirement allowance which shall
7 be determined in accordance with schedule A above for service on before September 30, 2009, and
8 shall be determined in accordance with schedule B in subsection (a)(2) below for service on or after
9 October 1, 2009, and prior to July 1, 2012.

10 (2) Upon retirement for service under § 36-10-9, a member whose membership commenced
11 after July 1, 2005, or who has not completed at least ten (10) years of contributory service as of
12 July 1, 2005, shall, receive a retirement allowance which shall be determined in accordance with
13 Schedule B below for service prior to July 1, 2012:

14 Schedule B

15	Years of Service	Percentage Allowance
16	1st through 10th inclusive	1.60%
17	11th through 20th inclusive	1.80%
18	21st through 25th inclusive	2.0%
19	26th through 30th inclusive	2.25%
20	31st through 37th inclusive	2.50%
21	38 th	2.25%

22 (b) The retirement allowance of any member whose membership commenced before July
23 1, 2005, and who has completed at least ten (10) years of contributory service on or before July 1,
24 2005, shall be in an amount equal to the percentage allowance specified in subsection (a)(1) of his
25 or her average highest three (3) consecutive years of compensation multiplied by the number of
26 years of total service, but in no case to exceed eighty percent (80%) of the compensation payable
27 at completion of thirty-five (35) years of service; provided, however, for employees retiring on or
28 after October 1, 2009, who were not eligible to retire as of September 30, 2009 the calculation shall
29 be based on the average highest five (5) consecutive years of compensation; provided, however,
30 for employees retiring on or after July 1, 2024, the calculation shall be based on the average highest
31 three (3) consecutive years of compensation. Any member who has in excess of thirty-five (35)
32 years on or before June 2, 1985, shall not be entitled to any refund, and any member with thirty-
33 five (35) years or more on or after June 2, 1985, shall contribute from July 1, 1985, until his or her
34 retirement.

1 The retirement allowance of any member whose membership commenced after July 1,
2 2005, or who had not completed at least ten (10) years of contributory service as of July 1, 2005,
3 shall, be in an amount equal to the percentage allowance specified in Schedule B of his or her
4 average highest three (3) consecutive years of compensation multiplied by the number of years of
5 total service, but in no case to exceed seventy-five percent (75%) of the compensation payable at
6 the completion of thirty-eight (38) years of service; provided, however, for employees retiring on
7 or after October 1, 2009, who were not eligible to retire as of September 30, 2009, the calculation
8 shall be based on the average highest five (5) consecutive years of compensation; provided,
9 however, for employees retiring on or after July 1, 2024, the calculation shall be based on the
10 average highest three (3) consecutive years of compensation.

11 (c) Any member with thirty-eight (38) years or more of service prior to December 31, 1985,
12 shall not be required to make additional contributions. Contributions made between December 31,
13 1985, and July 1, 1987, by members with thirty-eight (38) or more years of service prior to
14 December 31, 1985, shall be refunded by the retirement board to the persons, their heirs,
15 administrators, or legal representatives.

16 (d) For service prior to July 1, 2012, the retirement allowance of a member shall be
17 determined in accordance with subsections (a)(1) and (a)(2) above. For service on and after July 1,
18 2012, a member's retirement allowance shall be equal to:

19 (i) For members with fewer than twenty (20) years of total service as of June 30, 2012, one
20 percent (1%) of the member's average compensation multiplied by the member's years of total
21 service on and after July 1 2012; and

22 (ii) For members with twenty (20) or more years of total service as of June 30, 2012, a
23 member's retirement allowance shall be equal to one percent (1%) of the member's average
24 compensation multiplied by the member's years of total service between July 1, 2012, and June 30,
25 2015, and two percent (2%) of the member's average compensation multiplied by the member's
26 years of total service on and after July 1, 2015. For purposes of computing a member's total service
27 under the preceding sentence, service purchases shall be included in total service only with respect
28 to those service purchases approved prior to June 30, 2012, and those applications for service
29 purchases received by the retirement system on or before June 30, 2012.

30 In no event shall a member's retirement allowance exceed the maximum limitations set
31 forth in paragraph (b) above.

32 **36-10-35. Additional benefits payable to retired employees.**

33 (a) All state employees and all beneficiaries of state employees receiving any service
34 retirement or ordinary or accidental disability retirement allowance pursuant to the provisions of

1 this title on or before December 31, 1967, shall receive a cost of living retirement adjustment equal
2 to one and one-half percent (1.5%) per year of the original retirement allowance, not compounded,
3 for each calendar year the retirement allowance has been in effect. For the purposes of computation,
4 credit shall be given for a full calendar year regardless of the effective date of the retirement
5 allowance. This cost of living adjustment shall be added to the amount of the retirement allowance
6 as of January 1, 1968, and an additional one and one-half percent (1.5%) shall be added to the
7 original retirement allowance in each succeeding year during the month of January, and provided
8 further, that this additional cost of living increase shall be three percent (3%) for the year beginning
9 January 1, 1971, and each year thereafter, through December 31, 1980. Notwithstanding any of the
10 above provisions, no employee receiving any service retirement allowance pursuant to the
11 provisions of this title on or before December 31, 1967, or the employee's beneficiary, shall receive
12 any additional benefit hereunder in an amount less than two hundred dollars (\$200) per year over
13 the service retirement allowance where the employee retired prior to January 1, 1958.

14 (b) All state employees and all beneficiaries of state employees retired on or after January
15 1, 1968, who are receiving any service retirement or ordinary or accidental disability retirement
16 allowance pursuant to the provisions of this title shall, on the first day of January next following
17 the third anniversary date of the retirement, receive a cost of living retirement adjustment, in
18 addition to his or her retirement allowance, in an amount equal to three percent (3%) of the original
19 retirement allowance. In each succeeding year thereafter through December 31, 1980, during the
20 month of January, the retirement allowance shall be increased an additional three percent (3%) of
21 the original retirement allowance, not compounded, to be continued during the lifetime of the
22 employee or beneficiary. For the purposes of computation, credit shall be given for a full calendar
23 year regardless of the effective date of the service retirement allowance.

