

2022 -- H 8075

LC005647

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO EDUCATION -- TEACHERS' RETIREMENT

Introduced By: Representative Joseph M. McNamara

Date Introduced: April 01, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-16-22 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 **16-16-22. Contributions to state system.**

5 (a) Prior to July 1, 2012, each teacher shall contribute into the system nine and one-half  
6 percent (9.5%) of compensation as his or her share of the cost of annuities, benefits, and allowances.  
7 Effective July 1, 2012, each teacher shall contribute an amount equal to three and three quarters  
8 percent (3.75%) of his or her compensation. Effective July 1, 2015, each teacher with twenty (20)  
9 or more years of total service as of June 30, 2012, shall contribute an amount equal to eleven percent  
10 (11%) of his or her compensation. The employer contribution on behalf of teacher members of the  
11 system shall be in an amount that will pay a rate percent of the compensation paid to the members,  
12 according to the method of financing prescribed in the state retirement act in chapters 8 -- 10 and  
13 10.3 of title 36. This amount shall be paid forty percent (40%) by the state and sixty percent (60%)  
14 by the city, town, local educational agency, or any formalized commissioner-approved cooperative  
15 service arrangement by whom the teacher members are employed; provided, however, effective  
16 July 1, 2022, the amount paid by the state shall be forty-two percent (42%) and fifty-eight percent  
17 (58%) by the city, town or local educational agency; effective July 1, 2023, the amount paid by the  
18 state shall be forty-four percent (44%) and fifty-six percent (56%) by the city, town or local  
19 educational agency; effective July 1, 2024, the amount paid by the state shall be forty-six percent

1 (46%) and fifty-four percent (54%) by the city, town or local educational agency; effective July 1,  
2 2025, the amount paid by the state shall be forty-eight percent (48%) and fifty-two percent (52%)  
3 by the city, town or local educational agency; effective July 1, 2026, the amount paid by the state  
4 shall be fifty percent (50%) and fifty percent (50%) by the city, town or local educational agency;  
5 effective July 1, 2027, the amount paid by the state shall be fifty-two percent (52%) and forty-eight  
6 percent (48%) by the city, town or local educational agency; effective July 1, 2028, the amount  
7 paid by the state shall be fifty-four percent (54%) and forty-six percent (46%) by the city, town or  
8 local educational agency; effective July 1, 2029, the amount paid by the state shall be fifty-six  
9 percent (56%) and forty-four percent (44%) by the city, town or local educational agency; effective  
10 July 1, 2030, the amount paid by the state shall be fifty-eight percent (58%) and forty-two percent  
11 (42%) by the city, town or local educational agency; effective July 1, 2031, the amount paid by the  
12 state shall be sixty percent (60%) and forty percent (40%) by the city, town or local educational  
13 agency; with the exception of teachers who work in federally funded projects and further with the  
14 exception of any supplemental contributions by a local municipality employer under chapter 10.3  
15 of title 36 which supplemental employer contributions shall be made wholly by the local  
16 municipality. Provided, however, that the rate percent paid shall be rounded to the nearest  
17 hundredth of one percent (.01%).

18 (b) The employer contribution on behalf of teacher members of the system who work in  
19 fully or partially federally funded programs shall be prorated in accordance with the share of the  
20 contribution paid from the funds of the federal, city, town, or local educational agency, or any  
21 formalized commissioner-approved cooperative service arrangement by whom the teacher  
22 members are employed.

23 (c) In case of the failure of any city, town, or local educational agency, or any formalized  
24 commissioner-approved cooperative service arrangement, to pay to the state retirement system the  
25 amounts due from it under this section within the time prescribed, the general treasurer is authorized  
26 to deduct the amount from any money due the city, town, or local educational agency from the  
27 state.

28 (d) The employer's contribution shared by the state shall be paid in the amounts prescribed  
29 in this section for the city, town, or local educational agency and under the same payment schedule.  
30 Notwithstanding any other provisions of this chapter, the city, town, or local educational agency or  
31 any formalized commissioner-approved cooperative service arrangement shall remit to the general  
32 treasurer of the state the local employer's share of the teacher's retirement on the date contributions  
33 are withheld but no later than three (3) business days following the pay period ending in which  
34 contributions were withheld. The amounts that would have been contributed shall be deposited by

1 the state in a special fund and not used for any purpose. The general treasurer, upon receipt of the  
2 local employer's share, shall effect transfer of a matching amount of money from the state funds  
3 appropriated for this purpose by the general assembly into the retirement fund.

4       Upon reconciliation of the final amount owed to the retirement fund for the employer share,  
5 the state shall ensure that any local education aid reduction assumed for the FY 2010 revised budget  
6 in excess of the actual savings is restored to the respective local entities.

7       (e) This section is not subject to §§ 45-13-7 through 45-13-10.

8       SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO EDUCATION -- TEACHERS' RETIREMENT

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1           This act would, effective July 1, 2022, increase the amount contributed by the state by two  
2 percent (2%) each year through the fiscal year starting on July 1, 2031. It would also reduce the  
3 amount contributed by the city, town or local educational agency by the corresponding amount.

4           This act would take effect upon passage.

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