

RESOLUTION OF THE CITY COUNCIL

No. 260

Effective ~~XXXXXXX~~ May 2, 1994

WHEREAS, disability pensions are designed to make whole those municipal employees injured on the job, thereby safeguarding a standard of living that would otherwise be reduced through no fault of their own; and

WHEREAS, the obligation to make municipal employees whole should be offset against income earned when those employees are capable of supporting themselves through alternative employment; and

WHEREAS, an offset has been in place since 1936 for all state employees, since 1948 for all teachers in Rhode Island and since 1951 for all municipal employees enrolled in the state retirement system; and

WHEREAS, the City of Providence and other cities and towns that operate their own retirement systems currently do not have offsets in place for those who are employed subsequent to being granted a disability pension, thereby causing extreme fiscal stress on municipal budgets and providing too great an incentive for municipal employees to seek a disability pension; and

WHEREAS, statewide action is needed to create a uniform rule in this important area for all public employees in Rhode Island; and

WHEREAS, there are currently two identical bills in the Rhode Island House and the Senate that would offset a disability pension if that pension, when added to employment earnings, exceeds what the disability recipient would have earned had he/she stayed on the job; and

WHEREAS, such a rule would allow a disability recipient to obtain a part-time job with no offset taking place, and would allow the recipient to earn a small amount more each year as the salary of the job the recipient left increases; and

WHEREAS, the bills in the General Assembly specifically require that those benefits due to widows or other beneficiaries of disability recipients shall not in any way be reduced by the application of such an offset provision.

NOW, THEREFORE, be it resolved that the City of Providence hereby supports H-9036 and S-2920, Relating to Retirement and Disability Benefits, both introduced on behalf of the General Treasurer, in order to promote sound, statewide public policy in the granting and monitoring of disability pensions.

IN CITY COUNCIL

APR 21 1994

READ AND PASSED

[Signature]
PRES.

[Signature]
CLERK

Effective without the Mayor's signature:

[Signature]
Michael R. Clement
City Clerk

Charles R. Mansolillo
City Solicitor



Vincent A. Cianci, Jr.
Mayor

Department of Law
"Building Pride In Providence"

April 15, 1994

The Honorable Michael R. Clement
City Clerk
City Hall
Providence, RI 02903

Dear Mr. Clement:

The attached resolution entitled "Resolution Supporting H-9036 and S-2920, Relating to Retirement and Disability Benefits," is being sponsored by Councilman Clarkin for the next City Council meeting on Thursday, April 21, 1994.

Very truly yours,

A handwritten signature in black ink, appearing to be "CM", written over a horizontal line.

Charles R. Mansolillo
City Solicitor

CRM:cmr

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 1994
AN ACT

RELATING TO RETIREMENT and DISABILITY BENEFITS

94-H 9036

94-H 9036

Introduced By: Reps. Salisbury, Long,
Campbell, Millard, Kelley
Date Introduced: February 17, 1994

Referred To: Committee on Finance

INTRODUCED AT
THE REQUEST OF
THE GENERAL
TREASURER

It is enacted by the General Assembly as follows:

1 SECTION 1. TITLE 45 OF THE GENERAL LAWS ENTITLED "TOWNS AND CITIES" IS HEREBY
2 AMENDED BY ADDING THERETO THE FOLLOWING CHAPTER:

3 CHAPTER 21.4

4 ADJUSTMENT OF DISABILITY PENSIONS

5 45-21.4-1 Adjustment of disability allowance upon return to work.

6 (a) Definitions. --

7 (1) Municipal or quasi-municipal entity shall include, but not be limited to: cities, towns, fire
8 districts, water districts, water waste districts, school districts, lighting districts, housing authorities,
9 public building authorities, redevelopment authorities or any other public or quasi-public authority or
10 agency created pursuant to state law.

11 (b) Adjustment of Disability Pensions. --

12 (1) Should the beneficiary of any Retirement System supported wholly or in part by a municipal or
13 quasi-municipal entity be engaged in a gainful occupation, said Retirement System shall adjust, and at
14 least annually readjust, the amount of his or her disability allowance to an amount which, when added to
15 the amount of compensation then earned by the beneficiary, shall be in an amount no greater than the
16 rate of earned compensation in force currently for the classification that the disability beneficiary held

1 prior to retirement.

2 (2) Nothing in the foregoing shall limit a municipal or quasi-municipal entity from applying a greater
3 adjustment than that described in (b)(1), supra, to a beneficiary's disability pension based upon any other
4 provision of law or contract.

5 (c) Applicability. --

6 (i) This provision of law shall apply to beneficiaries of disability pensions granted either prior to,
7 or a subsequent to, the effective date of this act. It shall only take effect upon passage of this act.

8 (ii) This provision of law shall supersede any special or general laws to the contrary.

9 (iii) Notwithstanding the foregoing, the provisions of this chapter shall in no way impair any
10 contract or collective bargaining agreement currently in effect. Any contracts or collective bargaining
11 agreements, entered into or renewed after the effective date of this chapter, shall be subject to the
12 provisions of this chapter.

13 (iv) Nothing contained herein shall be construed to limit the benefits that survivors of disability
14 pension beneficiaries would otherwise receive as if (b)(1) supra were not in effect.

15 (v) This Act shall not apply to any disability benefits so long as such benefits are contracted for,
16 and paid by, an insurance company.