24 (c)(1) Beginning on January 1, 1981, for all state employees and beneficiaries of the state
25 employees receiving any service retirement and all state employees, and all beneficiaries of state
26 employees, who have completed at least ten (10) years of contributory service on or before July 1,
27 2005, pursuant to the provisions of this chapter, and for all state employees, and all beneficiaries
28 of state employees who receive a disability retirement allowance pursuant to §§ 36-10-12 — 36-
29 10-15, the cost of living adjustment shall be computed and paid at the rate of three percent (3%) of
30 the original retirement allowance or the retirement allowance as computed in accordance with §
31 36-10-35.1, compounded annually from the year for which the cost of living adjustment was
32 determined to be payable by the retirement board pursuant to the provisions of subsection (a) or (b)
33 of this section. Such cost of living adjustments are available to members who retire before October
34 1, 2009, or are eligible to retire as of September 30, 2009.

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

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

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

30 (e) All legislators and all beneficiaries of legislators who are receiving a retirement
31 allowance pursuant to the provisions of § 36-10-9.1 for a period of three (3) or more years, shall,
32 commencing January 1, 1982, receive a cost of living retirement adjustment, in addition to a
33 retirement allowance, in an amount equal to three percent (3%) of the original retirement allowance.
34 In each succeeding year thereafter during the month of January, the retirement allowance shall be

1 increased an additional three percent (3%) of the original retirement allowance, compounded
2 annually, to be continued during the lifetime of the legislator or beneficiary. For the purposes of
3 computation, credit shall be given for a full calendar year regardless of the effective date of the
4 service retirement allowance.

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

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

7 (1) Notwithstanding the prior paragraphs of this section, and subject to subsection (g)(2)
8 below, for all present and former employees, active and retired members, and beneficiaries
9 receiving any retirement, disability or death allowance or benefit of any kind, the annual benefit
10 adjustment provided in any calendar year under this section shall be equal to (A) multiplied by (B)
11 where (A) 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%), and (B) is equal to the lesser of the member’s retirement allowance or the first twenty-five
16 thousand dollars (\$25,000) of retirement allowance, such twenty-five thousand dollars (\$25,000)
17 amount to be indexed annually in the same percentage as determined under (g)(1)(A) above. The
18 “Five-Year Average Investment Return” shall mean the average of the investment returns of the
19 most recent five (5) plan years as determined by the retirement board. Subject to subsection (g)(2)
20 below, the benefit adjustment provided by this subsection (g)(1) shall commence upon the third
21 (3rd) anniversary of the date of retirement or the date on which the retiree reaches his or her Social
22 Security retirement age, whichever is later. In the event the retirement board adjusts the actuarially
23 assumed rate of return for the system, either upward or downward, the subtrahend shall be adjusted
24 either upward or downward in the same amount.

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

31 In determining whether a funding level under this subsection (g)(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 (g)(2), in each fifth plan year commencing after June 30,

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

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

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

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

16 (B) Notwithstanding the prior subsections of this section, for all present and former
17 employees, active and retired members, and beneficiaries receiving any retirement, disability or
18 death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year
19 under this section for adjustments on and after January 1, 2016, and subject to subsection (h)(2)
20 below, shall be equal to (I) multiplied by (II):

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

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

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

34 (II) Is equal to the lesser of either the member's retirement allowance or the first twenty-

1 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
2 to be indexed annually in the same percentage as determined under subsection (h)(1)(B)(I) above.

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

8 (2) Except for members and/or beneficiaries of members who retired on or before June 30,
9 2012 the ~~The~~ benefit adjustments under subsection (h)(1)(B) for any plan year shall be reduced to
10 twenty-five percent (25%) of the benefit adjustment unless the funded ratio of the employees'
11 retirement system of Rhode Island, the judicial retirement benefits trust and the state police
12 retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds eighty
13 percent (80%) in which event the benefit adjustment will be reinstated for all members for such
14 plan year. Effective July 1, 2024, the funded ratio of the employees' retirement system of Rhode
15 Island, the judicial retirement benefits trust and the state police retirement benefits trust, calculated
16 by the system's actuary on an aggregate basis, of exceeding eighty percent (80%) for the benefit
17 adjustment to be reinstated for all members for such plan year shall be replaced with seventy-five
18 percent (75%).

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

22 (3) Effective for members and/or beneficiaries of members who retired after June 30, 2012
23 or on or before June 30, 2015, the dollar amount in subsection (h)(1)(B)(II) of twenty-five thousand
24 eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and
25 twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode
26 Island, the judicial retirement benefits trust and the state police retirement benefits trust, calculated
27 by the system's actuary on an aggregate basis, exceeds eighty percent (80%). Effective July 1,
28 2024, the funded ratio of the employees' retirement system of Rhode Island, the judicial retirement
29 benefits trust and the state police retirement benefits trust, calculated by the system's actuary on an
30 aggregate basis, of exceeding eighty percent (80%) shall be replaced with seventy-five percent
31 (75%).

32 (i) Effective for members and/or beneficiaries of members who have retired on or before
33 July 1, 2015, a one-time stipend of five hundred dollars (\$500) shall be payable within sixty (60)
34 days following the enactment of the legislation implementing this provision, and a second one-time

1 stipend of five hundred dollars (\$500) in the same month of the following year. These stipends
2 shall be payable to all retired members or beneficiaries receiving a benefit as of the applicable
3 payment date and shall not be considered cost of living adjustments under the prior provisions of
4 this section.

