State of Rhode Island Office of the General Treasurer
Employees' Retirement System of Rhode Island
Public Notice of Proposed Rule-Making

Pursuant to the provisions of Section 36-8-3 of the Rhode Island General Laws, and in accordance with the Administrative Procedures Act Chapter 42-35 of the Rhode Island General Laws, the Employees' Retirement System of Rhode Island hereby gives notice of its intent to amend the *Employees' Retirement System of Rhode Island and Municipal Employees' Retirement System Regulations*.

The Purpose of this amendment is to add **Regulation 16** to the Employees' Retirement System of Rhode Island and Municipal Employees' Retirement System Regulations. Rhode Island General Laws §36-10-10.3 and §45-21-17.2, which pertain to Social Security Supplemental Option, permit a vested member to elect an option which provides for payment of a larger benefit before the attainment of age 62 and a reduced amount thereafter. This regulation sets forth rules and regulations regarding eligibility and procedures for modification.

The proposed amendments are available for public inspection at the ERSRI offices, 50 Service Avenue, 2nd floor, Warwick, RI 02886 during regular business hours or may be obtained by calling Amanda Lucas @ (401) 462-7649.

In the development of the amendment by the Rules and Regulations Subcommittee of the Retirement Board, consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) any significant economic impact the regulation would have on small business.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by 3 p.m. (EST) on Friday, November 1, 2013. For the sake of accuracy, it is requested that statements to be made relative to any aspect of the proposed rules be submitted in writing at the time of the hearing or mailed in advance to Frank J. Karpinski, Executive Director at the ERSRI offices, 50 Service Avenue, 2nd floor, Warwick, RI 02886.

A public hearing to consider the proposed amendments shall be held on Friday, November 1, 2013 at 3 p.m. at the ERSRI offices Conference Room, 50 Service Avenue, 2nd floor, Warwick, RI 02886. If accommodations (i.e. readers/ interpreters/ captioners) are needed to ensure equal participation, please contact Amanda Lucas @ (401) 462-7649, at least seventy -two (72) hours in advance of the hearing.

State of Rhode Island Office of the General Treasurer
Employees' Retirement System of Rhode Island

Concise Summary of Proposed Non-Technical Amendments

to the

Employees' Retirement System of Rhode Island and Municipal Employees' Retirement System Regulations

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In accordance with the Administrative Procedures Act § 42-35-3(a)(1) of the Rhode Island General Laws, the following is a concise summary of the proposed non-technical amendments to the *Employees' Retirement System of Rhode Island and Municipal Employees' Retirement System Regulations*:

The amendments add Regulation 16 to the *Employees' Retirement System of Rhode Island and Municipal Employees' Retirement System Regulations*.

1. Regulation 16 sets forth rules and requirements for Election of Rhode Island General Law §36-10-10.3 and §45-21-17.2 Social Security Supplemental Option.

Employees' Retirement System of Rhode Island
and
Municipal Employees' Retirement System

REGULATIONS

September 6, 2013

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ELECTION OF RHODE ISLAND GENERAL LAW §36-10-10.3 AND §45-21-17.2 SOCIAL SECURITY SUPPLEMENTAL OPTION..... 138

The rules and regulations published herein have been adopted by the Employees Retirement Board pursuant to statutory authority found in R.I.G.L. 36-8-3. This manual is not a substitute for the General Laws nor will its rules prevail should a conflict arise between this manual and Chapters 16, 36 and 45 of the Rhode Island General Laws. Finally, rules governing retirement are subject to change periodically either by statute of the Rhode Island Legislature or by regulation of the Employees' Retirement Board of Rhode Island.

Employees' Retirement System of the State of Rhode Island
And
Municipal Employees' Retirement System of the State of Rhode Island

Regulation No. 1

General Administrative Rules of the Retirement Board

Revised: May12, 2010

Effective: August 26, 2010

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Section (1) Board Administration

(A) General

(1) Definitions

(a) the word "board " means the independent Retirement Board created by Chapter 8 of Title 36 of the Rhode Island General Laws;

(b) the word "member" means a member of the independent Retirement Board created by Chapter 8 of Title 36 of the Rhode Island General Laws;

(c) the word "fiduciary" means any person who exercises any discretionary authority or discretionary control respecting management of the funds of any retirement system managed or administered by the Retirement Board, or who exercises any authority or control respecting management or disposition of its assets, including, without limitation: any retirement board member, or any retirement board staff member who exercises such authority or control.

(2) Creation and Purpose

There is created an Employees' Retirement System of the State of Rhode Island, and a Municipal Employees' Retirement System of the State of Rhode Island, for the purpose of providing retirement, survivor and disability benefits for state employees, public school teachers and participating municipal employees. The systems are governed and administered by the Retirement Board, which is chaired by the General Treasurer.

Statutory References: R.I.G.L. §§36-8-2, 36-8-3; 36-8-4, 36-8-4.1, 45-21-32, 45-21.2-1 *et seq*., and 16-16-1 *et seq*.

(3) Membership

The Board is authorized, created and established in the office of the general treasurer as an independent retirement board which shall hold and administer, in trust, the funds of the retirement systems in accordance with, and as authorized by law.