17 SECTION 2. Section 44-30-95 of the General Laws shall be in Chapter 44-30 entitled "Personal
18 Income Tax" is hereby amended to read as follows:

19 44-30-95 General Powers of the Tax Administrator

20 (a) ***

21 (b) ***

22 (c) ***

23 (d) ***

24 (e) ***

25 (f) ***

26 (g) limited disclosure of information. -- The tax administrator shall disclose to the retirement board of
27 the state of Rhode Island and to the Retirement Systems of municipal and quasi-municipal entities, as
28 defined in 45-21.4-1, information needed by said board and said Retirement Systems to implement the
29 provisions of Section 36-10-17, and 45-21-24, and 16-16-19 and 45-21.4-1. The content and nature of
30 the information to be disclosed shall be determined and approved by the tax administrator and shall be
31 kept confidential by the board and the Retirement Systems.

32 SECTION 3. If any provision of this act or the application thereof to any person or circumstances is
33 held invalid, such invalidity shall not affect other provisions or applications of the act which can be given
34 effect without the invalid provision or application, and to this end the provisions of this act are declared
35 to be severable.

36 SECTION 4. This act shall take effect upon passage.

EXPLANATION

94-H 9036

This act would require municipal and quasi-municipal entities to annually adjust the disability pensions of pension beneficiaries according to any compensation earned.

This act would take effect upon passage.

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 1994

AN ACT

INTRODUCED
THE REQUEST OF
THE GENERAL
TREASURER

94-S 2920

RELATING TO RETIREMENT and DISABILITY BENEFITS

94 - S - 2920

Introduced By: Senators Flynn,
Gibbs, Gray and
Irons

Date Introduced: February 17, 1994

Referred to: Senate Committee on
Finance

It is enacted by the General Assembly as follows:

- 1 SECTION 1. TITLE 45 OF THE GENERAL LAWS ENTITLED "TOWNS AND CITIES" IS HEREBY
- 2 AMENDED BY ADDING THERETO THE FOLLOWING CHAPTER:

CHAPTER 21.4

ADJUSTMENT OF DISABILITY PENSIONS

- 5 45-21.4-1 Adjustment of disability allowance upon return to work.

- 6 (a) Definitions. --

- 7 (1) Municipal or quasi-municipal entity shall include, but not be limited to: cities, towns, fire
- 8 districts, water districts, water waste districts, school districts, lighting districts, housing authorities,
- 9 public building authorities, redevelopment authorities or any other public or quasi-public authority or
- 10 agency created pursuant to state law.

- 11 (b) Adjustment of Disability Pensions. --

- 12 (1) Should the beneficiary of any Retirement System supported wholly or in part by a municipal or
- 13 quasi-municipal entity be engaged in a gainful occupation, said Retirement System shall adjust, and at
- 14 least annually readjust, the amount of his or her disability allowance to an amount which, when added to
- 15 the amount of compensation then earned by the beneficiary, shall be in an amount no greater than the
- 16 rate of earned compensation in force currently for the classification that the disability beneficiary held

1 prior to retirement.

2 (2) Nothing in the foregoing shall limit a municipal or quasi-municipal entity from applying a greater
3 adjustment than that described in (b)(1), supra, to a beneficiary's disability pension based upon any other
4 provision of law or contract.

5 (c) Applicability. --

6 (i) This provision of law shall apply to beneficiaries of disability pensions granted either prior to,
7 or a subsequent to, the effective date of this act. It shall only take effect upon passage of this act.

8 (ii) This provision of law shall supersede any special or general laws to the contrary.

9 (iii) Notwithstanding the foregoing, the provisions of this chapter shall in no way impair any
10 contract or collective bargaining agreement currently in effect. Any contracts or collective bargaining
11 agreements, entered into or renewed after the effective date of this chapter, shall be subject to the
12 provisions of this chapter.

13 (iv) Nothing contained herein shall be construed to limit the benefits that survivors of disability
14 pension beneficiaries would otherwise receive as if (b)(1) supra were not in effect.

15 (v) This Act shall not apply to any disability benefits so long as such benefits are contracted for,
16 and paid by, an insurance company.

17 SECTION 2. Section 44-30-95 of the General Laws shall be in Chapter 44-30 entitled "Personal
18 Income Tax" is hereby amended to read as follows:

19 44-30-95 General Powers of the Tax Administrator

20 (a) ***

21 (b) ***

22 (c) ***

23 (d) ***

24 (e) ***

25 (f) ***

26 (g) limited disclosure of information. -- The tax administrator shall disclose to the retirement board of
27 the state of Rhode Island and to the Retirement Systems of municipal and quasi-municipal entities, as
28 defined in 45-21.4-1, information needed by said board and said Retirement Systems to implement the
29 provisions of Section 36-10-17, and 45-21-24, and 16-16-19 and 45-21.4-1. The content and nature of
30 the information to be disclosed shall be determined and approved by the tax administrator and shall be
31 kept confidential by the board and the Retirement Systems.

32 SECTION 3. If any provision of this act or the application thereof to any person or circumstances is
33 held invalid, such invalidity shall not affect other provisions or applications of the act which can be given
34 effect without the invalid provision or application, and to this end the provisions of this act are declared
35 to be severable.

36 SECTION 4. This act shall take effect upon passage.

2

EXPLANATION

94-S 2920

This act would require municipal and quasi-municipal entities to annually adjust the disability pensions of pension beneficiaries according to any compensation earned.

This act would take effect upon passage.

3