5 **36-10-36. Post-retirement employment.**

6 (a) On and after July 7, 1994, no member who has retired under the provisions of title 16,
7 36, or 45 may be employed or reemployed by any state agency or department unless any and all
8 retirement benefits to which he or she may be entitled by virtue of the provisions of title 16, 36, or
9 45 are suspended for the duration of any employment or reemployment. No additional service
10 credits shall be granted for any post-retirement employment or reemployment and no deductions
11 shall be taken from an individual's salary for retirement contribution. Notice of any such post-
12 retirement employment or reemployment shall be sent monthly to the retirement board by the
13 employing agency or department and by the retired member.

14 (b) Any member who has retired under the provisions of title 16, 36, or 45 may be
15 employed or reemployed by any municipality within the state that has accepted the provisions of
16 chapter 21 of title 45 and participates in the municipal employees' retirement system for a period
17 of not more than seventy-five (75) working days or one hundred fifty (150) half days with half-day
18 pay in any one calendar year without any forfeiture or reduction of any retirement benefits and
19 allowances the member is receiving, or may receive, as a retired member. Pension payments shall
20 be suspended whenever this period is exceeded. No additional contributions shall be taken, and no
21 additional service credits shall be granted, for this service. Notice of this employment or
22 reemployment shall be sent monthly to the retirement board by the employer and by the retired
23 member.

24 (c) Any member who has retired under the provisions of title 16, 36, or 45 may be employed
25 or reemployed by any municipality within the state that has not accepted the provisions of chapter
26 21 of title 45 and that does not participate in the municipal employees' retirement system.

27 (d) Notwithstanding the provisions of this section:

28 (1) Any retired member of the system shall be permitted to serve as an elected mayor, the
29 town administrator, the city administrator, the town manager, the city manager, the chief
30 administrative officer, or the chief executive officer of any city or town, city or town council
31 member, school committee member, or unpaid member of any part-time state board or commission
32 or member of any part-time municipal board or commission, and shall continue to be eligible for,
33 and receive, the retirement allowance for service other than that as a mayor, administrator, council
34 member, school committee member, or member of any state board or commission or member of

1 any part-time municipal board or commission; provided, however, that no additional service credits
2 shall be granted for any service under this subsection;

3 (2) Any retired member, who retired from service at any state college, university, state
4 school, or who retired from service as a teacher under the provisions of title 16, or who retired from
5 service under title 36 or title 45, may be employed or reemployed, on a part-time basis, by any state
6 college, university, or state school for the purpose of providing classroom instruction, academic
7 advising of students, and/or coaching. Compensation shall be provided at a level not to exceed the
8 salary provided to other faculty members employed under a collective bargaining agreement at the
9 institution. In no event shall “part-time” mean gross pay of more than ~~eighteen thousand dollars~~
10 ~~(\$18,000)~~ twenty-five thousand dollars (\$25,000) in any one calendar year. Any retired member
11 who provides such instruction or service shall do so without forfeiture or reduction of any
12 retirement benefit or allowance; provided, however, that no additional service credits shall be
13 granted for any service under this subsection;

14 (3) Any retired member who retired from service as a teacher under the provisions of title
15 16, or as a state employee who, while an active state employee, was certified to teach driver
16 education by the department of elementary and secondary education or by the board of governors
17 for higher education, may be employed or reemployed, on a part-time basis, by the department of
18 elementary and secondary education or by the board of governors of higher education for the
19 purpose of providing classroom instruction in driver education courses in accordance with § 31-
20 10-19 and/or motorcycle driver education courses in accordance with § 31-10.1-1.1. In no event
21 shall “part-time” mean gross pay of more than fifteen thousand dollars (\$15,000) in any one
22 calendar year. Any retired teacher who provides that instruction shall do so without forfeiture or
23 reduction of any retirement benefit or allowance the retired teacher is receiving as a retired teacher;
24 provided, however, that no additional service credits shall be granted for any service under this
25 subsection;

26 (4) Any retired member who retired from service as a registered nurse may be employed
27 or reemployed, on a per-diem basis, for the purpose of providing professional nursing care and/or
28 services at a state-operated facility in Rhode Island, including employment as a faculty member of
29 a nursing program at a state-operated college or university. In no event shall “part-time” mean gross
30 pay of more than a period of seventy-five (75) working days or one hundred fifty (150) half days
31 with half pay in any one calendar year. Any retired nurse who provides such care and/or services
32 shall do so without forfeiture or reduction of any retirement benefit or allowance the retired nurse
33 is receiving as a retired nurse; provided, however, that no additional service credits shall be granted
34 for any service under this subsection. Pension payments shall be suspended whenever this period

1 is exceeded. No additional contributions shall be taken and no additional service credits shall be
2 granted for this service. Notice of this employment or reemployment shall be sent monthly to the
3 retirement board by the employer and by the retired member;

4 (5) Any retired member who, at the time of passage of this section, serves as a general
5 magistrate within the family court and thereafter retires from judicial service, may be employed or
6 reemployed by the family court to perform such services as a general magistrate of the family court
7 as the chief judge of the family court shall prescribe without any forfeiture or reduction of any
8 retirement benefits and allowances that he or she is receiving or may receive. For any such services
9 or assignments performed after retirement, the general magistrate shall receive no compensation
10 whatsoever, either monetary or in kind. No additional contributions shall be taken and no additional
11 service credits shall be granted for this service;

12 (6) Any retired district court clerk/magistrate or magistrate of the district court who shall
13 subsequently be assigned to perform service in accordance with § 8-8-8.1 or § 8-8-16.2(e), may be
14 employed or reemployed by the district court to perform such services as a magistrate as the chief
15 judge of the district court shall prescribe without any forfeiture or reduction of any retirement
16 benefits and allowance that he or she is receiving or may receive. For any such services or
17 assignment performed after retirement, the district court clerk/magistrate or magistrate shall
18 receive, in addition to his or her retirement pension, the difference in pay and fringe benefits
19 between his or her retirement pension, and that of a sitting magistrate of the district court with
20 comparable state service time. No additional contributions shall be taken and no additional service
21 credits shall be granted for this service; and

22 (7) Any retired member of the system shall be permitted to serve as a municipal employee
23 without any forfeiture or reduction of any retirement benefits and allowances that he or she is
24 receiving or may receive; provided, that said member shall be appointed by and serves at the
25 pleasure of the highest elected chief executive officer, as defined in § 45-9-2, in any city or town
26 subject to the provisions of chapter 9 of title 45 entitled "Budget Commissions" relating to the
27 appointment of a fiscal overseer, budget commission, receiver, and/or financial advisor. Provided
28 further, that no additional service credits shall be granted for any service under this subsection.

