

## **2001 Legislative Changes**

No major benefit changes were enacted by the General Assembly during the 2001 session. However, several significant pieces of legislation were enacted by both the Rhode Island General Assembly and the United States Congress that affected both the Employees' Retirement System of Rhode Island and the Municipal Employees' Retirement System. Here is a summary of the relevant legislation:

### **General Assembly Legislation**

#### **Public Law 01-193 An Act Relating to Teachers' and Public Officers' and Employees' Retirement and Municipal Employees**

##### **Purchase Of Service Credit by installment**

This new law, which becomes effective January 1, 2002, directed the retirement board to allow members to purchase service credit by payroll deduction. The law provided that interest shall be charged for the term of the installment plan, and that the installment plan may not exceed five years. Further, all purchases must be made prior to retirement.

#### **Public Law 01-333 An Act Relating To Public Officers And Employees —Retirement System — Contributions And Benefits**

##### **Post-Retirement Employment of Registered Nurses**

This amendment, which became effective July 13, 2001, allows any member who retired from service as a registered nurse to be employed or re-employed, on a per-diem basis, for the purpose of providing professional nursing care and/or services at a state-operated facility provided gross pay does not exceed \$12,000 in any one calendar year.

#### **Public Law 01-199 An Act Relating To Education — Teachers' Retirement**

##### **Substitute Teaching After Retirement**

This amendment, which became effective July 13, 2001, deleted the words "for an absent classroom" and added the words "as a" in the statute allowing retired teachers to substitute for up to 90 days at state schools and in the public schools of Rhode Island.

#### **Public Law 01-101 An Act Relating To Cost-Of-Living Adjustment For Employees Of The Town Of East Greenwich**

##### **Town of East Greenwich**

This amendment, which became effective July 10, 2001, applies to the Town of East Greenwich MERS only and grants a COLA adjustment to certain members of the East Greenwich general municipal plan

**Public Law 01-077 Article 18 Substitute A As Amended Relating To State Contributions To Retirement  
Funding Methodology of the System**

This article changed the actuarial cost methodology from a Frozen Initial Liability method to an Entry Age Normal methodology, and re-starts the period for amortizing the unfunded liability at 30 years. This methodology provides greater stability in required contribution rates, helps reduce the over-burdening of the current generation of taxpayers, and provides better indicators of future funding progress. In addition, the implementation of the Entry Age Normal Cost method is a more appropriate methodology for statewide public retirement systems as evidenced by its widespread use. It would also apply to the Judicial and State Police systems.