

2019 -- H 5034 SUBSTITUTE A

LC000053/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO PUBLIC OFFICES AND EMPLOYEES -- RETIREMENT

Introduced By: Representatives Craven, Lombardi, Hull, and McEntee

Date Introduced: January 04, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 36-9-20 of the General Laws in Chapter 36-9 entitled "Retirement
2 System - Membership and Service Credits" is hereby amended to read as follows:

3 **36-9-20. Credit for service as a teacher, municipal employee, or legislator.**

4 (a) Any state employee who shall have rendered service as a teacher as defined under the
5 provisions of chapters 16 and 17 of title 16 shall be entitled to credit for that service for the
6 various purposes of this system, provided the member shall have been a contributing member of
7 this system for that period. Any state employee who shall have been a contributing member of the
8 municipal system as defined under the provisions of chapter 21 of title 45 shall be given credit for
9 that service for the various purposes of this system, provided the member's contributions are
10 transferred to this system. All contributions made by the member shall be transferred in toto to
11 this system for the periods of service and the retirement system shall calculate the full actuarial
12 value of the accrued benefit with the former employer. If the full actuarial value of the accrued
13 benefit with the former employer is greater than the total employee contributions transferred, the
14 retirement system shall also transfer the difference between the full actuarial value of the accrued
15 benefit with the former employer and the employee's contributions from the account of the former
16 employer to the account of the current employer. In any case in which a member shall have
17 received a refund or refunds of contributions made to the system, the allowance of the aforesaid
18 credit for service shall be conditioned upon the payment of the full actuarial cost as defined in
19 subsection 36-8-1(10). Any service as defined herein for which no contributions were made may

1 be granted provided the member pays to the retirement system the full actuarial cost as defined in
2 § 36-8-1(10). Any state employee or teacher as defined under the provisions of chapters 16 and
3 17 of title 16 who shall have been employed by a municipality which did not elect to accept
4 chapter 21 of title 45 as provided in § 45-21-4 shall be given credit for that service for the various
5 purposes of this system, provided that the employee shall have met the definitional requirements
6 of "employee" as stated in § 45-21-2(7) and provided the member pays to the retirement system
7 an amount equal to the full actuarial value of the credit as certified by the retirement board;
8 provided, however, that any state employee who shall have been employed by a municipality
9 which did not elect to accept chapter 21 of title 45 as provided in § 45-21-4 shall be given credit
10 for that service for the various purposes of this system, to a maximum period of four (4) years,
11 provided the member pays to the retirement system the full actuarial cost as defined in subsection
12 36-8-1(10). Nothing in this section shall be deemed to allow the purchase of four (4) years of
13 service for credit in more than one retirement system.

14 (b) Any member who shall have rendered service both as a state employee under § 36-10-
15 9, and service under § 36-10-9.2(a), shall be eligible to elect to combine the member's service
16 under § 36-10-9.2(a) and service under § 36-10-9 to determine the member's retirement eligibility
17 date under § 36-10-9. For any member making this election, the member will receive a single
18 benefit equal to the accrued benefit computed under § 36-10-10.2, plus the accrued benefit
19 computed under § 36-10-10.

20 ~~(b)~~(c) The retirement board shall fix and determine rules and regulations to govern the
21 provisions of this section.

22 SECTION 2. Sections 36-10-9.2 and 36-10-10.2 of the General Laws in Chapter 36-10
23 entitled "Retirement System - Contributions and Benefits" are hereby amended to read as follows:

24 **36-10-9.2. Retirement on service allowance -- Correctional officers.**

25 (a) This section shall apply to the retirement of members employed as assistant director
26 (adult services), assistant deputy director, chief of inspection, and associate directors, correctional
27 officer, chief of security, work rehabilitation program supervisor, supervisor of custodial records
28 and reports, and classification counselor within the department of corrections.

29 (b) (i) Any member who has attained the age of fifty (50) years may be retired subsequent
30 to the proper execution and filing of a written application; provided, however, that the member
31 shall have completed twenty (20) years of total service within the department of corrections and
32 who retires before October 1, 2009 or is eligible to retire as of September 30, 2009.

33 (ii) For members who become eligible to retire on or after October 1, 2009, benefits are
34 available to members who have attained the age of fifty-five (55) and have completed at least

1 twenty-five (25) years of total contributory service within the department of corrections. For
2 members in service as of October 1, 2009 who were not eligible to retire as of September 30,
3 2009 but who are eligible to retire on or prior to June 30, 2012, the minimum retirement age of
4 fifty-five (55) will be adjusted downward in proportion to the amount of service the member has
5 earned as of September 30, 2009. The proportional formula shall work as follows:

6 (1) The formula shall determine the first age of retirement eligibility under the laws in
7 effect on September 30, 2009 which shall then be subtracted from the minimum retirement age of
8 fifty-five (55).

