

## **2004 Legislative Changes**

No major benefit changes were enacted by the General Assembly. However, several significant pieces of legislation were enacted by the Rhode Island General Assembly. Here is a summary of the relevant legislation:

### **Public Laws 04-551 and 04-547 - An Act Relating to Education — Teachers' Retirement**

#### **Refund on Retirement; Spouse's Benefit**

Public Laws 04-551 and 04-547 address issues with the Teachers Survivor Benefit Fund. Public Law 04-551, as enacted, allows all retired teachers the opportunity to withdraw their contributions from the Teacher Survivor Benefit Fund. This opportunity was available for a period of 120 days beginning July 9, 2004, and interest of 5% per year on the withdrawal was calculated only up to the date of retirement. Once the 120 days have passed, the withdrawal will only be allowed at the time of retirement.

Public Law 04-547, as enacted, increases the spousal benefits under the Teacher Survivor Benefit Fund by 25%. The new law also provides a cost-of-living adjustment on the spousal benefit, based on the annual Social Security adjustment. To protect the future integrity of the fund, the retirement board is mandated to adjust the contribution level to ensure that the asset to liability ratio of the fund does not fall below 120%. An actuarial study shall now be performed every two years rather than every five years, pursuant to the new law. Any increase in the contribution amount shall be paid solely by the employee.

### **Public Law 04-379 -An Act Relating to Public Officers and Employees —Retirement System — Contributions and Benefits Post Retirement Employment**

Public Law 04-474 raises post-retirement earnings for state school and state university teachers and driver's education teachers to \$15,000.

### **Public Law 04-513 - An Act Relating to Town and Cities—Retirement of Municipal Employees**

#### **Acceptance by Municipalities—Effective Date**

This public law gives all police officers in Smithfield the opportunity to join MERS. Currently, only those hired after July 2, 1999 have the option. The law requires the Town of Smithfield to pass a resolution making this effective, and it requires that no resolution may be adopted until an actuarial study has been conducted to determine the potential cost of such a resolution. The Town of Smithfield must pay for the study.

### **Public Law 04-242 - An Act Relating To Towns and Cities—Burrillville**

**Burrillville Police—Optional twenty-year retirement on service allowance**

This public law authorizes the Town of Burrillville to provide for a special 20-year retirement option for its police.