

1997 Legislative Changes

There were a few changes in retirement law on the State and Federal levels in 1997:

Armed Service Credit

As of July 3, 1997, active members of the Employees' Retirement system may purchase military service credit only for actual active duty military service. The new law eliminates a provision that granted six months of service time for each fraction of military service. Public Law 97-169, signed by Governor Almond July 3, 1997.

Post-Retirement Employment

Currently, if a retired member is re-employed by any state agency, his or her pension benefit is suspended. However, this bill allows retired employees who return to work at the Davies Vocational School and the Rhode Island School for the Deaf to receive compensation up to \$10,000 a year without any effect on their pension benefits. Public Laws 97-211 and 97-314, effective July 8, 1997.

City of Woonsocket, MERS Fire Unit

This bill allows the City of Woonsocket to add firefighters to its Municipal Employees' Retirement System Fire Plan. Public Law 97-256, effective July 8, 1997 Public Law 99-487 Public Law 99-353

Town of Barrington MERS Unit

This new law grants a cost-of-living adjustment to certain members of the Barrington Municipal Employees' Retirement System plan. Public Law 97-253, effective July 8, 1997.

The Federal Taxpayer Relief Act of 1997 included several provisions that relate to public pension plans:

Permanent Moratorium on the Application of Nondiscrimination Rules

Public pension plans need not abide by federal laws originally designed to ensure that private pension plans do not provide disproportionate benefits to certain highly compensated groups of employees.

Maximum Benefit Limitations for Police and Fire Participants

Effective December 31, 1996, police and fire members will no longer be subject to IRS

limits on their retirement benefits. All state employees, teachers and general municipal employees are still subject to the Section 415 Maximum Benefit Limitations.