

2010 Legislative Changes

Significant benefit legislation was enacted by the General Assembly during the 2010 session for the Employees' Retirement System of Rhode Island. The General Assembly enacted Article 16 Substitute A in the FY 2010 Budget, which makes changes to the pension system.

H 7105Aaa Substitute A (As Amended), Article 16

The new law modifies cost-of-living adjustments (COLA) for State Employees', Teachers and Judges' pensions. Members currently receiving a monthly pension check, or currently participating in either the Municipal Employees' Retirement System or the State Police Retirement Benefits Trust, were not affected by the change. Additionally, members eligible to retire on or before the passage of the article i.e. June 12, 2010, were not affected.

Under Article 16 Substitute A, a retiree's COLA will only apply to the first thirty-five thousand dollars (\$35,000) of retirement allowance, indexed annually, and shall commence upon the retiree's third (3rd) anniversary of the date of retirement or when they reach aged sixty-five (65), whichever is later. The thirty-five thousand dollar (\$35,000) limit will increase annually by the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U), as published by the U.S. Department of Labor Statistics, determined as of September 30 of the prior calendar year or three percent (3%), whichever is less.

H 7267

Also in the 2010 legislative session, Rhode Island General Law 45-21-14.1 was repealed. The law provides benefits to members for City or Town Council services. The law now provides that no City or Town Council members elected for the first time after November 1, 2010 shall be allowed membership into the Municipal Employees' Retirement System as a result of that elective service.