

2023 -- H 5008

LC000130

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TOWNS AND CITIES - RETIREMENT OF MUNICIPAL EMPLOYEES -
REEMPLOYMENT OF POLICE OFFICERS

Introduced By: Representatives Noret, Casimiro, Hull, Corvese, Solomon, Vella-
Wilkinson, Baginski, Dawson, Shallcross Smith, and Shanley

Date Introduced: January 06, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

3 **45-21-2. Definitions.**

4 The following words and phrases as used in this chapter have the following meanings
5 unless a different meaning is plainly required by the context:

6 (1) "Accumulated contributions" means the sum of all amounts deducted from the
7 compensation of a member and credited to his or her individual account in the members'
8 contribution reserve account.

9 (2) "Active member" means any employee of a participating municipality as defined in this
10 section for whom the retirement system is currently receiving regular contributions pursuant to §§
11 45-21-41, 45-21-41.1 or 45-21.2-14.

12 (3) "Actuarial reserve" means the present value of all payments to be made on account of
13 any annuity, retirement allowance, or benefit, computed upon the basis of mortality tables adopted
14 by the retirement board with regular interest.

15 (4) "Beneficiary" means any person in receipt of a retirement allowance, annuity, or other
16 benefit as provided by this chapter.

17 (5) For purposes of this chapter, "domestic partner" shall be defined as a person who, prior
18 to the decedent's death, was in an exclusive, intimate and committed relationship with the decedent,

1 and who certifies by affidavit that their relationship met the following qualifications:

2 (i) Both partners were at least eighteen (18) years of age and were mentally competent to
3 contract;

4 (ii) Neither partner was married to anyone else;

5 (iii) Partners were not related by blood to a degree which would prohibit marriage in the
6 state of Rhode Island;

7 (iv) Partners resided together and had resided together for at least one year at the time of
8 death; and

9 (v) Partners were financially interdependent as evidenced by at least two (2) of the
10 following:

11 (A) Domestic partnership agreement or relationship contract;

12 (B) Joint mortgage or joint ownership of primary residence;

13 (C) Two (2) of: (I) Joint ownership of motor vehicle; (II) Joint checking account; (III) Joint
14 credit account; (IV) Joint lease; and/or

15 (D) The domestic partner had been designated as a beneficiary for the decedent's will,
16 retirement contract or life insurance.

17 (6) "Effective date of participation" means the date on which the provisions of this chapter
18 have become applicable to a municipality accepting the provisions of the chapter in the manner
19 stated in § 45-21-4.

20 (7) "Employee" means any regular and permanent employee or officer of any municipality,
21 whose business time at a minimum of twenty (20) hours a week is devoted to the service of the
22 municipality, including elective officials and officials and employees of city and town housing
23 authorities. Notwithstanding the previous sentence, the term "employee," for the purposes of this
24 chapter, does not include any person whose duties are of a casual or seasonal nature. The retirement
25 board shall decide who are employees within the meaning of this chapter, but in no case shall it
26 deem as an employee any individual who annually devotes less than twenty (20) business hours per
27 week to the service of the municipality and who receives less than the equivalent of minimum wage
28 compensation on an hourly basis for his or her services, except as provided in § 45-21-14.1. Casual
29 employees mean those persons hired for an occasional period or a period of emergency to perform
30 special jobs or functions not necessarily related to the work of regular employees. Any
31 commissioner of a municipal housing authority, or any member of a part-time state board
32 commission, committee or other authority is not deemed to be an employee within the meaning of
33 this chapter.

34 (8)(a) "Final compensation" for members who are eligible to retire on or prior to June 30,

1 2012, means the average annual compensation, pay, or salary of a member for services rendered
2 during the period of three (3) consecutive years within the total service of the member when the
3 average was highest, and as the term average annual compensation is further defined in § 36-8-
4 1(5)(a). For members eligible to retire on or after July 1, 2012, “final compensation” means the
5 average of the highest five (5) consecutive years of compensation within the total service when the
6 final compensation was the highest.

7 (b) For members who become eligible to retire on or after July 1, 2012, if more than one
8 half (½) of the member’s total years of service consist of years of service during which the member
9 devoted less than thirty (30) business hours per week to the service of the municipality, but the
10 member’s average compensation consists of three (3) or more years during which the member
11 devoted more than thirty (30) business hours per week to the service of a municipality, such
12 member’s average compensation shall mean the average of the highest ten (10) consecutive years
13 of compensation within the total service when the average compensation was the highest; provided
14 however, effective July 1, 2015, if such member’s average compensation as defined in subsection
15 (a) above is equal to or less than thirty-five thousand dollars (\$35,000), such amount to be indexed
16 annually in accordance with § 45-21-52(d)(1)(B), such member’s average compensation shall
17 mean the greater of: (i) The average of the highest ten (10) consecutive years of compensation
18 within the total service when the average compensation was the highest; or (ii) The member’s
19 average compensation as defined in subsection (a) above. To protect a member’s accrued benefit
20 on June 30, 2012, under this subsection (8)(b), in no event shall a member’s average compensation
21 be lower than his or her average compensation determined as of June 30, 2012.

