

2008 Legislative Changes

H7204

Submitted by the Governor, this act amended retirement health care benefits. Under the new statutory provisions, all retirees who retire on or after October 1, 2008, with 20-plus years of creditable service will be limited to a subsidy of 80% of the cost of the selected health plan, provided the retiree is at least 59 years old.

H7390

This act passed by the General Assembly altered the benefit formulas for State Police and Judges. For state police hired after July 1, 2007, H 7390 changes benefits for members hired on or after July 1, 2007. These members would have to earn 25 years of service before becoming eligible for a retirement benefit. Currently, members of the SPRBT may retire after earning 20 years of service. For judges appointed on or after Jan. 1, 2009, the full retirement benefit would be reduced from 100% to 90%, and the reduced retirement benefit would be reduced from 75% to 70%.

H7390/ARTICLE 40

This legislation modified section (f) of 36-8-20 to adopt changes promulgated by the IRS regarding section 415(b) of the IRS code. The new regulations provide that, in the case of annuity forms of benefits that are increased automatically each year pursuant to plan terms (i.e., the cost of living adjustment), no actuarial adjustment at commencement of the benefit needs to be made so long as the plan provides that the amount payable in any limitation year is not greater than the section 415 (b) limit applicable at the annuity starting date.