

2011 -- H 5840

=====
LC01842
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES - RETIREMENT SYSTEM -
CONTRIBUTIONS AND BENEFITS

Introduced By: Representatives Menard, Malik, MacBeth, Schadone, and Costa

Date Introduced: March 08, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

3 **8-3-15. Cost of living allowance.** -- (a) All justices of the supreme court, superior court,
4 family court, or district court, or their surviving spouses or domestic partners, who retire after
5 January 1, 1970 and who receive a retirement allowance pursuant to the provisions of this title
6 shall, on the first day of January next following the third anniversary date of retirement, receive a
7 cost-of-living retirement adjustment in addition to his or her retirement allowance in an amount
8 equal to three percent (3%) of the original retirement allowance. In each succeeding year
9 thereafter during the month of January, the retirement allowance shall be increased an additional
10 three percent (3%) of the original allowance, not compounded, to be continued during the lifetime
11 of the justice or his or her surviving spouse or domestic partner. For the purpose of such
12 computation, credit shall be given for a full calendar year regardless of the effective date of the
13 retirement allowance.

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

16 (c) For justices not eligible to retire as of September 30, 2009 and not eligible upon
17 passage of this article, and for their beneficiaries, the cost of living adjustment described in
18 subsection (3) above shall only apply to the first thirty-five thousand dollars (\$35,000) of

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

13 [\(d\) Notwithstanding any provisions to the contrary contained in this or any other chapter,](#)
14 [the cost-of-living retirement adjustments shall be eliminated for all justices and their surviving](#)
15 [spouses or domestic partners who have been hired on or after the effective date of this section.](#)

16 SECTION 2. Section 88.2-12 of the General Laws in Chapter 8-8.2 entitled "Traffic
17 tribunal" is hereby amended to read as follows:

18 **8-8.2-12. Additional bene fits payable to retired judges and their surviving spouses**
19 **or domestic partners.** -- (a) All judges of the administrative adjudication court and all judges of
20 the administrative adjudication court who have been reassigned to the traffic tribunal, or their
21 surviving spouses or domestic partners, who retire after January 1, 1970 and who receive a
22 retirement allowance pursuant to the provisions of this title, shall, on the first day of January, next
23 following the third anniversary of the retirement, receive a cost of living retirement adjustment in
24 addition to his or her retirement allowance in an amount equal to three percent (3%) of the
25 original retirement allowance. In each succeeding year thereafter during the month of January, the
26 retirement allowance shall be increased an additional three percent (3%) of the original
27 allowance, compounded annually from the year cost of living adjustment was first payable to be
28 continued during the lifetime of the judge or his or her surviving spouse or domestic partner. For
29 the purpose of such computation, credit shall be given for a full calendar year regardless of the
30 effective date of the retirement allowance.

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

33 (c) For judges not eligible to retire as of September 30, 2009 and not eligible upon
34 passage of this article, and for their beneficiaries, the cost of living adjustment described in

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

14 (d) Notwithstanding any provisions to the contrary contained in this or any other chapter,
15 the cost-of-living retirement adjustments shall be eliminated for all judges and their surviving
16 spouses or domestic partners who have been hired on or after the effective date of this section.

17 SECTION 3. Section 16-16-40 of the General Laws in Chapter 16-16 entitled "Teachers'
18 Retirement" is hereby amended to read as follows:

19 **16-16-40. Additional benefits payable to retired teachers.** -- (a) All teachers and all
20 beneficiaries of teachers receiving any service retirement or ordinary disability retirement
21 allowance pursuant to the provisions of this chapter and chapter 17 of this title, on or before
22 December 31, 1967, shall receive a cost of living retirement adjustment equal to one and one-half
23 percent (1.5%) per year of the original retirement allowance, not compounded, for each year the
24 retirement allowance has been in effect. For purposes of computation credit shall be given for a
25 full calendar year regardless of the effective date of the retirement allowance. This cost of living
26 retirement adjustment shall be added to the amount of the service retirement allowance as of
27 January 1, 1970, and payment shall begin as of July 1, 1970. An additional cost of living
28 retirement adjustment shall be added to the original retirement allowance equal to three percent
29 (3%) of the original retirement allowance on the first day of January, 1971, and each year
30 thereafter through December 31, 1980.