The board is composed of fifteen members in accordance with state law who by virtue of their duties are to be considered fiduciaries of the system. The membership of the retirement board shall consist of:

(a) the general treasurer or his or her designee who shall be a subordinate within the general treasurer's office:

(b) the director of administration or his or her designee who shall be a subordinate within the department of administration;

(c) a representative of the budget office or his or her designee from within the budget office, who shall be appointed by the director of administration;

(d) the president of the league of cities and towns or his or her designee;

(e) two (2) active state employee members of the retirement system or officials from state employee unions to be elected by active state employees;

(f) two (2) active teacher members of the retirement system or officials from a teachers union to be elected by active teachers;

(g) one active municipal employee member of the retirement system or an official from a municipal employees union to be elected by active municipal employees;

(h) two (2) retired members of the retirement system to be elected by retired members of the system;

(i) four (4) public members, all of whom shall be competent by training or experience in the field of finance, accounting or pensions.

Statutory References: 36-8-4.

(4) Board Terms

(a) Two (2) of the public members shall be appointed by the governor, one of whom shall serve an initial term of three (3) years and one of whom shall serve an initial term of four (4) years and until his or her successor is appointed and qualified.

(b) Two (2) of the public members shall be appointed by the general treasurer, one of whom shall serve an initial term of three (3) years and one of whom shall serve an initial term of four (4) years and until his or her successor is appointed and qualified.

(c) Thereafter, the term of these four (4) public members shall be for four (4) years or until their successors are appointed and qualified.

(d) Ex-officio members serve until such time as their successors are appointed and qualified. Subject to sections 4(a) and 4(b) above, all appointed members serve a term of 4 years or until such time as their successors are appointed and qualified. The term of office for elected members shall be for four (4) years, and election of their successors shall be administered by the board prior to the expiration of the terms of the incumbent elected members.

Statutory Reference: R.I.G.L. §36-8-4

(5) Board Authority and Duties

The board shall:

(a) be responsible for the proper operation of the Retirement System;

(b) establish all rules and regulations for the administration of the system;

(c) appoint an Executive Director and Assistant Executive Director, who shall serve at its pleasure, and make recommendations as to the compensation levels of such positions;

(d) subscribe to the code of Fiduciary Responsibility as outlined in these rules;

(e) approve all applications for ordinary and accidental disability retirement;

(f) rule on administrative decisions as provided for in Regulation No. 4 of the promulgated rules of the Employees' Retirement System;

(g) submit to the governor on or before December 1st of each year, an annual financial report for the prior fiscal year;

(h) rule on any negotiated agreement entered into after June 1, 1992, between any state or municipal agency or department and an employee or employees, whose conditions are contrary to the general laws or the rules, regulations, and policies as adopted and promulgated by the retirement board and shall be null and void unless and until approved by formal action of the retirement board for good cause shown.;

(i) secure the services of an actuary and physicians;

(j) approve the assumptions for the yearly preparation of an actuarial valuation;

(k) approve a yearly budget of the retirement system, excluding those monies allocated for Treasury personnel assigned to the retirement system;

(l) review yearly audits of the retirement system;

(m) designate such Subcommittees as may be necessary to carry out the duties and obligations of the Board.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4, 36-8-4.1, 36-8-8, 36-8-9, 36-8-10, 36-8-19.

(6) Retirement Board Attendance

Board members, elected or appointed, shall be required to attend a minimum of 2/3rds of regularly scheduled meetings on a calendar basis, to be evaluated at the annual meeting in March. Excused absences shall be granted under the following conditions:

(1.) The member has notified the Executive Director at least 10 business days before the scheduled meeting.

(2.) The member is involved in an emergency beyond their control.

(3.) The member contracts an illness the day of the meeting and notifies the Executive Director before the start of the meeting.

The member count of absences will not be on a cumulative basis. The attendance requirement shall separately apply to the meetings of the Retirement Board, and to the meetings of any subcommittee that the member serves on, e.g., members are expected to attend a minimum of 2/3rds of regularly scheduled monthly Retirement Board meetings, and 2/3rds of the regularly scheduled meetings of any subcommittee the member may serve on.

If a Board member does not meet the attendance standard, either with respect to attendance at Board meetings or attendance at subcommittee meetings, the Board shall direct the Executive Director to put the member on official notice of the excessive absenteeism, and will take the following actions for a first offense:

(1.) The Executive Director shall furnish the Board with a schedule of attendance of the affected member at the annual meeting, as of the annual meeting.

(2.) Upon review, the Board will officially notify the member in writing of the excessive absenteeism. The official notification shall state the members' deficient attendance record, and shall direct the member to comply with the attendance standard for the following year.

(3.) The official notification shall also state that if the member does not comply with the attendance standard during the next year, the Board will seek to notify either the appointing authority or constituent body, whichever is applicable, of the deficiency in attendance.

If a member has a second offense, the Board shall again officially notify the member in writing of the excessive absenteeism. The official notification shall state the members' deficient attendance record and shall direct the member to comply with the attendance standard. Additionally, the Board shall direct the Executive Director to notify either the appointing authority or constituent body, whichever is applicable, of the continuing deficiency in attendance.

With respect to public members, continued unexcused excessive absenteeism shall be considered cause for removal by the chair under R.I.G.L. §36-8-4(d).

Statutory reference: R.I.G.L. §§36-8-2; 36-8-3 and 36-8-4.

(7) Reimbursement of Board Expenses

Board members may be reimbursed for special expenses incurred as a result of his/her membership on the board, but may not be reimbursed for travel to and from all regular meetings of the Board or its Subcommittees.

Statutory Reference: 36-8-7.

(8) Board Education and Professional Development

The Retirement Board's education and professional development policy shall be established and updated from time to time, as deemed necessary and appropriate by the Retirement Board Education Subcommittee with approval of the Retirement Board. The Executive Director shall implement the policy and develop a budget as directed by the Subcommittee, with approval of the Retirement Board.

The policy is outlined in Addendum I

The Executive Director shall notify all Retirement Board members of selected conferences and workshops that will increase understanding of public pension administration and the Board members' roles as fiduciaries of the Retirement System.

