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LC002815  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO EDUCATION -- TEACHERS' RETIREMENT -- RETIREMENT SYSTEM --  
CONTRIBUTIONS AND BENEFITS

Introduced By: Senators McKenney, Tikoian, Britto, Ciccone, Murray, Appollonio, and  
Bissaillon

Date Introduced: May 02, 2025

Referred To: Senate 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, the~~ The benefit adjustments under subsection (g)(1)(B) for any plan year shall be reduced to  
15 twenty-five percent (25%) of the benefit adjustment unless the funded ratio of the employees'  
16 retirement system of Rhode Island, the judicial retirement benefits trust, and the state police  
17 retirement benefits trust, calculated by the system's actuary on an aggregate basis, exceeds eighty  
18 percent (80%) in which event the benefit adjustment will be reinstated for all teachers for such plan  
19 year. Effective ~~July 1, 2024~~ July 1, 2025, the funded ratio of the employees' retirement system of  
20 Rhode Island, the judicial retirement benefits trust, ~~and the state police retirement benefits trust,~~  
21 ~~calculated by the system's actuary on an aggregate basis, of exceeding eighty percent (80%)~~ shall  
22 be deemed sufficiently funded 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, the~~ The benefit adjustments under subsection (h)(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 members for such  
28 plan year. Effective ~~July 1, 2024~~ July 1, 2025, the funded ratio of the employees’ retirement system  
29 of Rhode Island, the judicial retirement benefits trust, ~~and the state police retirement benefits trust,~~  
30 ~~calculated by the system’s actuary on an aggregate basis, of exceeding eighty percent (80%)~~ shall  
31 be deemed sufficiently funded 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. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby  
20 amended by adding thereto the following chapter:

21 CHAPTER 21.6

22 MUNICIPAL TEACHERS' PENSIONS

23 **45-21.6-1. Cost of living benefit adjustment.**

24 (a) Whenever, under any general law or special act, any town or city has established a  
25 pension system that teachers can be enrolled in, a retired teacher covered by such a municipal  
26 pension plan shall be entitled to the same cost of living benefit adjustment under § 16-16-  
27 40(h)(1)(B) afforded to teachers covered by the Employees' Retirement System of Rhode Island.

28 (b) The term "teacher" shall have the same meaning as defined in § 16-16-1(12).

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

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LC002815  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO EDUCATION -- TEACHERS' RETIREMENT -- RETIREMENT SYSTEM --  
CONTRIBUTIONS AND BENEFITS

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1           This act would eliminate the distinction between teachers who retired on or before June 30,  
2   2012 and those teachers who retired after June 30, 2012 with respect to retirement benefit  
3   adjustments. Additionally, this act would require that teachers who retired and who were covered  
4   under a municipal pension would receive the same COLA adjustment as teachers covered by the  
5   state retirement system.

6           This act would take effect upon passage.

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