31 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary
32 disability retirement allowance pursuant to the provisions of this title who retired on or after
33 January 1, 1968, shall, on the first day of January, next following the third (3rd) year on
34 retirement, receive a cost of living adjustment, in addition to his or her retirement allowance, an

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

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

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

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

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

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

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

11 (f) Notwithstanding any provisions to the contrary contained in this or any other chapter,
12 the cost-of-living retirement adjustments shall be eliminated for all teachers and their surviving
13 spouses or domestic partners who have been hired on or after the effective date of this section.

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

16 **28-30-18. Additional benefits payable to retired judges and their surviving spouses**

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

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

30 (c) For judges not eligible to retire as of September 30, 2009 and not eligible upon
31 passage of this article, and for their beneficiaries, the cost of living adjustment described in
32 subsection (a) above shall only apply to the first thirty-five thousand dollars (\$35,000) of
33 retirement allowance, indexed annually, and shall commence upon the third (3rd) anniversary of
34 the date of retirement or when the retiree reaches age sixty-five (65), whichever is later. The

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

11 (d) Notwithstanding any provisions to the contrary contained in this or any other chapter,
12 the cost-of-living retirement adjustments shall be eliminated for all judges and their surviving
13 spouses or domestic partners who have been hired on or after the effective date of this section.

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

16 **36-10-35. Additional benefits payable to retired employees.** -- (a) All state employees
17 and all beneficiaries of state employees receiving any service retirement or ordinary or accidental
18 disability retirement allowance pursuant to the provisions of this title on or before December 31,
19 1967, shall receive a cost of living retirement adjustment equal to one and one-half percent
20 (1.5%) per year of the original retirement allowance, not compounded, for each calendar year the
21 retirement allowance has been in effect. For the purposes of computation, credit shall be given for
22 a full calendar year regardless of the effective date of the retirement allowance. This cost of living
23 adjustment shall be added to the amount of the retirement allowance as of January 1, 1968, and an
24 additional one and one-half percent (1.5%) shall be added to the original retirement allowance in
25 each succeeding year during the month of January, and provided further, that this additional cost
26 of living increase shall be three percent (3%) for the year beginning January 1, 1971, and each
27 year thereafter, through December 31, 1980. Notwithstanding any of the above provisions, no
28 employee receiving any service retirement allowance pursuant to the provisions of this title on or
29 before December 31, 1967, or the employee's beneficiary, shall receive any additional benefit
30 hereunder in an amount less than two hundred dollars (\$200) per year over the service retirement
31 allowance where the employee retired prior to January 1, 1958.

32 (b) All state employees and all beneficiaries of state employees retired on or after
33 January 1, 1968, who are receiving any service retirement or ordinary or accidental disability
34 retirement allowance pursuant to the provisions of this title shall, on the first day of January next

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

8 (c) (1) Beginning on January 1, 1981, for all state employees and beneficiaries of the
9 state employees receiving any service retirement and all state employees, and all beneficiaries of
10 state employees, who have completed at least ten (10) years of contributory service on or before
11 July 1, 2005 pursuant to the provisions of this chapter, and for all state employees, and all
12 beneficiaries of state employees who receive a disability retirement allowance pursuant to
13 sections 36-10-12 -- 36-10-15, the cost of living adjustment shall be computed and paid at the rate
14 of three percent (3%) of the original retirement allowance or the retirement allowance as
15 computed in accordance with section 36-10-35.1, compounded annually from the year for which
16 the cost of living adjustment was determined to be payable by the retirement board pursuant to
17 the provisions of subsection (a) or (b) of this section. Such cost of living adjustments are
18 available to members who retire before October 1, 2009 or are eligible to retire as of September
19 30, 2009.

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

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

34 (d) For state employees not eligible to retire in accordance with this chapter as of

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

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

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

26 (g) Notwithstanding any provisions to the contrary contained in this or any other chapter,
27 the cost-of-living retirement adjustments shall be eliminated for all state employees and their
28 surviving spouses or domestic partners who have been hired on or after the effective date of this
29 section.

30 SECTION 6. This act shall take effect upon passage.

=====
LC01842
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC OFFICERS AND EMPLOYEES - RETIREMENT SYSTEM -
CONTRIBUTIONS AND BENEFITS

1 This act would eliminate the cost-of-living retirement adjustments for all teachers and
2 state employees and their surviving spouses or domestic partners who are hired on or after the
3 effective date of this act.

4 This act would take effect upon passage.

=====
LC01842
=====