29 SECTION 6. Chapter 36-10 of the General Laws entitled "Retirement System —
30 Contributions and Benefits" is hereby amended by adding thereto the following section:

31 **36-10-9.8. Retirement on service allowance -- State law enforcement professionals.**

32 (a) Effective January 1, 2025, notwithstanding any special law or general law, rule or
33 regulation to the contrary, state employees employed as deputy sheriffs, capitol police officers,
34 environmental police officers, juvenile program workers, shift coordinators, firefighters, crew

1 [chiefs, assistant chiefs, fire investigators, fire safety inspectors, fire safety training officers,](#)
2 [explosives and flammable liquids technicians, and campus police officers employed by the State](#)
3 [of Rhode Island shall be entitled to the benefits provided by §§ 45-21.2-5, 45-21.2-6, 45-21.2-10,](#)
4 [32 45-21.2-11, 45-21.2-12, and 45-21.2-13.](#)

5 [\(b\) For members identified in subsection \(a\) of this section, service credits earned prior to](#)
6 [January 1, 2025, shall be determined by the laws in effect on December 31, 2024.](#)

7 SECTION 7. Section 36-10.3-1 of the General Laws in Chapter 36-10.3 entitled "Defined
8 Contribution Retirement Plan" is hereby amended to read as follows:

9 **36-10.3-1. Definitions.**

10 As used in this chapter, the following terms, unless the context requires a different
11 interpretation, shall have the following meanings:

12 (1) "Compensation" means compensation as defined in § 36-8-1(8).

13 (2) "Employee" means an employee as defined in §§ 36-8-1(9) and 45-21-2(7) and a
14 teacher as defined in § 16-16-1(12), effective July 1, 2012; provided however, effective July 1,
15 2015, "employee" shall not include any employee with twenty (20) or more years of total service
16 as of June 30, 2012, in the employees retirement system under chapters 8 through 10 of title 36 or
17 chapter 16 of title 16 (ERS), or the municipal employees retirement system under chapter 21 of
18 title 45 (MERS) [provided, however, effective January 1, 2025, "employee" shall not include deputy](#)
19 [sheriffs, capitol police officers, environmental police officers, juvenile program workers, shift](#)
20 [coordinators, firefighters, crew chiefs, assistant chiefs, fire investigators, fire safety inspectors, fire](#)
21 [safety training officers, explosives and flammable liquids technicians, and campus police officers](#)
22 [employed by the State of Rhode Island.](#)

23 (3) "Employer" means the State of Rhode Island or the local municipality which employs
24 a member of the Employees Retirement System under chapters 8 through 10 of title 36 or chapter
25 16 of title 16 (ERS) or the Municipal Employees Retirement System under chapters 21 and 21.2 of
26 title 45 (MERS).

27 (4) "Plan" means the retirement plan established by this chapter.

28 (5) A "public safety member" shall mean a member of MERS who is a municipal fire
29 fighter or a municipal policeman or policewoman as defined in § 45-21.2-2 who does not participate
30 in Social Security under the Federal Old Age, Survivors, and Disability income program.

31 (6) "Regular member" means:

32 (i) An employee who is a member of ERS other than correctional officers as defined in §
33 36-10-9.2; or

34 (ii) An employee who is a member of MERS other than a public safety member.

1 (7) The “retirement board” or “board” shall mean the retirement board of the Employees
2 Retirement System of Rhode Island as defined in chapter 8 of this title. The retirement board shall
3 be the plan administrator and plan trustee and shall administer the plan in accordance with § 36-8-
4 4.1.

5 (8) “State investment commission” or “commission” means the state investment
6 commission as defined in § 35-10-1.

7 (9) “Supplemental employer” includes any employer that provides supplemental
8 contributions to the defined contribution retirement plan as provided in § 36-10.3-3.

9 (10) “Supplemental member” is defined in § 36-10.3-3.

10 SECTION 8. Section 42-28-22 of the General Laws in Chapter 42-28 entitled "State
11 Police" is hereby amended to read as follows:

12 **42-28-22. Retirement of members.**

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

18 (b) For purposes of this section, the term “*whole salary*” means:

19 (1) For each member who retired prior to July 1, 1966, “*whole salary*” means the base
20 salary for the position from which he or she retired as the base salary for that position was
21 determined on July 31, 1972;

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

26 (3) For each member who retired or who retires after July 1, 1973, “*whole salary*” means
27 the base salary, implemented by the longevity increment, holiday pay, and clothing allowance, for
28 the position from which he or she retired or retires.

29 (c)(1) Any member who retired prior to July 1, 1977, shall receive a benefits payment
30 adjustment equal to three percent (3%) of his or her original retirement, as determined in subsection
31 (b) of this section, in addition to his or her original retirement allowance. In each succeeding year
32 thereafter during the month of January, the retirement allowance shall be increased an additional
33 three percent (3%) of the original retirement allowance, not compounded, to be continued until
34 January 1, 1991. For the purposes of the computation, credit shall be given for a full calendar year

1 regardless of the effective date of the service retirement allowance. For purposes of this subsection,
2 the benefits payment adjustment shall be computed from January 1, 1971, or the date of retirement,
3 whichever is later in time.