9 (2) The formula shall then take the member's total service credit as of September 30,
10 2009 as the numerator and the years of service credit determined under (1) as the denominator.

11 (3) The fraction determined in (2) shall then be multiplied by the age difference
12 determined in (1) to apply a reduction in years from age fifty-five (55).

13 (c) Any member with contributory service on or after July 1, 2012, who has completed at
14 least five (5) years of contributory service but who has not completed twenty-five (25) years of
15 contributory service, shall be eligible to retire upon the attainment of the member's Social
16 Security retirement age or, notwithstanding any other provisions, effective July 1, 2015, members
17 in active service shall be eligible to retire upon the earlier of:

18 (1) The attainment of at least age sixty-five (65) and the completion of at least thirty (30)
19 years of total service, or the attainment of at least age sixty-four (64) and the completion on at
20 least thirty-one (31) years of total service, or the attainment of at least age sixty-three (63) and the
21 completion on at least thirty-two (32) years of total service, or the attainment of at least age sixty-
22 two (62) and the completion on at least thirty-three (33) years of total service; or

23 (2) The member's retirement eligibility date under § 36-10-9(c)(ii).

24 (d) Any member who shall have rendered service both as a state employee under § 36-10-
25 9, and service under § 36-10-9.2(a), shall be eligible to elect to combine the member's service
26 under § 36-10-9.2(a) and service under § 36-10-9 to determine the member's retirement eligibility
27 date under § 36-10-9. For any member making this election, the member will receive a single
28 benefit equal to the accrued benefit computed under § 36-10-10.2, plus the accrued benefit
29 computed under § 36-10-10.

30 (e) The provisions of subsection (d) shall also apply to members who have retired on a
31 service retirement allowance on or after July 1, 2012. Any such request for adjustment shall be in
32 writing to the retirement board and shall apply prospectively from the date the request is received
33 by the retirement board.

34 **36-10-10.2. Amount of service retirement allowance -- Correctional officers.**

1 (a) Upon retirement for service under § 36-10-9.2, a member with twenty-five (25) or
2 more years of service as of June 30, 2012 shall receive a retirement allowance of an amount
3 determined under (i) below. All other members shall receive a retirement allowance of an amount
4 equal to the sum of (i) below for service prior to July 1, 2012, plus (ii) below for service on and
5 after July 1, 2012.

6 (i) Two percent (2%) of his or her average compensation multiplied by his or her first
7 thirty (30) years of total service within the department of corrections; any and all years of
8 remaining service shall be issued to the member at a retirement allowance of an amount equal to
9 his or her average compensation multiplied by the percentage allowance determined in
10 accordance with Schedule A below:

11 Schedule A

| 12 Years of Service | 13 Percentage Allowance |
|---------------------------|-------------------------|
| 14 1 through 30 inclusive | 2% |
| 15 31 st | 6% |
| 16 32 nd | 5% |
| 17 33 rd | 4% |
| 18 34 th | 3% |
| 19 35 th | 2% |

20 (ii) On and after July 1, 2012, two percent (2%) of his or her average compensation
21 multiplied by his or her first thirty (30) years of total service within the department of corrections,
22 and three percent (3%) of his or her average compensation multiplied by the member's thirty-first
(31st) through thirty-fifth (35th) years of service.

23 (b) A member who has rendered service as a state employee under § 36-10-9 shall be
24 eligible to combine the accrued benefit under § 36-10-10 as a state employee with the accrued
25 benefit under this section, provided the member has first obtained eligibility under §§ 36-10-
26 9.2(a), (b)(i) or (b)(ii). The accrual under § 36-10-10 will be added in the year in which service
27 was rendered consistent with the schedules provided under § 36-10-10.

28 (c) The provisions of subsection (b) shall also apply to members who have retired on a
29 service retirement allowance on or after July 1, 2012. Any such request for adjustment shall be in
30 writing to the retirement board and will only apply prospectively from the date the request is
31 received by the retirement board.

32 ~~(b)~~(d) In no case shall a retirement percentage allowance exceed the greater of the
33 member's retirement percentage allowance on June 30, 2012 or seventy-five percent (75%). Any
34 member who has in excess of thirty-five (35) years on or before July 1, 1987, shall not be entitled

1 to any refund. Any member with thirty-five (35) years or more on or after July 1, 1987, shall
2 contribute from July 1, 1987, until his or her retirement, provided, however, that any member
3 with thirty-eight (38) years of service prior to July 1, 1987, shall not be required to contribute.

4 SECTION 4. 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 OFFICES AND EMPLOYEES -- RETIREMENT

1 This act would allow state employees and correctional officers to combine their years of
2 service under both pension systems, for the determination of their retirement eligibility date and
3 calculation of retirement benefits.

4 This act would take effect upon passage.

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