Board members shall be reimbursed for necessary expenses incurred as a result of attendance at such approved conferences or workshops, but in no event shall expenses in excess of $1,500 per fiscal year per member be considered necessary, unless advance approval is obtained from the General Treasurer.

Statutory Reference: R.I.G.L. §36-8-2, 36-8-3, 36-8-4.1 and 36-8-7.

(9) Duties of the Executive Director

The Executive Director shall:

(a) be in charge of administration of the Retirement System, and shall serve as secretary to the Retirement Board;

(b) be responsible for the formulation of a monthly agenda and board minutes;

(c) be responsible for the day-to-day administration of the retirement system including the promulgation of administrative decisions;

(d) submit to the Board for its approval an annual budget for the administrative operation of the retirement system;

(e) provide an organizational chart of the retirement system to the board;

(f) make available to the Board the findings of all external and internal audits of the Retirement System;

(g) secure the services of a medical advisor and such physicians, as required, to conduct medical examinations as required by law or as requested by the Retirement Board or the Disability Subcommittee;

(h) secure the services of lawyers, as necessary, to serve as hearing officers in conjunction with Regulation No. 4 of the promulgated rules of the Employees' Retirement System;

(i) represent the system as necessary before the Legislature and the State Investment Commission (SIC);

(j) represent the system and the State of Rhode Island within the National Association of State Retirement Administrators and other national public retirement organizations.

Statutory Reference: R.I.G.L. §36-8-9.

(10) Officers

There shall be a Vice-Chairperson of the board who shall be elected by the Board membership no later than July of the year following the Board elections. The Vice-Chairperson shall serve a four-year term.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4, 36-8-9.

(11) Committees

The chairperson will appoint five board members to each of the standing committees and special committees, and shall serve on all committees ex-officio. Each committee shall select a chairperson and vice chairperson. The chairperson shall preside at all meetings.

In the absence of the chairperson, the vice chairperson shall preside. All board members except the public representatives will be allowed to send a designee to represent him/her on such standing committees and to vote provided a written proxy statement has been entered. In the case of all elected members, the designee must be a member of the membership group of the elected member. At any time the Board may increase or decrease the number of members to standing or special committees.

Committee assignments shall be made no later than July following an election of elected retirement board members. Committee assignments may be made every two years or at other times as deemed necessary by the Chairperson.

To facilitate the operation of the Board, the following standing committees are established:

(1.) **Disabilities Subcommittee:** the Subcommittee on Disabilities shall review all applications for ordinary and accidental disability allowances, and make recommendations for the disposition of claims, and shall conduct hearings as required.

(2.) **Rules and Regulations Subcommittee:** the Subcommittee on Rules and Regulations formulates rules and regulations that govern the policy, practices, and procedures of the Retirement System, and periodically reviews such.

(3.) **Legislative Subcommittee:** the Legislative Subcommittee shall review all such recommendations and suggestions regarding amendments to the retirement laws and shall make such recommendations as it deems appropriate, with approval of the Retirement Board, to interested legislators for consideration by the General Assembly.

(4.) **Procurement Subcommittee**: The Procurement Subcommittee shall have those responsibilities as set forth in the Retirement System's Regulations Nos. 2 and 3.

(5.) **Board Education Subcommittee**: the Board Education Subcommittee provides policies and requirements for training for the Board members so that each member can develop and maintain an adequate level of knowledge and understanding of the relevant issues pertaining to the administration of the retirement system throughout their terms on the Board as required by law.

(6.) **Audit Subcommittee**: the primary purpose of the Audit Subcommittee is to assist the Board in fulfilling its oversight responsibilities with respect to the financial reporting processes; the system of internal controls; and the internal and external audit processes.

i. The Audit Subcommittee's responsibility is one of oversight, recognizing that the System is responsible for preparing the financial statements and that the Auditor General is statutorily responsible for compliance auditing consistent with RIGL §36-8-19. The Committee's charter is outlined in Addendum II

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4, 36-8-9, 36-8-10.

(12) Special Committees

The chair may establish special committees to deal with particular issues as they arise. Any such special committee established by the chair will be discharged once its tasks have been completed.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4, 36-8-9, 36-8-10.

(13) Code of Ethics for Fiduciaries

Anyone deemed to be a fiduciary shall subscribe and conform to the following code of ethics:

(a) Fiduciaries should conduct themselves with integrity and act in an ethical manner in their dealings with the public, retirement board, employers, employees, and fellow fiduciaries.

(b) Fiduciaries should conduct themselves and should encourage other fiduciaries to perform their functions in a professional and ethical manner that will reflect credit on themselves and the other fiduciaries.

(c) Fiduciaries should act with competence and should strive to maintain and improve their competence and that of other fiduciaries.

(d) Fiduciaries should use proper care and exercise independent professional judgment.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4, 36-8-4.1, 36-8-17.

(14) Standard of Conduct for Fiduciaries

Every fiduciary shall:

(1.) Discharge his or her duties for the exclusive purpose of providing benefits to retirement system members and their beneficiaries;

(2.) Act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims;

(3.) Operate in accordance with the Rhode Island General Laws on retirement as well as promulgated regulations by the Retirement Board.

No fiduciary shall:

(4.) Deal with retirement system assets for his or her own account or in his or her own interest.

