

SUMMARY OF ARTICLE 12 PROVISIONS – June 25, 2024

1. Changes to the Final Average Salary (“FAS”) Formula

- **Who it applies to:** State employees, teachers, and municipal employees (including municipal public safety)
- **What it does:** Modifies a member’s FAS from the average highest five (5) consecutive years of compensation to the average highest three (3) consecutive years of compensation
- **When Effective:** Employees in the above groups with **retirement dates on or after July 1, 2024**

2. COLA Provisions

- **Who it applies to:** Retired state employees, teachers, and municipal employees (including municipal public safety) **who retired on or before June 30, 2012.**¹ This provision does not impact members who retired on or after July 1, 2012.
- **What it does:** This provision provides that COLAs are reinstated for eligible members.
- **When Effective:** July 1, 2024. COLA increases will be applied during a member’s regular COLA month (pursuant to state law, the month following the anniversary of their retirement). Payments expected to begin in August 2024 and will be retroactive to July for retirees eligible to receive their 2024 COLA in the month of July.
- **Amount:** The COLA payment for these retired members, for 2024, will increase from 0.71% to 2.84% and will be based on the lesser of either a member’s retirement allowance or the first \$29,776 of their retirement allowance (this index increases annually pursuant to state law).

Note: Based on the effective date of this section, only those retirees who are eligible to receive a COLA in July 2024 and thereafter will get the full COLA amount applied this year (eligibility for COLA is the month following your anniversary date of retirement). Eligible Members whose 2024 COLA was applied to their benefit in June or prior will receive the full COLA on their regularly scheduled COLA month beginning in 2025.

3. COLA Provisions – Funded Ratio

- **Who it applies to:** State employees, teachers, municipal employees (including municipal public safety), judges, and state police officers **who retired on or after July 1, 2012.**
- **What it does:** This provision reduces the minimum funded requirement for COLA restoration from 80% to 75%.
- **When Effective:** July 1, 2024

Note: Given the enactment date of this legislation, nine municipal employers with current funded ratios above 75% will be immediately eligible for the full COLA. These include Hopkinton Police, Barrington Police, Foster Police, Bristol/Warren Schools, Lincoln Rescue, East Greenwich Fire, West Warwick Fire Department, City of Newport and Pascoag Fire District COLA.

¹ For members with retirement dates on or after July 1, 2012 the previous COLA provisions are unchanged, with the exception of the minimum funded ratio change described in Item 3 above.

4. **Post-Retirement Employment Cap Waived for Teachers and School Employees**

- **What it does:** This change allows a local education authority (“LEA”) to hire retired teachers and school employees on a temporary basis upon written notice of a specialized need. Teachers and school employees hired under this provision are permitted to exceed statutory limits on post-retirement employment without impacting pension benefits.
- LEAs are required to make the **employer** contribution after the retiree exceeds the statutory cap as if the district had hired a new employee. That cap is 90 days for teachers and 75 days, for administrators or other school employees. ERSRI will bill the employers for contributions under this provision based on data transmitted to ERSRI.

Note: Retirees are not required to contribute, and do not accrue additional service credit.

- **When Effective:** From June 21, 2024 through the end of the 2025 school year on June 20, 2025. Contribution payments by employers will begin once employees exceed the pertinent post-retirement employment cap (e.g. 90 or 75 days).

5. **Post-Retirement Earnings Cap Increased for Retired Professors**

- **Who it applies to:** Professors who retired from a state college or university and who are employed or re-employed on a part-time basis as an instructor or in an academic advising or coaching role by a state college or university.
- **What it does:** The member’s “part-time” gross pay will be increased from \$18,000 to \$25,000 per year.
- **When Effective:** June 17, 2024

6. **Benefit changes for State Public Safety Professionals**

- **Who it applies to:** Active state employees currently employed as deputy sheriffs, capitol police officers, environmental police officers, juvenile program workers, shift coordinators, firefighters, crew chiefs, assistant chiefs, fire investigators, fire safety inspectors, fire safety training officers, explosives and flammable liquids technicians, and campus police officers.
- **What it does:** State public safety professionals will be eligible to retire **earlier** and will receive a higher benefit multiplier (used in calculating the final benefit amount).

A member will be able to retire if any of the following apply: (1) they are at least 50 and have worked for at least 25 years; (2) they have worked for at least 27 years; or (3) they have reached Social Security retirement age and have worked for at least 5 years.

Going forward, members will accrue 2% per year of service. Members with over 30 years of service who are at least 57 will accrue 2.25% per year. This change does not impact service accrued prior to January 1, 2025.

Members will no longer be participants in the defined contribution plan. However, their contribution to the defined benefit plan will increase to 10%.

- **When Effective:** January 1, 2025