

2016 -- S 2872 SUBSTITUTE A

LC005512/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO TOWNS AND CITIES -- RETIREMENT SECURITY ACT FOR LOCALLY
ADMINISTERED PENSION FUNDS

Introduced By: Senator Ryan W. Pearson

Date Introduced: March 31, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 45-65 of the General Laws entitled "Retirement Security Act for
2 Locally Administered Pension Funds" is hereby amended by adding thereto the following section:

3 **45-65-10. Oversight and report on the status of locally administered pension plans. -**

4 :(a) An advisory council regarding locally administered pension plans shall be established and
5 consist of:

6 (1) The general treasurer, who shall serve as a chairperson;

7 (2) The auditor general;

8 (3) A representative of organized labor appointed by the governor;

9 (4) A representative of the Rhode Island league of cities and towns; and

10 (5) The director of revenue or designee who shall be from the office of municipal finance.

11 (b) On or before April 30 of each year, the advisory council shall provide to the
12 governor's office and to both chambers of the general assembly an annual report that shall include
13 a "performance dashboard" of all pension plans used by either the state and/or any municipality
14 or municipal employees, that sets forth for each plan;

15 (1) Fund performance for each plan's most recently completed and previous five (5) and
16 ten (10) fiscal years;

17 (2) The total percentage of the plan that is funded;

18 (3) The percentage of administrative costs of the fund as measured against the fund's

1 assets;

2 (4) Assumed and projected rates of return for the funds; and

3 (5) The municipality's or community's capacity to pay the municipality's required funding
4 payment as a percentage of their tax levy ratio.

5 (c) Cities and towns shall supply the information requested by the advisory council to
6 furnish this report.

7 (d) The report shall be accompanied by an opinion prepared by the general treasurer
8 regarding the sustainability of each plan and any potential areas of concern.

9 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 TOWNS AND CITIES -- RETIREMENT SECURITY ACT FOR LOCALLY
ADMINISTERED PENSION FUNDS

- 1 This act would establish an advisory council to review locally administered pension
- 2 funds.
- 3 This act would take effect upon passage.

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