(5.) Act in any manner affecting the retirement systems on behalf of any person or organization whose interests are adverse to the interests of the systems, their members or beneficiaries;

(6.) Receive anything of value for his or her own personal account from any person or organization in connection with a transaction involving

retirement system assets. A fiduciary who is a member of a retirement system shall not be deemed to have dealt with retirement system assets for his or her own account, or in his or her own interest or to have received anything of value for his or own personal account, to the extent that the fiduciary derives a benefit as a result of his/her membership which is not unique and is no greater than the benefit derived by other similarly situated members of the retirement systems.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4, 36-8-4.1, 36-8-17.

(B) Meetings

(1) Meeting Conduct

The Chairperson will preside at all meetings, unless he/she chooses to relinquish the chair to the Vice-Chairperson. In the absence of the Chairperson, the Vice-Chair shall assume all of the duties and responsibilities of the Chair. The Chairperson may speak in discussion without relinquishing the chair and may make motions and vote on all questions put to the members.

All meetings of the Board shall be conducted in accordance with R.I.G.L. §42-46-1, *et seq*.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-3.1, 36-8-4, 36-8-6.

(2) Annual Meeting

The meeting on the second Wednesday of the month of March shall be known as the annual meeting of the Board.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4.

(3) Regular Meetings

Regular meetings of the Board shall be held on the second Wednesday of each month unless re-scheduled by the Chairperson.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4.

(4) Special Meetings

Special meetings of the Board may be called upon affirmative vote by a majority of the Board or by the Chairperson by written notice to the Board. The date, time, place, and purpose of any special meeting shall be given to every board member at least three (3) days prior to the meeting whenever practicable.

R.I.G.L. §§36-8-2, 36-8-3, 36-8-4

(5) Meeting Notice, Minutes and Agenda

The executive director shall cause a notice of each regular or annual meeting along with the previous month's minutes and agenda to be mailed to each member at least (7) days prior to such meeting.

Statutory Reference: R.I.G.L. §§36-8-2, 36-8-3, 36-8-4.

(6) Quorum and Decision

Each member of the board shall be entitled to one vote. A majority of the board shall constitute a quorum and all actions of the board shall be by a majority vote of the members present and voting at which a quorum is present. The board shall keep a record of all the proceedings which shall be open to public inspection.

Statutory Reference: 36-8-6

(7) Tie Votes

In the event of a tie vote of a quorum present and voting on a contested matter, the matter will automatically be placed on the agenda of the next Retirement Board meeting.

In the event of a tie vote of a quorum present and voting on a contested matter rescheduled from a prior meeting, the Retirement Board may vote to postpone and re-consider the matter at a subsequent hearing, when a larger number of voting members may be present. If no such vote to postpone and re-consider is taken, or if a vote to postpone and re-consider the matter at a later date fails, the underlying action appealed from will be deemed affirmed.

(C) Addendum I - Board Education Policy

Employees' Retirement System of Rhode Island
BOARD EDUCATION POLICY

To ensure that all Board Members are provided with adequate opportunity and assistance to acquire the knowledge they need to carry out their duties.

POLICY GUIDELINES

General Provisions

1. Board Members agree to develop and maintain an adequate level of knowledge and understanding of relevant issues pertaining to the administration of the System throughout their terms on the Board.
2. Board Members agree to pursue appropriate education across a range of pension-related areas, rather than limiting their education to particular areas. The Executive Director shall annually prepare and submit to the Retirement Board Member, an education and conference plan tied to the System's budget. The general topic areas to be pursued include:
    a. Governance and fiduciary duty;
    b. Investment policy and asset allocation;
    c. Benefits administration;
    d. Actuarial policies and funding;
    e. Technology; and
    f. Regulatory and legal issues.

Specific topics within these general areas are identified in Appendix 1, for reference purposes.

3. Board Members will use all reasonable efforts to meet the following minimum goals:
    a. To secure, over time, a meaningful level of understanding in each of the topic areas listed in paragraph 2 above by attending conferences that contain at least five (5) hours of educational content.
    b. To annually participate in at least eight (8) hours of investment and fiduciary training, including training on fiduciary conduct and Board governance, at the Employees' Retirement System of Rhode Island, conducted by an entity not affiliated with any external investment manager for the System

c. Consistent with § 36-8-4, newly appointed and qualified public members shall, within six (6) months of their appointment, attend a training course that shall include instruction in the following areas:
    (i) The provisions of chapters 42-46 (Open Meetings), 36-14 (Code of Ethics) and 38-2 (Access to Public Records) of the Rhode Island general laws, the retirement statutes, and the Board's rules and regulations.
    (ii) The Executive Director shall monitor changes to the statutes outlined above and apprise all Board members as required to attend or provide training on the updates.

Orientation Program

4. A formal orientation program, covering the general topic areas outlined in paragraph 2 above, will be developed by the Executive Director for the benefit of new Board Member.
5. Prior to attending their first meeting of the Board as a Board Member, new Board Members will be invited by the Chair or Executive Director to attend a meeting of the Board or a standing committee as an observer.
6. New Board Member will, as soon as possible, and under the direction of the Executive Director:
    a. Be briefed on the history and background of the ERSRI;
    b. Be briefed on current issues before the Board;
    c. Be introduced to members of the System's senior management;
    d. Be provided a tour of the System offices;
    e. Be briefed on their fiduciary duties, conflict of interest guidelines, and other pertinent laws and regulations;
    f. Be provided with:
        (i) A Board Member Reference Manual (listed in Appendix 2).
        (ii) A listing of upcoming recommended educational opportunities.
        (iii) Other relevant information and documentation deemed appropriate by the Executive Director or the Chair.
7. The Executive Director will provide, as appropriate, a series of in-house orientation seminars for the benefit of new Board Members, within six months of the first day of the Board Member's term. Seminars may immediately precede or follow Board meetings. Although intended for new Board Members, any Board Member may attend.
8. The Executive Director will review and, if necessary, update all orientation material and supply each Board Member with those updates. A master copy of the Board Member Reference Manual will be available for use by Board Members at the System's offices.