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

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

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

18 (e)(1) Any member who retires after July 1, 1972, and is eligible to retire prior to July 1,
19 2012, and who has served beyond twenty (20) years shall be allowed an additional amount equal
20 to three percent (3%) for each completed year served after twenty (20) years, but in no event shall
21 the original retirement allowance exceed sixty-five percent (65%) of his or her whole salary as
22 defined in subsection (b) hereof or sixty-five percent (65%) of his or her salary as defined in
23 subsection (b) hereof in his or her twenty-fifth (25th) year whichever is less.

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

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

1 for such service.

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

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

12 (4) Any member who is granted a leave of absence without pay for illness, injury or any
13 other reason may receive credit therefor by making the full actuarial cost as defined in subdivision
14 36-8-1(10); provided the employee returns to state service for at least one year upon completion of
15 the leave.

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

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

26 (g) The provisions of this section shall not apply to civilian employees in the Rhode Island
27 state police; and, further, from and after April 28, 1937, chapters 8 — 10, inclusive, of title 36 shall
28 not be construed to apply to the members of the Rhode Island state police, except as provided by
29 §§ 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,
30 2012.

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

34 (i)(1) Any member of the state police, other than the superintendent, who is hired on or

1 after July 1, 2007, and who has served for twenty-five (25) years, may retire therefrom or he or she
2 may be retired by the superintendent with the approval of the governor, and shall be entitled to a
3 retirement allowance of fifty percent (50%) of his or her "whole salary" as defined in subsection
4 (b) hereof.

5 (2) Any member of the state police who is hired on or after July 1, 2007, may serve up to
6 a maximum of thirty (30) years, and shall be allowed an additional amount equal to three percent
7 (3.0%) for each completed year served after twenty-five (25) years, but in no event shall the original
8 retirement allowance exceed sixty-five percent (65%) of his or her "whole salary" as defined in
9 subsection (b) hereof.

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

11 (j)(1) Any member of the state police, other than the superintendent of state police, who is
12 not eligible to retire on or prior to June 30, 2012, may retire at any time subsequent to the date the
13 member's retirement allowance equals or exceeds fifty percent (50%) of average compensation as
14 defined in § 36-8-1(5)(a), provided that a member shall retire upon the first to occur of:

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

16 (ii) The later of the attainment of age sixty-two (62) or completion of five (5) years of
17 service; provided however, any current member as of June 30, 2012, who has not accrued fifty
18 percent (50%) upon attaining the age of sixty-two (62) shall retire upon accruing fifty percent
19 (50%); and upon retirement a member shall receive a retirement allowance which shall equal:

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

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

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

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

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

32 (C) Any member of the state police who is eligible to retire on or prior to June 30, 2012,
33 shall retire with a retirement allowance calculated in accordance with paragraph (a) and (e) above
34 except that whole salary shall be defined as final compensation where compensation for purposes

1 of this section and § 42-28-22.1 includes base salary, longevity and holiday pay.

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

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

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

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

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

33 (ii) Except as provided in paragraph (4)(iii), the benefit adjustments under this section for
34 any plan year shall be suspended in their entirety unless the Funded Ratio of the Employees'

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

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

8 (iii) Notwithstanding paragraph (4)(ii), in each fifth plan year commencing after June 30,
9 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
10 (5) plan years, a benefit adjustment shall be calculated and made in accordance with paragraph
11 (4)(i) above until the Funded Ratio of the Employees' Retirement System of Rhode Island, the
12 Judicial Retirement Benefits Trust and the State Police Retirement Benefits Trust, calculated by
13 the system's actuary on an aggregate basis, exceeds eighty percent (80%).

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

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

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

20 (i)(A) As soon as administratively reasonable following the enactment into law of this
21 paragraph (5)(i)(A), a one-time benefit adjustment shall be provided to members and/or
22 beneficiaries of members who retired on or before June 30, 2012, in the amount of two percent
23 (2%) of the lesser of either the member's retirement allowance or the first twenty-five thousand
24 dollars (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall be
25 provided without regard to the retiree's age or number of years since retirement.

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

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

32 (1) Is equal to the percentage determined by subtracting five and one-half percent (5.5%)
33 (the "subtrahend") from the five-year average investment return of the retirement system
34 determined as of the last day of the plan year preceding the calendar year in which the adjustment

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

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

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

11 (II) Is equal to the lesser of either the member’s retirement allowance or the first twenty-
12 five thousand eight hundred and fifty-five dollars (\$25,855) of retirement allowance, such amount
13 to be indexed annually in the same percentage as determined under subsection (5)(i)(B)(I) above.
14 The benefit adjustments provided by this subsection (5)(i)(B) shall be provided to all retirees
15 entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect, and for all
16 other retirees the benefit adjustments shall commence upon the third anniversary of the date of
17 retirement or the date on which the retiree reaches his or her Social Security retirement age,
18 whichever is later.

19 (ii) Except as provided in subsection (5)(iii), the benefit adjustments under subsection
20 (5)(i)(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 members for
24 such plan year. Effective July 1, 2024, the funded ratio of the employees’ retirement system of
25 Rhode Island, the judicial retirement benefits trust and the state police retirement benefits trust,
26 calculated by the system’s actuary on an aggregate basis, of exceeding eighty percent (80%) for the
27 benefit adjustment to be reinstated for all members for such plan year shall be replaced with
28 seventy-five percent (75%)

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

32 (iii) Notwithstanding subsection (5)(ii), in each fourth plan year commencing after June
33 30, 2012, commencing with the plan year ending June 30, 2016, and subsequently at intervals of
34 four plan years: (i) A benefit adjustment shall be calculated and made in accordance with paragraph

1 (5)(i)(B) above; and (ii) Effective for members and/or beneficiaries of members who retired on or
2 before June 30, 2015, the dollar amount in subsection (5)(i)(B)(II) of twenty-five thousand eight
3 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six
4 dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode Island, the
5 judicial retirement benefits trust and the state police retirement benefits trust, calculated by the
6 system's actuary on an aggregate basis, exceeds eighty percent (80%). Effective July 1, 2024, the
7 funded ratio of the employees' retirement system of Rhode Island, the judicial retirement benefits
8 trust and the state police retirement benefits trust, calculated by the system's actuary on an
9 aggregate basis, of exceeding eighty percent (80%) shall be replaced with seventy-five percent
10 (75%).

