



Employees' Retirement System of Rhode Island

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Legislative Update for Fiscal Year 2016

During the 2016 legislative session the Rhode Island General Assembly passed a small handful of bills that directly affect members of Employees' Retirement System of Rhode Island:

Rhode Island's 2017 fiscal year budget, which took effect on July 1, 2016, includes a new tax exemption for qualified retirees. The first \$15,000 of retirement income will be exempt from state personal income tax for retirees who have reached full social security retirement age and have a gross income of \$80,000 or less for single filers, or \$100,000 in gross income for joint filers.

In the 2016 budget, the Rhode Island General Assembly passed a similar initiative that provided a tax exemption only for Social Security benefits. This year's budget also includes an exemption for other types of retirement income, including public and private pensions. The exemption is now expected to provide over \$6 million in tax relief in 2017 and nearly \$14 million in tax relief in 2018, reducing the tax burden for over 60,000 Rhode Island taxpayers.

Governor Raimondo also signed companion bills into law that allow retired members of Employees' Retirement System of Rhode Island who are certified as substitute teachers to substitute teach for up to ninety (90) days a year without a reduction in retirement benefits. The law became effective immediately upon the Governor's signature.

Finally, with the passage of House Bill No. 8302, the families and dependents of firefighters who are killed in a homicide while not on duty will now receive the same benefits as those killed in the line of duty.

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