In-house educational retreats

9. At least once per year, the Executive Director will use all reasonable efforts to arrange an educational retreat for the benefit of all Board Members. The Executive Director will canvass the Board to identify topics of interest. The seminar may be appended to a regular Board meeting or organized as a standalone session.

Attendance at Conferences, Association Meetings & Courses

10. The Executive Director will maintain a list of recommended conferences and association meetings, based on the feedback of Board Members and staff who have attended specific conferences.
11. The Executive Director will prepare an annual education budget designed to ensure equitable availability of conferences to all Board Members.
12. A Board Member, who wants to attend a conference or association meeting that is not on the recommended list of conferences and association meetings or take a related education course and wishes to be reimbursed by ERSRI for the tuition and related expenses of the meeting or course, must file a written request with the Executive Director**.** If the request is approved, reimbursement for tuition and related expenses will be paid in accordance with ERSRI polices.
    a. The request must be submitted within a reasonable time before the scheduled conference, meeting or course for a decision to be made, preferably 30 days in advance, and should include a copy of the program or syllabus, justification, duration and associated costs as well as the benefits to Board participation.
    b. On receipt of each request, the Executive Director will review the request to determine whether there are sufficient funds to support the request. If the request enables the Board Member to better conduct the business of the Retirement Board, better enables the Board Member to perform his/her fiduciary duties and funds are available, the request will be approved.
    c. If the Executive Director denies a request for training submitted by a Board Member, the Executive Director shall submit a report to the Training Committee that includes information on the basis for his/her denial of the request.

Reporting

13. Attendees will complete a brief assessment on the quality and relevance of each conference attended. On an annual basis, the Executive Director will review these assessments and update the list of recommended conferences as appropriate.
14. On an annual basis, the Executive Director will submit a report to the Board on the educational activities of the Board.

POLICY HISTORY The Board adopted this policy on March 21, 2008.

APPENDIX 1

SPECIFIC PENSION-RELATED TRAINING TOPICS

The following is a list of pension-related education topics that relate to each of the general topic areas listed in paragraph 2 of this policy. The list is intended to provide guidance to Board Members in identifying appropriate topics for the development of their knowledge and understanding of pension matters. The list is intended as a guideline only, and is not exhaustive:

Governance and Fiduciary Duty

Fiduciary duty

Roles of the sponsor, administrator, management and service providers

Basics of trust law

Effective decision-making

Roberts Rules of Order

Benefits Administration

Defined benefit plan features

Risks inherent in Benefits Administration

Basic administrative operations and processes

Disability issues

Actuarial Policies and Funding

Role of the actuary

Actuarial process

Funding policy

Asset/liability management

Technology

Management Information Systems

Technology risk

Investment Policy and Asset Allocation

Type of investments

Asset classes and their characteristics

Historical risk and returns investment risk tolerance

Diversification and asset allocation

Efficient frontier and optimal portfolios

Active versus passive management

Performance measurement

Regulatory and Legal Issues

System Governing Legislation

State Ethics Laws

State Open Meetings Law

Tax policy and plan qualification features

Non-tax legal requirements

Appendix 2

BOARD MEMBER REFERENCE MANUAL

A Board Member Reference Manual will include the following materials:

a. Relevant sections of the System's governing legislation
b. Relevant sections of the State Ethics Laws and the Open Meetings Law
c. Copies of Board governance policies, regulations and charters
d. Organizational chart
e. Names, phone numbers, and email addresses of Board Members, the Executive Director, and senior executives
f. Listing of current committee assignments
g. Listing of current service providers
h. Glossary of key pension administration terms and definitions
i. Most recent Annual Report

It is the responsibility of the ERSRI staff to maintain Board Members Reference Manuals, by ensuring that they contain the most up to date materials. A master copy of the Board Member Reference Manual will be available for use by Board Members at the Agency's offices.

(D) Addendum II – Audit Subcommittee Charter

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND
CHARTER FOR THE AUDIT COMMITTEE

INTRODUCTION

1) The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

a) The financial reporting process;

b) The system of internal controls; and

c) The internal and external audit processes.

2) The Audit Committee's responsibility is one of oversight, recognizing that the System is responsible for preparing the financial statements and that the Auditor General is statutorily responsible for compliance auditing consistent with RIGL §36-8-19.

COMPOSITION & MEETINGS

3) The Audit Committee shall consist of at least five members of the Board of Board Members, at least one of whom shall be an ex officio member, and at least one of whom shall be an elected member. The majority of the members of the Audit Committee shall have financial or management expertise.

4) The Audit Committee shall meet four (4) times per year, but may meet more or less frequently as required, and is subject to the Open Meetings Law RIGL § 42-46.

DUTIES AND RESPONSIBILITIES

Internal Controls

5) With respect to internal controls, the Audit Committee shall:

a) Review the effectiveness of the internal controls;

b) Understand the scope of internal and external auditors' review of internal control; and

c) Ensure the internal control function includes monitoring compliance with laws and regulations and the results of staff's investigation and follow-up of any instances of noncompliance.

