

2025 -- H 5525

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- TEACHERS' AND STATE
EMPLOYEES RETIREMENT

Introduced By: Representatives Serpa, Ackerman, Read, Noret, Fellela, Donovan,
Caldwell, Azzinaro, Potter, and Corvese

Date Introduced: February 13, 2025

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-16-40 of the General Laws in Chapter 16-16 entitled "Teachers'
2 Retirement [See Title 16 Chapter 97 — The Rhode Island Board of Education Act]" is hereby
3 amended to read as follows:

4 **16-16-40. Additional benefits payable to retired teachers.**

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

16 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary
17 disability retirement allowance pursuant to the provisions of this title who retired on or after January
18 1, 1968, shall, on the first day of January, next following the third (3rd) year on retirement, receive

1 a cost of living adjustment, in addition to their retirement allowance, an amount equal to three
2 percent (3%) of the original retirement allowance. In each succeeding year thereafter, on the first
3 day of January, the retirement allowance shall be increased an additional three percent (3%) of the
4 original retirement allowance, not compounded, to be continued through December 31, 1980.

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

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

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

28 (d) For teachers not eligible to retire in accordance with this chapter as of September 30,
29 2009, and not eligible upon passage of this article, and for their beneficiaries, the cost of living
30 adjustment described in subsection (c)(3) of this section shall only apply to the first thirty-five
31 thousand dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon
32 the third (3rd) anniversary of the date of retirement or when the retiree reaches age sixty-five (65),
33 whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase annually by the
34 percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) as published

1 by the United States Department of Labor Statistics determined as of September 30 of the prior
2 calendar year or three percent (3%), whichever is less. The first thirty-five thousand dollars
3 (\$35,000), as indexed, of retirement allowance shall be multiplied by the percentage of increase in
4 the Consumer Price Index for All Urban Consumers (CPI-U) as published by the United States
5 Department of Labor Statistics determined as of September 30 of the prior calendar year or three
6 percent (3%), whichever is less, on the month following the anniversary date of each succeeding
7 year. For teachers eligible to retire as of September 30, 2009, or eligible upon passage of this article,
8 and for their beneficiaries, the provisions of this subsection (d) shall not apply.

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

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

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

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

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

4 (3) Notwithstanding subsection (f)(2), in each fifth plan year commencing after June 30,
5 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
6 plan years, a benefit adjustment shall be calculated and made in accordance with subsection (f)(1)
7 above until the funded ratio of the employees' retirement system of Rhode Island, the judicial
8 retirement benefits trust, and the state police retirement benefits trust, calculated by the system's
9 actuary on an aggregate basis, exceeds eighty percent (80%).

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

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

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

20 (B) Notwithstanding the prior subsections of this section, for all present and former
21 teachers, active and retired teachers, and beneficiaries receiving any retirement, disability, or death
22 allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year under
23 this section for adjustments on and after January 1, 2016, and subject to subsection (g)(2) below,
24 shall be equal 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 (0%) percent.

5 (II) is equal to the lesser of either the teacher'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 subsection (g)(1)(B)(I) above.

8 The benefit adjustments provided by this subsection (g)(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 for teachers and/or beneficiaries of teachers who ~~retired on or before June 30,~~
14 ~~2012;~~ have been retired for more than three (3) full calendar years, the benefit adjustments under
15 subsection (g)(1)(B) for any plan year shall be reduced to twenty-five percent (25%) of the benefit
16 adjustment unless 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 system's
18 actuary on an aggregate basis, exceeds eighty percent (80%) in which event the benefit adjustment
19 will be reinstated for all teachers for such plan year. Effective July 1, 2024, the funded ratio of the
20 employees' retirement system of Rhode Island, the judicial retirement benefits trust, and the state
21 police retirement benefits trust, calculated by the system's actuary on an aggregate basis, of
22 exceeding eighty percent (80%) for the benefit adjustment to be reinstated for all teachers for such
23 plan year shall be replaced with seventy-five percent (75%).

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

27 (3) Effective for teachers and/or beneficiaries of teachers who retired after June 30, 2012,
28 or on or before June 30, 2015, the dollar amount in subsection (g)(1)(B)(II) of twenty-five thousand
29 eight hundred and fifty-five dollars (\$25,855) shall be replaced with thirty-one thousand and
30 twenty-six dollars (\$31,026) until the funded ratio of the employees' retirement system of Rhode
31 Island, the judicial retirement benefits trust, and the state police retirement benefits trust, calculated
32 by the system's actuary on an aggregate basis, exceeds eighty percent (80%). Effective July 1,
33 2024, the funded ratio of the employees' retirement system of Rhode Island, the judicial retirement
34 benefits trust, and the state police retirement benefits trust, calculated by the system's actuary on

1 an aggregate basis, of exceeding eighty percent (80%) shall be replaced with seventy-five percent
2 (75%).