22 Notwithstanding the preceding provisions, in no event shall a member’s final compensation
23 be lower than his or her final compensation determined as of June 30, 2012.

24 (9) “Fiscal year” means the period beginning on July 1 in any year and ending on June 30
25 of the next succeeding year.

26 (10) “Full actuarial costs” or “full actuarial value” mean the lump sum payable by a
27 member claiming service credit for certain employment for which payment is required, which is
28 determined according to the age of the member and his or her annual rate of compensation at the
29 time he or she applies for service credit, and which is expressed as a rate percent of the annual rate
30 of compensation to be multiplied by the number of years for which he or she claims the service
31 credit, as prescribed in a schedule adopted by the retirement board, from time to time, on the basis
32 of computation by the actuary. Except as provided in §§ 16-16-7.1, 36-5-3, 36-9-31, 36-10-10.4,
33 and 45-21-53: (i) All service credit purchases requested after June 16, 2009, and prior to July 1,
34 2012, shall be at full actuarial value; and (ii) All service credit purchases requested after June 30,

1 2012, shall be at full actuarial value which shall be determined using the system's assumed
2 investment rate of return minus one percent (1%).

3 (11) "Governing body" means any and all bodies empowered to appropriate monies for,
4 and administer the operation of, the units as defined in subdivision (1) of this section.

5 (12) "Member" means any person included in the membership of the retirement system as
6 provided in § 45-21-8.

7 (13) "Municipality" means any town or city in the state of Rhode Island, any city or town
8 housing authority, fire, water, sewer district, regional school district, public building authority as
9 established by chapter 14 of title 37, or any other municipal financed agency to which the retirement
10 board has approved admission in the retirement system.

11 (14) "Participating municipality" means any municipality which has accepted this chapter,
12 as provided in § 45-21-4.

13 (15) "Police officer" means a full-time police officer from the rank of patrolman up to and
14 including the rank of chief, including policewomen, of any particular police department in any city
15 or town within the state. For the purpose of § 45-21-54, this definition shall include municipal
16 police academy graduates who hold or held a certification.

17 ~~(15)~~(16) "Prior service" means service as a member rendered before the effective date of
18 participation as defined in this section, certified on his or her prior service certificate, and allowable
19 as provided in § 45-21-15.

20 ~~(16)~~(17) "Regular interest" means interest at the assumed investment rate of return,
21 compounded annually, as may be prescribed from time to time by the retirement board.

22 ~~(17)~~(18) "Retirement allowance" or "annuity" means the amounts paid to any member of
23 the municipal employees' retirement system of the state of Rhode Island, or a survivor of the
24 member, as provided in this chapter. All retirement allowances or annuities shall be paid in equal
25 monthly installments for life, unless otherwise specifically provided.

26 ~~(18)~~(19) "Retirement board" or "board" means the state retirement board created by
27 chapter 8 of title 36.

28 ~~(19)~~(20) "Retirement system" means the "municipal employees' retirement system of the
29 state of Rhode Island" as defined in § 45-21-32.

30 ~~(20)~~(21) "Service" means service as an employee of a municipality of the state of Rhode
31 Island as defined in subdivision (7).

32 ~~(21)~~(22) "Total service" means prior service as defined in subdivision (15) plus service
33 rendered as a member on or after the effective date of participation.

34 ~~(22)~~(23) Any term not specifically defined in this chapter and specifically defined in

1 chapters 8 through 10 of title 36 shall have the same definition as set forth in chapters 8 through 10
2 of title 36.

3 SECTION 2. Section 45-21-54 of the General Laws in Chapter 45-21 entitled "Retirement
4 of Municipal Employees" is hereby amended to read as follows:

5 **45-21-54. Reemployment of retired members.**

6 Any retired member of the system is permitted to reenter the service of the system for not
7 more than seventy-five (75) working days in a calendar year without interruption of pension
8 benefits. Pension payments, however, are suspended when that period is exceeded. This seventy-
9 five-day (75) rule shall not apply to police officers, as defined in § ~~28-9-2-3~~ [45-21-2](#), for the
10 purposes of their working private details, paid for by a nongovernmental entity. If the retired
11 member continues in service beyond the seventy-five-day (75) period (with his or her annuity
12 temporarily suspended) the member is not eligible for pension credit for the additional service, nor
13 is the member required to make pension contributions for this service; provided, that any retired
14 member of the system is permitted to serve as an elected city or town council member or school
15 committee member and continues to be eligible for and receive the retirement allowance for service
16 other than that as a council member or school committee member.

17 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TOWNS AND CITIES - RETIREMENT OF MUNICIPAL EMPLOYEES -
REEMPLOYMENT OF POLICE OFFICERS

1 This act would exempt retired police officers from the seventy-five (75) day rule which
2 restricts employment for retirement purposes, when they work private details for a
3 nongovernmental entity. This act would expand the definition of police officer as it relates to the
4 reemployment of retired municipal employees.

5 This act would take effect upon passage.

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