Internal Audit

6) With respect to the internal audit function, the Audit Committee shall:

a) Meet at least annually with the Executive Director and the Internal Auditor to review and approve the Internal Audit Charter, plans, objectives, coordination, scope of audits, and the organizational structure of the internal audit division;

b) Ensure there are no unjustified restrictions or limitations on the internal auditor;

c) Review and consult with the Executive Director in the appointment or dismissal of the Chief Internal Auditor;

d) Review the effectiveness of the internal audit activity; and

e) Periodically review and discuss with staff the System's major risk exposures (whether financial, operating or otherwise) and the measures the System has taken to monitor, measure and control such exposures, including the guidelines and policies that govern the process by which risk assessment and management is undertaken and elicit recommendations for the improvement of the System's risk assessment and mitigation procedures.

External Audit

7) With respect to the external financial audit function, the Audit Committee shall:

a) Review the external auditor's proposed audit scope and approach, including coordination of audit effort with internal audit;

b) Review and confirm the independence of the external auditor.

8) With respect to the System's statutorily mandated compliance audit, the Audit Committee shall review the findings and the System's responses.

Financial Statements

9) With respect to the published financial statements, the Audit Committee shall:

a) Review significant accounting and reporting issues;

b) Review with staff and the external auditors the results of the annual financial audit, including any difficulties encountered; and

c) Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.

Compliance

10) With respect to compliance, the Audit Committee shall:

a) Review the findings of any examination by regulatory agencies, and any auditor observations;

b) Ensure the existence of a process for communicating the State Ethics Laws and code of conduct to staff and the Board; and

c) During at least one scheduled meeting per year, review, modify or affirm the existing Charter.

Reporting

11) With respect to reporting, the Audit Committee shall:

a) Regularly report to the Board about Committee activities, issues, and related recommendations; and

b) Provide an open avenue of communication between internal audit, the external auditors, staff, committees of the Board and the Board.

HISTORY

10) This Charter was adopted by the Board on March 1, 2007.

Employees' Retirement System of Rhode Island

and

Municipal Employees' Retirement System

Regulation No. 2

Rules Concerning the Procurement of Supplies

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ARTICLE I - GENERAL PROVISIONS

Section 1.1 Introduction.

The Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island (the "System") is authorized to enter into contracts for the procurement of supplies and services. The purpose of these Rules is to create an equitable and efficient procurement system.

Section 1.2 Definitions.

The words defined in this subsection shall have the following meanings wherever they appear in these Rules, unless the context in which they are used clearly requires a different meaning.

(1) "Business" shall mean any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.

(2) "Change order" shall mean a written order of the System or a vendor directing or allowing the vendor to make changes authorized by the contract without the consent of the vendor or the System.

(3) "Contract" shall mean all types of agreements, including orders, for the purchase or disposal of supplies, services, construction or any other items. It shall include awards; contracts of a fixed-price, cost, cost-plus-a-fixed fee, or incentive type but shall not mean a cost plus a percentage of cost, contracts providing for the issuance of job or task orders, leases; letter contracts and purchase orders. "Contract" shall include supplemental agreements with respect to any of the foregoing. "Contract" does not include any labor contract with employees of the System or employees of any state agency.

(4) "Contract modification" shall mean any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provisions of any existing contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It shall include bilateral actions such as change orders, such as supplemental agreements, and unilateral actions, administrative changes, notices of termination, and notices of the exercise of a contract option.

(5) "Established catalog price" shall mean the price included in the most current catalog, price list, schedule, or other form that is regularly maintained by the manufacturer or vendor of an item, is either published or otherwise available for inspection by customers, states prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for that item and states prices which are obtained from the most recent industry wide publications and informational journals if any.

(6) "Executive Director" shall mean the person appointed by the Retirement Board as executive director pursuant to Section 36-8-9 of the Rhode Island General Laws.

(7) "Evaluated bid price" shall mean the dollar amount of a bid after bid price adjustments are made pursuant to objective measurable criteria, set forth in the invitation for bids, which affect the economy and effectiveness in the operation or use of the product, such as reliability, maintainability, useful life and residual value.

(8) "Invitation for bids" shall mean all documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the procedures set forth in Section 2.1.2 of these Rules.

(9) "Negotiation" shall mean contracting by either the method set forth in Sections 2.1.3, 2.1.4, or 2.1.5.

(10) "Person" shall mean any business, individual, organization or group of individuals.

(11) "Procurement" shall mean the purchasing, buying, renting, leasing or otherwise obtaining of any supplies or services, and all functions that pertain to the obtaining of any supply or service item, including all phases of contract administration.

(12) "Procurement Committee" means a committee composed of five (5) members of the Retirement Board who shall be appointed by the Chair of the Retirement Board for terms of one (1) year in January of each year, provided, however, that the members of such committee first appointed after the adoption of these regulations shall serve until December 31st of the year next following the year of their appointment. Any vacancies in the committee shall be filled by the Chair. The committee shall act by majority vote and a majority shall constitute a quorum.

(13) "Request for proposals" shall mean all documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the procedures set forth in Sections 2.1.3, 2.1.4, and 2.1.5 of these Rules.

(14) "Responsible bidder or offeror" shall mean a qualified bidder who has the capability in all respects including financial responsibility to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.

(15) "Responsive bidder" shall mean a person who has submitted a bid or proposal which conforms in all material respects to the invitation for bids, so that all bidders may stand on equal footing with respect to the method and timeliness of submission and as the substance of any resulting contract. A bidder who submits a bid based on alternative specifications to those contained in the invitation to bid will be responsive only if, in the judgment of the System, the alternative specifications meet the performance objectives of the System with respect to the item or service to be purchased and the invitation to bid states that alternative specifications will be considered.

(16) "Retirement Board" or "Board" means the board established pursuant to Section 36-8-3 of the Rhode Island General Laws to administer the System.

(17) "Services" shall mean the rendering, by a vendor, of its time and effort rather than the furnishing of a specific-end product, other than reports which are merely incidental to the required performance of services. "Services" does not include labor contracts with employees of state agencies.

