

2022 -- S 2956

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO TOWNS AND CITIES -- RETIREMENT OF MUNICIPAL EMPLOYEES

Introduced By: Senator Louis P. DiPalma

Date Introduced: May 19, 2022

Referred To: Senate Finance

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-21-8 of the General Laws in Chapter 45-21 entitled "Retirement
2 of Municipal Employees" is hereby amended to read as follows:

3 **45-21-8. Membership in system.**

4 Membership in the retirement system does not begin before the effective date of
5 participation in the system as provided in § 45-21-4, § 45-21.4-2, or § 45-21.4-3 and consists of the
6 following:

7 (a) Any employee of a participating municipality as defined in this chapter, who becomes
8 an employee on and after the effective date of participation, shall, under contract of his or her
9 employment, become a member of the retirement system; provided, that the employee is not
10 receiving any pension or retirement allowance from any other pension or retirement system
11 supported wholly or in part by a participating municipality, and is not a contributor to any other
12 pension or retirement system of a participating municipality. Any employee who is elected to an
13 office in the service of a municipality after the effective date and prior to July 1, 2012, has the
14 option of becoming a member of the system, which option must be exercised within sixty (60) days
15 following the date the employee assumes the duties of his or her office, otherwise that person is not
16 entitled to participate under the provisions of this section;

17 (b) Any employee or elected official of a participating municipality in service prior to the
18 effective date of participation, who is not a member of any other pension or retirement system
19 supported wholly or in part by a participating municipality, and who does not notify the retirement

1 board in writing before the expiration of sixty (60) days from the effective date of participation that
2 he or she does not wish to join the system, shall automatically become a member; and

3 (c) Any employee of a participating municipality in service prior to the effective date of
4 participation, who is a member of any other pension or retirement system supported wholly or in
5 part by a participating municipality on the effective date of participation of their municipality, who
6 then or thereafter makes written application to join this system, and waives and renounces all
7 accrued rights and benefits of any other pension or retirement system supported wholly or in part
8 by a participating municipality, becomes a member of this retirement system and shall not be
9 required to make contribution under any other pension or retirement system of a participating
10 municipality, anything to the contrary notwithstanding.

11 (d) Notwithstanding the provisions of this section, present firefighters employed by the
12 town of Johnston shall establish a pension plan separate from the state of Rhode Island retirement
13 system. If the town of Johnston is thirty (30) days or more late on employer or employee
14 contributions to the pension plan, the auditor general is authorized to redirect any Johnston funds
15 to cover the shortfall or to deduct that amount from any moneys due the town from the state for any
16 purpose other than for education. Disability determinations of present firefighters shall be made by
17 the state retirement board, subject to the provisions of § 45-21-19, at the town of Johnston's
18 expense. All new firefighters hired by the town of Johnston shall become members of the state
19 retirement system.

20 (e) Notwithstanding the provisions of this section, any city of Cranston employees who are
21 presently members of Teamsters Local Union No. 251, hired between the dates of July 1, 2005,
22 and June 30, 2010, inclusive, and who are currently members of the retirement system established
23 by this chapter may opt out of said retirement system and choose to enroll in a defined contribution
24 plan (i.e., a 403(b) plan or equivalent thereof) established by the city of Cranston.

25 (f) Notwithstanding the provisions of this section, any city of Cranston employees who are
26 presently members of the Laborers International Union of North America Local 1322 hired between
27 the dates of July 1, 2008, and June 30, 2013, inclusive, and who are currently members of the
28 retirement system established by this chapter may opt out of said retirement system and choose to
29 enroll in a defined contribution plan (i.e., a 403(b) plan or equivalent thereof) established by the
30 city of Cranston.

31 (g) Notwithstanding the provisions of this section, any city of Cranston employees who
32 will be members of Teamsters Local Union No. 251, hired after June 30, 2010, shall be enrolled in
33 a defined contribution plan (i.e., a 403(b) plan or equivalent thereof) established by the city of
34 Cranston and shall not be a member of the retirement system established by this chapter.

