



January 16, 2024



Pension Commission Members:

The R.I. State Association of Firefighters and the International Brotherhood and Sisterhood of Police Officers are submitting the following legislation this year pertaining to fire/police pensions in the MERS. The changes we seek will allow our members to retire a few years earlier than they can presently. As we testified before you on November 30, 2023 line firefighters and police officers in their mid-sixties forced to stay working is not the safest for our members. Our proposals will address our members having the options to retire a few years earlier than we can now.

45-21.2-2. Definitions.

Prior to the 2012 pension changes, fire/police MERS units had a "final compensation" of a three-year average of salary and a few units had a one-year average to be used to compute their final pension total. Our legislation proposes a one-year average. Our reasoning is that most promotions take place in the later years of a members service, to mandate that a person has to stay five years to get the benefit of her/his promotion is unfair and again forces a member to stay longer than she/he may be able or want.

45-21.2-5. Retirement on service allowance.

Prior to the 2012 changes fire/police were eligible for retirement at any age after completing 20 years of service. The 2012/2015 changes instituted a mandatory age of 50 and 25 years of service. Our proposed legislation keeps the present age and service retirement but add language that when a member reaches the age of 57, she /he would be able to retire if they have more than 20 years of service without a pension reduction penalty. Additionally in this section, keeping the other early retirement language already in law but reducing the early yearly pension reduction penalty.

45-21.2-6. Service retirement allowance.

Prior to the 2012 changes fire/police accrued 2.5% for every year of service. The 2012 changes reduced our accrual to 2% for every year of service and then 2.25% for every year of service after reaching the age of 57 with thirty (30) years of service. Our proposal would reinstate the 2.5% accrual for every year of service.

Thank you for your consideration of our concerns.

Sincerely,

Handwritten signature of Paul L. Valletta Jr. in black ink.

Paul L. Valletta Jr.
Legislative Director
R.I. State Association of Firefighters

Handwritten signature of John J. Rossi in black ink.

John J. Rossi
National Representative
NAGE/IBPO

2024 RISAFF LEGISLATION

Chapter 21.2 Optional Retirement for Members of Police Force and Firefighters

R.I. Gen. Laws § 45-21.2-2

§ 45-21.2-2. Definitions.

As used in this chapter, the words defined in § 45-21-2 have the same meanings stated in that section except that “employee” means any regular and permanent police official or officer and any regular and permanent fire fighter. The retirement board shall determine who are employees within the meaning of this chapter; and “final compensation” means for members who retire on or prior to June 30, 2012, the average annual compensation, pay or salary of a member for services rendered during the period of three (3) consecutive years within the total service of the member when that average was highest. Effective on and after July 1, ~~2012~~**2024**, “final compensation” means the **average highest** annual compensation of a member for services rendered ~~during the period of the highest five (5) consecutive years~~ within the total service of the member, and compensation shall be defined in accordance with § 36-8-1(8).

~~Notwithstanding the prior sentence, in no event shall a member's final compensation be less than the member's final compensation on or before June 30, 2012. (Last sentence becomes unnecessary if legislation passes.)~~

2024 RISAFF LEGISLATION

Title 45 Towns and Cities

Chapter 21.2 Optional Retirement for Members of Police Force and Firefighters

R.I. Gen. Laws § 45-21.2-5

§ 45-21.2-5. Retirement on service allowance.

- (b) Retirement of a member on a service retirement allowance eligible to retire on and after July 1, 2012, shall be made by the retirement board as follows:

(2) Effective July 1, 2015, the member makes contributions to the plan effective July 1, 2015, in accordance with § 45-21.2-14, and (i) The member at the specified time for retirement attained the age of at least fifty (50) years and has completed at least twenty-five (25) years of total service; or (ii) The member has completed at least twenty-seven (27) years of total service regardless of the member's attained age, and notwithstanding that the member may have separated from service; or (iii) Effective as of July 1, 2024, the member has attained the age of at least fifty-seven (57) years and has completed at least twenty (20) years of total service.

2024 RISAFF LEGISLATION

**Title 45
Towns and Cities**

**Chapter 21.2-5
Optional Retirement for Members of Police Force and Firefighters**

R.I. Gen. Laws § 45-21.2-6

§ 45-21.2-5. Retirement on service allowance.

(b) Retirement of a member on a service retirement allowance eligible to retire on and after July 1, 2012, shall be made by the retirement board as follows:

(5) Effective July 1, 2015, a member who has completed twenty (20) or more years of total service who has attained an age within five (5) years of the eligible retirement age under subparagraphs (b)(1) or (b)(2) or (b)(3) or (b)(4) above, may elect to retire provided that the retirement allowance shall be reduced actuarially for each month that the age of the member is less than the eligible retirement age under subparagraphs (b)(1) or (b)(2) or (b)(3) or (b)(4) above in accordance with the following table:

Year Preceding Retirement	Cumulative Annual Reduction	Cumulative Monthly Reduction
For Year 1	9% <u>3%</u>	.75% <u>.25%</u>
For Year 2	8% <u>3%</u>	.667% <u>.25%</u>
For Year 3	7% <u>3%</u>	.583% <u>.25%</u>
For Year 4	7% <u>3%</u>	.583% <u>.25%</u>
For Year 5	7% <u>3%</u>	.583% <u>.25%</u>

2024 RISAFF LEGISLATION

Title 45 Towns and Cities

Chapter 21.2 Optional Retirement for Members of Police Force and Firefighters

R.I. Gen. Laws § 45-21.2-6

§ 45-21.2-6. Service retirement allowance.

(a)(1) Upon retirement from service pursuant to § 45-21.2-5, a member receives a retirement allowance which is a life annuity terminable at the death of the annuitant and shall be an amount equal to two percent (2%) of final compensation multiplied by the years of total service, provided that a member who retires upon the attainment of age fifty-seven (57) years and has completed at least thirty (30) years of total service shall receive a retirement allowance which is a life annuity terminable at the death of the annuitant and shall be an amount equal to the greater of: (i) Two and one quarter percent (2.25%) of final compensation multiplied by total years of service; or (ii) The member's accrued benefit determined as of June 30, 2012, plus two and one quarter percent (2.25%) of final compensation multiplied by member's years of service after June 30, 2012; provided further that the life annuity under this subsection (a) shall not exceed seventy-five percent (75%) of final compensation.

(2) Notwithstanding the provisions of subsection (a)(1) of this section, commencing on July 1, 2024, all members, regardless of age or years of service, shall receive a retirement allowance which is a life annuity terminable at the death of the annuitant and shall be equal to the member's accrued benefit determined pursuant to the provisions of subsection (a)(1) of this section as of June 30, 2024, plus two and one half percent (2.5%) of the final compensation multiplied by the years of service after June 30, 2024. Provided, however, a member who retires upon attaining the age of fifty-seven (57) years and has completed at least thirty (30) years of total service, shall retain the same retirement allowance as calculated pursuant to the provisions of subsection (a)(1) for the period of July 1, 2012 through June 30, 2024 and then be credited for two and one half percent (2.5%) per year for services rendered after June 30, 2024.