(18) "Small business" shall mean a person, partnership, corporation or other form of business entity independently owned and operated, not dominant in its field and which employs 500 or fewer employees and has its principal place of business in the State.

(19) "State" shall mean the State of Rhode Island and any of its departments or agencies and public agencies.

(20) "Supplemental agreement" shall mean any contract modification which is accomplished by the mutual action of the parties.

(21) "Supplies" shall mean all property, excluding real property or leases thereof.

(22) "Vendor" shall mean any person who provides supplies, services, or construction under a contract.

Section 1.3 Application of Rules.

These Rules shall apply to all expenditures of funds by the System under a contract, except labor contracts between the System and employees of the System or employees of the State, or other contracts between the System and the State or other governments. The provisions of these Rules shall be considered to be incorporated in all contracts of the System to which they apply.

Notwithstanding anything contained in this Section 1.3, the "Rules of the Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island for the Selection of Consultants" shall govern the selection of consultants by the System.

Section 1.4 Procurement Responsibilities of the System.

For purchases equal to or in excess of 50 thousand dollars ($50,000), the Retirement Board shall have all of the authority of the "chief purchasing officer" of the System under Chapter 2 of Title 37 of the General Laws of Rhode Island and shall retain ultimate decision-making authority over procurements. For purchases equal to or in excess of twenty thousand dollars ($20,000), but not more than fifty thousand dollars ($50,000), a majority of the Procurement Committee shall have all of the authority of the "chief purchasing officer" of the System under Chapter 2 of Title 37 of the General Laws of Rhode Island and shall retain ultimate decision-making authority over procurements. For purchases of twenty thousand dollars ($20,000) or less, the Executive Director shall have all of the authority of the Chief Purchasing Officer. Accordingly, the term "System" shall be used in these Rules to designate: (a) the Executive Director for purchases of twenty thousand dollars ($20,000) or less, or (b) the Procurement Committee or the Retirement Board acting in the capacity of chief purchasing officer of the System.

Section 1.5 Public Access to Procurement Records.

Except as otherwise provided for herein, all procurement information of the System shall be a public record to the extent provided in Chapter 2 of Title 38 (Access to Public Records) of the General Laws of Rhode Island and shall be available to the public as provided in such Act.

Section 1.6 Procurement Decisions of the System.

Every determination required by these Rules shall be in writing and based upon written findings of fact by the System. These determinations and written findings shall be retained in an official contract file in the offices of the System.

ARTICLE II - SOURCE SELECTION AND CONTRACT FORMATION

Section 2.1 Source Selection.

2.1.1 Methods of Source Selection. Except as otherwise authorized by law or by Rule of the System, all contracts of the System shall be awarded by:

(a) competitive-sealed bidding (Section 2.1.2);

(b) competitive negotiation (Sections 2.1.3 and 2.1.4);

(c) noncompetitive negotiation (Section 2.1.5);

(d) small purchase procedures (Section 2.1.6); or

(e) master price agreements (Section 2.1.7);

2.1.2 Competitive-Sealed Bidding.

(a) Contracts exceeding the amount provided by Section 2.1.6 of these Rules shall be awarded by competitive-sealed bidding unless the System determines in writing that this method is not practicable. Factors to be considered in determining whether competitive-sealed bidding is practicable shall include whether:

(i) specifications can be prepared that permit an award on the basis of either the lowest bid price or the lowest responsible evaluated bid price; and

(ii) the available sources, the time and place of performance, and other relevant circumstances as are appropriate for the use of competitive-sealed bidding.

(b) The invitation for bids shall state whether an award shall be made on the basis of the lowest responsible bid price or the lowest responsible evaluated or responsive bid price. If the latter basis is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids, if available.

(c) Public notice of the invitation for bids shall be given by publication in a newspaper of general circulation in the State or a consortium of newspapers, which publish their newspapers at least once each week and have a circulation in one or more communities, not less than seven (7) days nor more than twenty-one (21) days before the date set for the opening of the bids. The System may make a written determination that the twenty-one (21) day limitation needs to be waived. The written determination shall state the reason why the twenty-one (21) day limitation is being waived and shall state the number of days, giving a minimum and maximum, before the date set for the opening of bids when public notice is to be given.

(d) Bids shall be opened publicly at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and an abstract made available for public inspection. Subsequent to the awarding of the bid, all documents pertinent to the awarding of the bid shall be made available and open to public inspection and retained in the bid file.

(e) The contract shall be awarded with reasonable promptness by written notice to the responsive and responsible bidder whose bid is either the lowest bid price or lowest evaluated bid price.

(f) Correction or withdrawal of bids will be allowed only in the following circumstances:

(i) a bidder will not be permitted to correct a bid mistake after bid opening that would cause such bidder to have the low bid unless the mistake is clearly evident from examining the bid document, for example, errors in addition.

(ii) an otherwise low bidder may be permitted to correct a material mistake of fact in its bid, including price, when the intended bid

is obvious from the bid document or is otherwise supported by proof that has evidentiary value. A low bidder will not be permitted to correct a bid for mistakes or errors in judgment.

(iii) in lieu of bid correction, a low bidder alleging a material mistake of fact will be permitted to withdraw its bid when there is reasonable proof that a mistake was made and the intended bid cannot be ascertained with reasonable certainty.

(iv) after bid opening, an otherwise low bidder shall not be permitted to make exceptions to the bid conditions or specifications which affect price or substantive obligations; however, such bidder shall be permitted the opportunity to furnish other information called for by the invitation for bids and not supplied due to oversight, so long as it does not affect responsiveness.