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

10 SECTION 2. Section 36-10-35 of the General Laws in Chapter 36-10 entitled "Retirement
11 System — Contributions and Benefits" is hereby amended to read as follows:

12 **36-10-35. Additional benefits payable to retired employees.**

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

28 (b) All state employees and all beneficiaries of state employees retired on or after January
29 1, 1968, who are receiving any service retirement or ordinary or accidental disability retirement
30 allowance pursuant to the provisions of this title shall, on the first day of January next following
31 the third anniversary date of the retirement, receive a cost of living retirement adjustment, in
32 addition to their retirement allowance, in an amount equal to three percent (3%) of the original
33 retirement allowance. In each succeeding year thereafter through December 31, 1980, during the
34 month of January, the retirement allowance shall be increased an additional three percent (3%) of

1 the original retirement allowance, not compounded, to be continued during the lifetime of the
2 employee or beneficiary. For the purposes of computation, credit shall be given for a full calendar
3 year regardless of the effective date of the service retirement allowance.

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

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

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

28 (d) For state employees not eligible to retire in accordance with this chapter as of
29 September 30, 2009, and not eligible upon passage of this article, and for their beneficiaries, the
30 cost of living adjustment described in subsection (c)(3) of this section shall only apply to the first
31 thirty-five thousand dollars (\$35,000) of retirement allowance, indexed annually, and shall
32 commence upon the third (3rd) anniversary of the date of retirement or when the retiree reaches
33 age sixty-five (65), whichever is later. The thirty-five thousand dollar (\$35,000) limit shall increase
34 annually by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-

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

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

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

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

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

1 (3rd) anniversary of the date of retirement or the date on which the retiree reaches their Social
2 Security retirement age, whichever is later. In the event the retirement board adjusts the actuarially
3 assumed rate of return for the system, either upward or downward, the subtrahend shall be adjusted
4 either upward or downward in the same amount.

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

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

14 (3) Notwithstanding subsection (g)(2), in each fifth plan year commencing after June 30,
15 2012, commencing with the plan year ending June 30, 2017, and subsequently at intervals of five
16 plan years, a benefit adjustment shall be calculated and made in accordance with subsection (g)(1)
17 above until the funded ratio of the employees' retirement system of Rhode Island, the judicial
18 retirement benefits trust, and the state police retirement benefits trust, calculated by the system's
19 actuary on an aggregate basis, exceeds eighty percent (80%).

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

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

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

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

1 (I) shall equal the sum of fifty percent (50%) of (i) plus fifty percent (50%) of (ii) where:
2 (i) is equal to the percentage determined by subtracting five and one-half percent (5.5%)
3 (the “subtrahend”) from the five-year average investment return of the retirement system
4 determined as of the last day of the plan year preceding the calendar year in which the adjustment
5 is granted, said percentage not to exceed four percent (4%) and not to be less than zero percent
6 (0%). The “five-year average investment return” shall mean the average of the investment returns
7 of the most recent five (5) plan years as determined by the retirement board. In the event the
8 retirement board adjusts the actuarially assumed rate of return for the system, either upward or
9 downward, the subtrahend shall be adjusted either upward or downward in the same amount.

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

14 (II) is equal to the lesser of either the member’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 (h)(1)(B)(I) above.

17 The benefit adjustments provided by this subsection (h)(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 their Social Security retirement age,
21 whichever is later.

22 (2) Except for members and/or beneficiaries of members who ~~retired on or before June 30,~~
23 ~~2012;~~ have been retired for more than three (3) full calendar years, the benefit adjustments under
24 subsection (h)(1)(B) for any plan year shall be reduced to twenty-five percent (25%) of the benefit
25 adjustment unless the funded ratio of the employees’ retirement system of Rhode Island, the judicial
26 retirement benefits trust, and the state police retirement benefits trust, calculated by the system’s
27 actuary on an aggregate basis, exceeds eighty percent (80%) in which event the benefit adjustment
28 will be reinstated for all members for such plan year. Effective July 1, 2024, the funded ratio of the
29 employees’ retirement system of Rhode Island, the judicial retirement benefits trust, and the state
30 police retirement benefits trust, calculated by the system’s actuary on an aggregate basis, of
31 exceeding eighty percent (80%) for the benefit adjustment to be reinstated for all members for such
32 plan year shall be replaced with seventy-five percent (75%).

33 In determining whether a funding level under this subsection (h)(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 members and/or beneficiaries of members who retired after June 30, 2012,
3 or on or before June 30, 2015, the dollar amount in subsection (h)(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
10 an aggregate basis, of exceeding eighty percent (80%) shall be replaced with seventy-five percent
11 (75%).

12 (i) Effective for members and/or beneficiaries of members 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 members 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 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- TEACHERS' AND STATE
EMPLOYEES RETIREMENT

1 This act would exempt teachers and state employees who have been retired for more than
2 three (3) full calendar years, from having their retirement benefit adjustment reduced based upon
3 the funded ratio of the employees' retirement system of Rhode Island.

4 This act would take effect upon passage.

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