

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 248

Approved April 24, 2012

RESOLVED, That the Members of the Providence City Council
hereby Endorse and Urge Passage by the General Assembly of House Bill 2012 –
H 8010 and Senate Bill 2012 – S 2824, An Act Relating to Towns and Cities.

IN CITY COUNCIL

APR 19 2012

READ AND PASSED

ACTING PRES.

Lowell L. Dyer

ACTING CLERK

I HEREBY APPROVE.

Angel Taveras
Mayor

Date:

4/24/12

2012 -- H 8010

LC02087**STATE OF RHODE ISLAND**

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

**A N A C T
RELATING TO TOWNS AND CITIES****Introduced By:** Representatives Brien, and Newberry**Date Introduced:** March 28, 2012**Referred To:** House Finance

It is enacted by the General Assembly as follows:

1-1 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
1-2 amended by adding thereto the following chapter:

1-3

CHAPTER 21.4

1-4

MUNICIPAL RETIREMENT PROGRAMS

1-5 **45-21.4-1. Purpose.** – It is the intent of this chapter to ensure that towns and cities have
1-6 the authority to modify retirement benefits for non-vested municipal employees.
1-7 **45-21.4-2. Definitions.** – Terms used in this chapter shall have the same meanings as
1-8 contained in section 45-21-2.
1-9 **45-21.4-3. Limits on retirement benefits.** – Notwithstanding any general law or special
1-10 law of the state of Rhode Island to the contrary no current municipal ordinance, collective
1-11 bargaining agreement, or interest arbitration award shall require employee retirement benefits that
1-12 exceed the actuarial value of benefits afforded under state law for those municipal employees
1-13 who participate in the municipal employees retirement system as authorized by chapters 45-21,
1-14 45-21.1, and 45-21.2 of the Rhode Island general laws. For employees who have not already
1-15 reached their vesting date in a pension plan that provides benefits with greater actuarial value

1-16 under the municipal employees retirement system as authorized by chapters 45-21, 45-21.1, and
 1-17 45-21.2 of the Rhode Island general laws, and except as further limited by this chapter, town and
 1-18 city councils following normal procedures for approval of an ordinance are authorized to amend
 1-19 the retirement benefits for new and non-vested employees and such action shall take precedence
 1-20 over existing collective bargaining agreements for new and non-vested employees.

2-1 **45-21.4-4. Reporting.** — Prior to final action on such ordinance, the town or city clerk
 2-2 shall forward to the executive director of the state retirement system an actuarial study by a
 2-3 qualified actuarial firm which shall compute the normal cost of the benefits afforded to new
 2-4 and/or non-vested employees under the proposed ordinance. Such actuarial study shall be a public
 2-5 document and such reports shall be codified by the executive director in an annual report to the
 2-6 retirement board.

2-7 SECTION 2. This act shall take effect upon passage.

=====
 LC02087
 =====

**EXPLANATION
 BY THE LEGISLATIVE COUNCIL
 OF**

**A N A C T
 RELATING TO TOWNS AND CITIES**

3-1 This act would prohibit municipal ordinances, collective bargaining agreements, and
 3-2 interest arbitration awards from providing employee retirement benefits which exceed the
 3-3 actuarial value of benefits afforded under the municipal employees retirement system. This act
 3-4 would also authorize town and city councils to amend retirement benefits for new and non-vested
 3-5 employees.

3-6 This act would take effect upon passage.

=====
 LC02087
 =====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

AN ACT

RELATING TO TOWNS AND CITIES

Introduced By: Senators DaPonte, and Bates

Date Introduced: March 22, 2012

Referred To: Senate 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:

3 CHAPTER 21.4

4 MUNICIPAL RETIREMENT PROGRAMS

5 45-21.4-1. Purpose. – It is the intent of this chapter to ensure that towns and cities have
6 the authority to modify retirement benefits for non-vested municipal employees.

7 45-21.4-2. Definitions. – Terms used in this chapter shall have the same meanings as
8 contained in section 45-21-2.

9 45-21.4-3. Limits on retirement benefits. – Notwithstanding any general law or special
10 law of the state of Rhode Island to the contrary no current municipal ordinance, collective
11 bargaining agreement, or interest arbitration award shall require employee retirement benefits that
12 exceed the actuarial value of benefits afforded under state law for those municipal employees
13 who participate in the municipal employees retirement system as authorized by chapters 45-21,
14 45-21.1, and 45-21.2 of the Rhode Island general laws. For employees who have not already
15 reached their vesting date in a pension plan that provides benefits with greater actuarial value
16 under the municipal employees retirement system as authorized by chapters 45-21, 45-21.1, and
17 45-21.2 of the Rhode Island general laws, and except as further limited by this chapter, town and
18 city councils following normal procedures for approval of an ordinance are authorized to amend
19 the retirement benefits for new and non-vested employees and such action shall take precedence

1 over existing collective bargaining agreements for new and non-vested employees.
2 **45-21.4-4. Reporting.** – Prior to final action on such ordinance, the town or city clerk
3 shall forward to the executive director of the state retirement system an actuarial study by a
4 qualified actuarial firm which shall compute the normal cost of the benefits afforded to new
5 and/or non-vested employees under the proposed ordinance. Such actuarial study shall be a public
6 document and such reports shall be codified by the executive director in an annual report to the
7 retirement board.

8 SECTION 2. This act shall take effect upon passage.

=====
LC02070
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES

1 This act would prohibit municipal ordinances, collective bargaining agreements, and
2 interest arbitration awards from providing employee retirement benefits which exceed the
3 actuarial value of benefits afforded under the municipal employees retirement system. This act
4 would also authorize town and city councils to amend retirement benefits for new and non-vested
5 employees.

6 This act would take effect upon passage.

LC02070