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

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

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

31 SECTION 9. Sections 45-21-2 and 45-21-52 of the General Laws in Chapter 45-21 entitled
32 "Retirement of Municipal Employees" are hereby amended to read as follows:

33 **45-21-2. Definitions.**

34 The following words and phrases as used in this chapter have the following meanings

1 unless a different meaning is plainly required by the context:

2 (1) "Accumulated contributions" means the sum of all amounts deducted from the
3 compensation of a member and credited to his or her individual account in the members'
4 contribution reserve account.

5 (2) "Active member" means any employee of a participating municipality as defined in this
6 section for whom the retirement system is currently receiving regular contributions pursuant to §§
7 45-21-41, 45-21-41.1 or 45-21.2-14.

8 (3) "Actuarial reserve" means the present value of all payments to be made on account of
9 any annuity, retirement allowance, or benefit, computed upon the basis of mortality tables adopted
10 by the retirement board with regular interest.

11 (4) "Beneficiary" means any person in receipt of a retirement allowance, annuity, or other
12 benefit as provided by this chapter.

13 (5) For purposes of this chapter, "domestic partner" shall be defined as a person who, prior
14 to the decedent's death, was in an exclusive, intimate and committed relationship with the decedent,
15 and who certifies by affidavit that their relationship met the following qualifications:

16 (i) Both partners were at least eighteen (18) years of age and were mentally competent to
17 contract;

18 (ii) Neither partner was married to anyone else;

19 (iii) Partners were not related by blood to a degree which would prohibit marriage in the
20 state of Rhode Island;

21 (iv) Partners resided together and had resided together for at least one year at the time of
22 death; and

23 (v) Partners were financially interdependent as evidenced by at least two (2) of the
24 following:

25 (A) Domestic partnership agreement or relationship contract;

26 (B) Joint mortgage or joint ownership of primary residence;

27 (C) Two (2) of: (I) Joint ownership of motor vehicle; (II) Joint checking account; (III) Joint
28 credit account; (IV) Joint lease; and/or

29 (D) The domestic partner had been designated as a beneficiary for the decedent's will,
30 retirement contract or life insurance.

31 (6) "Effective date of participation" means the date on which the provisions of this chapter
32 have become applicable to a municipality accepting the provisions of the chapter in the manner
33 stated in § 45-21-4.

34 (7) "Employee" means any regular and permanent employee or officer of any municipality,

1 whose business time at a minimum of twenty (20) hours a week is devoted to the service of the
2 municipality, including elective officials and officials and employees of city and town housing
3 authorities. Notwithstanding the previous sentence, the term “employee,” for the purposes of this
4 chapter, does not include any person whose duties are of a casual or seasonal nature. The retirement
5 board shall decide who are employees within the meaning of this chapter, but in no case shall it
6 deem as an employee any individual who annually devotes less than twenty (20) business hours per
7 week to the service of the municipality and who receives less than the equivalent of minimum wage
8 compensation on an hourly basis for his or her services, except as provided in § 45-21-14.1. Casual
9 employees mean those persons hired for an occasional period or a period of emergency to perform
10 special jobs or functions not necessarily related to the work of regular employees. Any
11 commissioner of a municipal housing authority, or any member of a part-time state board
12 commission, committee or other authority is not deemed to be an employee within the meaning of
13 this chapter.

14 (8)(a) “Final compensation” for members who are eligible to retire on or prior to June 30,
15 2012, means the average annual compensation, pay, or salary of a member for services rendered
16 during the period of three (3) consecutive years within the total service of the member when the
17 average was highest, and as the term average annual compensation is further defined in § 36-8-
18 1(5)(a). For members eligible to retire on or after July 1, 2012, “final compensation” means the
19 average of the highest five (5) consecutive years of compensation within the total service when the
20 final compensation was the highest. For members eligible to and who retire on or after July 1, 2024,
21 “final compensation” means the average of the highest three (3) consecutive years of compensation
22 within the total service when the final compensation was the highest.

23 (b) For members who become eligible to retire on or after July 1, 2012, if more than one
24 half (½) of the member’s total years of service consist of years of service during which the member
25 devoted less than thirty (30) business hours per week to the service of the municipality, but the
26 member’s average compensation consists of three (3) or more years during which the member
27 devoted more than thirty (30) business hours per week to the service of a municipality, such
28 member’s average compensation shall mean the average of the highest ten (10) consecutive years
29 of compensation within the total service when the average compensation was the highest; provided
30 however, effective July 1, 2015, if such member’s average compensation as defined in subsection
31 (a) above is equal to or less than thirty-five thousand dollars (\$35,000), such amount to be indexed
32 annually in accordance with § 45-21-52(d)(1)(B), such member’s average compensation shall mean
33 the greater of: (i) The average of the highest ten (10) consecutive years of compensation within the
34 total service when the average compensation was the highest; or (ii) The member’s average

1 compensation as defined in subsection (a) above. To protect a member's accrued benefit on June
2 30, 2012, under this subsection (8)(b), in no event shall a member's average compensation be lower
3 than his or her average compensation determined as of June 30, 2012.

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

6 (9) "Fiscal year" means the period beginning on July 1 in any year and ending on June 30
7 of the next succeeding year.