1 (h) Notwithstanding the provisions of this section, any city of Cranston employees who are
2 presently members of the Laborers International Union of North America Local 1322 hired after
3 April 23, 2013, shall be enrolled in a defined contribution plan (i.e., 403(b) plan or equivalent
4 thereof) established by the city of Cranston and shall not be a member of the retirement system
5 established by this chapter.

6 (i) Notwithstanding the provisions of this section, any city of Cranston employees defined
7 in subsections (e) and (f) of this section shall be precluded from purchase of service credit for time
8 served on or after July 1, 2010, while participating in the defined contribution plan (i.e., a 403(b)
9 plan or equivalent thereof) established by the city of Cranston should the member cease
10 employment with the city of Cranston or Teamsters Local Union No. 251 and re-enter the system
11 with another participating employer who has accepted the provisions as defined, in § 45-21-4.

12 (j) Notwithstanding the provisions of this section, any town of Middletown employees,
13 who will be members of the Teamsters Local Union No. 251 bargaining unit, hired after June 30,
14 2012, and who are not at the time of hire active members of the retirement system established by
15 this chapter and who were never active members of the retirement system established by this
16 chapter, and any town of Middletown employees who are employed as full-time civilian
17 dispatchers, hired after June 30, 2012, and who are not at the time of hire active members of the
18 retirement system established by this chapter and who were never active members of the retirement
19 system established by this chapter, and any town of Middletown employees who are not affiliated
20 with any recognized collective bargaining representative or union hired after June 30, 2012, and
21 who are not at the time of hire active members of the retirement system established by this chapter
22 and who were never active members of the retirement system established by this chapter, shall be
23 enrolled in a defined contribution plan (i.e., a 403(b) plan or equivalent thereof) established by the
24 town of Middletown and shall not be members of the retirement system established by this chapter.
25 Said town of Middletown employees defined herein shall be precluded from the purchase of service
26 credit for time served on or after July 1, 2012, while participating in the defined contribution plan
27 (i.e., a 403(b) plan or equivalent thereof) established by the town of Middletown should the member
28 cease employment with the town of Middletown or in the Teamsters Local Union No. 251
29 bargaining unit and re-enter the system with any participating employer who has accepted the
30 provisions as defined in § 45-21-4. Any town of Middletown employees hired after June 30, 2022,
31 who are at the time of hire active members of the retirement system established by this chapter or
32 who were previously active members of the retirement system established by this chapter shall
33 remain as such active members or shall be re-instated as active members, as the case may be, and
34 shall not be enrolled in a defined contribution plan (i.e., a 403(b) plan or equivalent thereof)

1 established by the town of Middletown. Moreover, any town of Middletown employee who was at
2 the time of hire an active member of the retirement system established by this chapter or who was
3 previously an active member of the retirement system established by this chapter, but who was
4 forced to become or remain an inactive member by virtue of their having been hired by the town
5 of Middletown at a time when such was required by law, may (by December 31, 2022, and not
6 thereafter) request in writing to be dis-enrolled from the town of Middletown's defined contribution
7 plan and to have their contributions refunded to them; to be reinstated as an active member of the
8 retirement system established by this chapter; and to be allowed to purchase service credit for their
9 service while participating in Middletown's defined contribution plan (notwithstanding the
10 preclusion provided above in this subsection), which request, if timely made, shall be allowed. To
11 be clear, persons reinstated under the terms of this section as active members of the retirement
12 system established by this chapter shall be reinstated only with such service credits, if any, as they
13 may have earned or purchased in accordance with the law and are thereafter subject to all laws and
14 rules otherwise applicable to active members.