8 (10) "Full actuarial costs" or "full actuarial value" mean the lump sum payable by a
9 member claiming service credit for certain employment for which payment is required, which is
10 determined according to the age of the member and his or her annual rate of compensation at the
11 time he or she applies for service credit, and which is expressed as a rate percent of the annual rate
12 of compensation to be multiplied by the number of years for which he or she claims the service
13 credit, as prescribed in a schedule adopted by the retirement board, from time to time, on the basis
14 of computation by the actuary. Except as provided in §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4,
15 and 45-21-53: (i) All service credit purchases requested after June 16, 2009, and prior to July 1,
16 2012, shall be at full actuarial value; and (ii) All service credit purchases requested after June 30,
17 2012, shall be at full actuarial value which shall be determined using the system's assumed
18 investment rate of return minus one percent (1%).

19 (11) "Governing body" means any and all bodies empowered to appropriate monies for,
20 and administer the operation of, the units as defined in subdivision (1) of this section.

21 (12) "Member" means any person included in the membership of the retirement system as
22 provided in § 45-21-8.

23 (13) "Municipality" means any town or city in the state of Rhode Island, any city or town
24 housing authority, fire, water, sewer district, regional school district, public building authority as
25 established by chapter 14 of title 37, or any other municipal financed agency to which the retirement
26 board has approved admission in the retirement system.

27 (14) "Participating municipality" means any municipality which has accepted this chapter,
28 as provided in § 45-21-4.

29 (15) "Prior service" means service as a member rendered before the effective date of
30 participation as defined in this section, certified on his or her prior service certificate, and allowable
31 as provided in § 45-21-15.

32 (16) "Regular interest" means interest at the assumed investment rate of return,
33 compounded annually, as may be prescribed from time to time by the retirement board.

34 (17) "Retirement allowance" or "annuity" means the amounts paid to any member of the

1 municipal employees' retirement system of the state of Rhode Island, or a survivor of the member,
2 as provided in this chapter. All retirement allowances or annuities shall be paid in equal monthly
3 installments for life, unless otherwise specifically provided.

4 (18) "Retirement board" or "board" means the state retirement board created by chapter 8
5 of title 36.

6 (19) "Retirement system" means the "municipal employees' retirement system of the state
7 of Rhode Island" as defined in § 45-21-32.

8 (20) "Service" means service as an employee of a municipality of the state of Rhode Island
9 as defined in subdivision (7).

10 (21) "Total service" means prior service as defined in subdivision (15) plus service
11 rendered as a member on or after the effective date of participation.

12 (22) Any term not specifically defined in this chapter and specifically defined in chapters
13 8 through 10 of title 36 shall have the same definition as set forth in chapters 8 through 10 of title
14 36.

15 **45-21-52. Automatic increase in service retirement allowance.**

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

19 (1) **Plan A.** All employees and beneficiaries of those employees receiving a service
20 retirement or disability retirement allowance under the provisions of this chapter on December 31
21 of the year their city or town accepts this section, receive a cost of living adjustment equal to one
22 and one-half percent (1.5%) per year of the original retirement allowance, not compounded, for
23 each calendar year the retirement allowance has been in effect. This cost of living adjustment is
24 added to the amount of the retirement allowance as of January 1 following acceptance of this
25 provision, and an additional one and one-half percent (1.5%) is added to the original retirement
26 allowance in each succeeding year during the month of January, and provided, further, that this
27 additional cost of living increase is three percent (3%) for the year beginning January 1 of the year
28 the plan is accepted and each succeeding year.

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

1 of January.

2 (3) **Plan C.** All employees and beneficiaries of those employees who retire on or after
3 January 1 of the year following acceptance of this section, on the first day of January next following
4 the date of the retirement, receive a cost of living adjustment in an amount equal to three percent
5 (3%) of the original retirement allowance.

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

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

9 (1) Notwithstanding any other subsections of this section, and subject to subsection (c)(2)
10 below, for all present and former employees, active and retired members, and beneficiaries
11 receiving any retirement, disability or death allowance or benefit of any kind by reason of adoption
12 of this section by their employer, the annual benefit adjustment provided in any calendar year under
13 this section shall be equal to (A) multiplied by (B) where (A) is equal to the percentage determined
14 by subtracting five and one-half percent (5.5%) (the “subtrahend”) from the Five-Year Average
15 Investment Return of the retirement system determined as of the last day of the plan year preceding
16 the calendar year in which the adjustment is granted, said percentage not to exceed four percent
17 (4%) and not to be less than zero percent (0%), and (B) is equal to the lesser of the member’s
18 retirement allowance or the first twenty-five thousand dollars (\$25,000) of retirement allowance,
19 such twenty-five thousand dollars (\$25,000) amount to be indexed annually in the same percentage
20 as determined under (c)(1)(A) above. The “Five-Year Average Investment Return” shall mean the
21 average of the investment returns of the most recent five (5) plan years as determined by the
22 retirement board. Subject to subsection (c)(2) below, the benefit adjustment provided by this
23 subsection (c)(1) shall commence upon the third (3rd) anniversary of the date of retirement or the
24 date on which the retiree reaches his or her Social Security retirement age, whichever is later; or
25 for municipal police and fire retiring under the provisions of chapter 21.2 of this title, the benefit
26 adjustment provided by this subsection (c)(1) shall commence on the later of the third (3rd)
27 anniversary of the date of retirement or the date on which the retiree reaches age fifty-five (55). In
28 the event the retirement board adjusts the actuarially assumed rate of return for the system, either
29 upward or downward, the subtrahend shall be adjusted either upward or downward in the same
30 amount.

31 (2) Except as provided in subsection (c)(3) the benefit adjustments provided under this
32 section for any plan year shall be reduced to twenty-five percent (25%) of the benefit adjustment
33 for each municipal plan within the municipal employees retirement system unless the municipal
34 plan is determined to be funded at a Funded Ratio equal to or greater than eighty percent (80%) as

1 of the end of the immediately preceding plan year in accordance with the retirement system's
2 actuarial valuation report as prepared by the system's actuary, in which event the benefit adjustment
3 will be reinstated for all members for such plan year.