15 (k) Notwithstanding the provisions of this section, any town of Middletown employees,
16 who will be members of the Middletown Municipal Employees Association NEARI Local 869
17 bargaining unit hired after June 30, 2012, and who are not at the time of hire active members of the
18 retirement system established by this chapter and who were never active members of the retirement
19 system established by this chapter, shall be enrolled in a defined contribution plan (i.e., a 403(b)
20 plan or equivalent thereof) established by the town of Middletown and shall not be members of the
21 retirement system established by this chapter. Said town of Middletown employees defined herein
22 shall be precluded from the purchase of service credit for time served on or after July 1, 2012, while
23 participating in the defined contribution plan (i.e., a 403(b) plan or equivalent thereof) established
24 by the town of Middletown should the member cease employment with the town of Middletown or
25 in the Middletown Municipal Employees Association NEARI Local 869 bargaining unit and re-
26 enter the system with any participating employer who has accepted the provisions as defined in §
27 45-21-4. Any town of Middletown employees hired after June 30, 2022, who are at the time of hire
28 active members of the retirement system established by this chapter or who were previously active
29 members of the retirement system established by this chapter shall remain as such active members
30 or shall be re-instated as active members, as the case may be, and shall not be enrolled in a defined
31 contribution plan (i.e., a 403(b) plan or equivalent thereof) established by the town of Middletown.
32 Moreover, any town of Middletown employee who was at the time of hire an active member of the
33 retirement system established by this chapter or who was previously an active member of the
34 retirement system established by this chapter, but who was forced to become or remain an inactive

1 member by virtue of their having been hired by the town of Middletown at a time when such was
2 required by law, may (by December 31, 2022, and not thereafter) request in writing to be
3 disenrolled from the town of Middletown's defined contribution plan and to have their contributions
4 refunded to them; to be reinstated as an active member of the retirement system established by this
5 chapter; and to be allowed to purchase service credit for their service while participating in
6 Middletown's defined contribution plan (notwithstanding the preclusion provided above in this
7 subsection), which request, if timely made, shall be allowed. To be clear, persons reinstated under
8 the terms of this section as active members of the retirement system established by this chapter
9 shall be reinstated only with such service credits, if any, as they may have earned or purchased in
10 accordance with the law and are thereafter subject to all laws and rules otherwise applicable to
11 active members.

12 (l) Notwithstanding the provisions of this section, any Cranston public school employees
13 who will be members of National Association of Government Employees (NAGE), Local RI-153,
14 hired after June 30, 2012, shall be enrolled in a defined contribution plan (i.e., a 401(a) plan or
15 equivalent thereof) established by the Cranston school department and shall not be a member of
16 the retirement system established by this chapter.

17 (m) Notwithstanding the provisions of this section, any Cranston public school employees
18 defined in subsection (l) shall be precluded from the purchase of service credit for time served on
19 or after July 1, 2012, while participating in the defined contribution plan (i.e., a 401(a) plan or
20 equivalent thereof) established by the Cranston public schools should the member cease
21 employment with the Cranston public schools or National Association of Government Employees
22 (NAGE), Local RI-153 and re-enter the system with another participating employer who has
23 accepted the provisions as defined in § 45-21-4.

24 (n) Notwithstanding the provisions of this section, the chief of police for the city of
25 Cranston who was hired on or about September 2014, shall be enrolled in a defined contribution
26 plan (i.e., 401(a) plan or any equivalent thereof) established by the city of Cranston, and shall not
27 be a member of the retirement system established by this chapter.

28 ~~(o) Notwithstanding the provisions of this section, any town of Middletown employees,~~
29 ~~who will be members of the Middletown Fraternal Order of Police, Lodge #21, and hired as full-~~
30 ~~time police officers after June 30, 2021, shall be enrolled in a defined contribution plan (i.e., a~~
31 ~~401(a) plan or equivalent thereof) established by the town of Middletown and shall not be members~~
32 ~~of the retirement system established by this chapter. Said town of Middletown employees defined~~
33 ~~herein shall be precluded from the purchase of service credit for time served on or after July 1,~~
34 ~~2021, while participating in the defined contribution plan (i.e., a 401(a) plan or equivalent thereof)~~

1 ~~established by the town of Middletown, should the member cease employment with the town of~~
2 ~~Middletown or in the Middletown Fraternal Order of Police, Lodge #21 bargaining unit and re-~~
3 ~~enter the system with any participating employer who has accepted the provisions as defined in §~~
4 ~~45-21-4.~~

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO TOWNS AND CITIES -- RETIREMENT OF MUNICIPAL EMPLOYEES

1 This act would allow town of Middletown employees hired after June 30, 2022, various
2 options relating to enrollment in the town's defined contribution plan up to and including December
3 31, 2022.

4 This act would take effect upon passage.

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