4 In determining whether a funding level under this subsection (c)(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 (c)(2), for each municipal plan that has a Funded Ratio of
8 less than eighty percent (80%) as of June 30, 2012, in each fifth plan year commencing after June
9 30, 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of
10 five (5) plan years, a benefit adjustment shall be calculated and made in accordance with subsection
11 (c)(1) above until the municipal plan's Funded Ratio exceeds eighty percent (80%).

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

13 (1)(A) As soon as administratively reasonable following the enactment into law of this
14 subsection (d)(1)(A), a one-time benefit adjustment shall be provided to members and/or
15 beneficiaries of members who retired on or before June 30, 2012, in the amount of two percent
16 (2%) of the lesser of either the employee's retirement allowance or the first twenty-five thousand
17 dollars (\$25,000) of the member's retirement allowance. This one-time benefit adjustment shall be
18 provided without regard to the retiree's age or number of years since retirement.

19 (B) Notwithstanding the prior subsections of this section, for all present and former
20 employees, active and retired employees, and beneficiaries receiving any retirement, disability or
21 death allowance or benefit of any kind by reason of adoption of this section by their employer, the
22 annual benefit adjustment provided in any calendar year under this section for adjustments on and
23 after January 1, 2016, and subject to subsection (d)(2) below, shall be equal to (I) multiplied by
24 (II):

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

26 (i) is equal to the percentage determined by subtracting five and one-half percent (5.5%)
27 (the "subtrahend") from the five-year average investment return of the retirement system
28 determined as of the last day of the plan year preceding the calendar year in which the adjustment
29 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
30 (0%). The "five-year average investment return" shall mean the average of the investment returns
31 of the most recent five (5) plan years as determined by the retirement board. In the event the
32 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
33 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

34 (ii) is equal to the lesser of three percent (3%) or the percentage increase in the Consumer

1 Price Index for all Urban Consumers (CPI-U) as published by the U.S. Department of Labor
2 Statistics determined as of September 30 of the prior calendar year.

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

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

8 The benefit adjustments provided by this subsection (d)(1)(B) shall be provided to all
9 retirees entitled to receive a benefit adjustment as of June 30, 2012, under the law then in effect,
10 and for all other retirees the benefit adjustments shall commence upon the third anniversary of the
11 date of retirement or the date on which the retiree reaches his or her Social Security retirement age,
12 whichever is later; or for municipal police and fire retiring under the provisions of § 45-21.2-
13 5(b)(1)(A), the benefit adjustment provided by this subsection (d)(1)(B) shall commence on the
14 later of the third anniversary of the date of retirement or the date on which the retiree reaches age
15 fifty-five (55); or for municipal police and fire retiring under the provisions of § 45-21.2-5(b)(1)(B),
16 the benefit adjustment provided by this subsection (d)(1)(B) shall commence on the later of the
17 third anniversary of the date of retirement or the date on which the retiree reaches age fifty (50).

18 (2) Except for municipal employees and /or beneficiaries of municipal employees who
19 retired on or before June 30, 2012, the ~~The~~ benefit adjustments under subsection (d)(1)(B) for any
20 plan year shall be reduced to twenty-five percent (25%) of the benefit adjustment for each
21 municipal plan within the municipal employees retirement system unless the municipal plan is
22 determined to be funded at a funded ratio equal to or greater than eighty percent (80%) as of the
23 end of the immediately preceding plan year in accordance with the retirement system's actuarial
24 valuation report as prepared by the system's actuary, in which event the benefit adjustment will be
25 reinstated for all members for such plan year. Effective July 1, 2024, the funded ratio for each
26 municipal plan within the municipal employees' retirement system, calculated by the system's
27 actuary, of equal to or greater than eighty percent (80%) for the benefit adjustment to be reinstated
28 for all members for such plan year shall be replaced with seventy-five percent (75%).

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

32 (3) Effective for members and/or beneficiaries of members who retired after June 30, 2012,
33 or on or before June 30, 2015, the dollar amount in (d)(1)(B)(II) of twenty-five thousand eight
34 hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and twenty-six

1 dollars (\$31,026) until the municipal plan’s funded ratio exceeds eighty percent (80%). Effective
2 July 1, 2024, the funded ratio for each municipal plan within the municipal employees’ retirement
3 system, calculated by the system’s actuary, of exceeding eighty percent (80%) for the benefit
4 adjustment to be reinstated for all members for such plan year shall be replaced with seventy-five
5 percent (75%).

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

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

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

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

27 SECTION 10. Section 45-21.2-2 of the General Laws in Chapter 45-21.2 entitled "Optional
28 Retirement for Members of Police Force and Firefighters" is hereby amended to read as follows:

29 **45-21.2-2. Definitions.**

30 As used in this chapter, the words defined in § 45-21-2 have the same meanings stated in
31 that section except that “employee” means any regular and permanent police official or officer and
32 any regular and permanent fire fighter. The retirement board shall determine who are employees
33 within the meaning of this chapter; and “final compensation” means for members who retire on or
34 prior to June 30, 2012, the average annual compensation, pay or salary of a member for services

1 rendered during the period of three (3) consecutive years within the total service of the member
2 when that average was highest. Effective on and after July 1, 2012, “final compensation” means
3 the average annual compensation of a member for services rendered during the period of the highest
4 five (5) consecutive years within the total service of the member, and compensation shall be defined
5 in accordance with § 36-8-1(8). For members eligible to and who retire on or after July 1, 2024,
6 “final compensation” means the average of the highest three (3) consecutive years of compensation
7 within the total service when the final compensation was the highest. Notwithstanding the prior
8 sentence, in no event shall a member’s final compensation be less than the member’s final
9 compensation on or before June 30, 2012.

10 SECTION 11. This article shall take effect upon passage.