2.1.3 Competitive Negotiation.

(a) When the System determines in writing that the use of competitive-sealed bidding is not practicable, and except as provided in Sections 2.1.5, 2.1.6 and 2.1.7 of these Rules, a contract may be awarded by competitive negotiation.

(b) Adequate public notice of the request for proposals shall be given in the same manner as provided in Section 2.1.2(c) of these Rules.

(c) The request for proposals shall indicate the relative importance of price and other evaluation factors.

(d) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the System taking into consideration price and the evaluation factors set forth in the request for proposals.

(e) Written or oral discussions shall be conducted with all responsible offerors who submit proposals determined in writing by the System to be reasonably susceptible of being selected for award. Discussions shall not disclose any information derived from proposals submitted by competing offerors. Discussions need not be conducted:

(i) with respect to prices, where such prices are fixed by law or regulation, except that consideration shall be given to competitive terms and conditions; or

(ii) where time of delivery or performance will not permit discussions; or

(iii) where it can be clearly demonstrated and documented from the existence of adequate competition or accurate prior cost experience

with the particular supply, service, or construction item, that acceptance of an initial offer without discussion would result in fair and reasonable prices, and the request for proposals notifies all offerors of the possibility that award may be made on the basis of the initial offers.

2.1.4 Negotiations After Unsuccessful Competitive-Sealed Bidding.

(a) Contracts may be competitively negotiated when it is determined in writing by the System that the bid prices received by competitive-sealed bidding under Section 2.1.2 of these Rules either are unreasonable as to all or part of the requirements, or were not independently reached in open competition, and for which:

(i) each competitive bidder has been notified of the intention to negotiate and is given reasonable opportunity to negotiate; and

(ii) the negotiated price is lower than the lowest rejected bid by any competitive bidder; and

(iii) the negotiated price is the lowest negotiated price offered by a competitive offeror.

(b) In the event that all bids submitted pursuant to competitive-sealed bidding under Section 2.1.2 of these Rules result in bid prices in excess of the funds available for the purchase, and the System determines in writing:

(i) that there are no additional funds available from any source so as to permit an award to the lowest responsive and responsible bidder, and

(ii) the best interest of the System will not permit the delay attendant to a resolicitation under revised specifications, or for revised quantities, under competitive-sealed bidding as provided in Section 2.1.2 of these Rules, then a negotiated award may be made as set forth in subsection (c) or (d) of this Section 2.1.4.

(c) Where there is more than one bidder, competitive negotiations pursuant to Section 2.1.3 of these Rules shall be conducted with the three (two if there are only two) bidders determined in writing to be the lowest responsive and responsible bidders to the competitive-sealed bid invitation. Such competitive negotiations shall be conducted under the following restrictions:

(i) if discussions pertaining to the revision of the specifications or quantities are held with any potential offeror, all other potential offerors shall be afforded an opportunity to take part in such discussions; and

(ii) a request for proposals, based upon revised specifications or guaranties, shall be issued as promptly as possible, shall provide for an

expeditious response to the revised requirements, and shall be awarded upon the basis of the lowest bid price or lowest evaluated bid price submitted by any responsive and responsible offeror.

(d) When after competitive-sealed bidding it is determined in writing that there is only one responsive and responsible bidder, a noncompetitive negotiated award may be made with such bidder in accordance with Section 2.1.5 of these Rules.

2.1.5 Sole Source Procurement and Emergency Procurements.

(a) A contract may be awarded for a supply or service item without competition when the System determines, in writing, that there is only one source for the required supply or service item.

(b) Notwithstanding any other provision of these Rules, the System may make emergency procurements when there exists a threat to public health, welfare or safety under emergency conditions, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular vendor shall be included in the contract file.

2.1.6 Small Purchases. Procurements, not to exceed an aggregate amount of seventy-five hundred dollars ($7,500) for all purchases other than construction may be made at the established catalogue or market price of commercial items sold in substantial quantities to the general public. In the case of all other small purchases as defined in this section, the System shall procure items in any manner it believes reasonable. Where practicable, the System shall make inquiries from at least three sources to determine what is a reasonable price. The inquiries may be made by telephone. No such inquiries are required when the price of the item or service is not expected to exceed one hundred dollars ($100). Procurement requirements shall not be artificially divided by the System so as to constitute a small purchase under this section.

2.1.7 Master Price Agreements. Anything in these Rules to the contrary notwithstanding where any supplies to be purchased by the System are covered by a Master Price Agreement between a vendor and the Division of Purchasing of the Department of Administration of the State, such supplies may be purchased by the System without notice or otherwise following the procedures set forth in Sections 2.1.2 to 2.1.6, inclusive, hereof.

2.1.8 Waiver of Information in Bids and Offers. The System may waive informalities in any bid or offer.

Section 2.2 Cancellation of Invitation for Bids and Requests for Proposals.

The System may cancel an invitation for bids, a request for proposal, or negotiations in connection with the procurement of any item or service, or may reject all bids or proposals if the System determines that such action is in the best interests of the System. No such cancellation or rejection shall prevent the System from resoliciting supplies and services for the same project on the same or different terms.

Section 2.3 Responsibility of Bidders and Offerors.

2.3.1 Determination of Responsibility. A written determination of responsibility of a bidder or offeror shall be made by the Executive Director in connection with the award of any contract. The Executive Director may make reasonable inquiries to determine responsibility. The failure of any bidder or offeror to promptly supply information in connection with such inquiries may be grounds for determining that such person is not responsible. Except as otherwise provided by law, information furnished by any bidder or offeror pursuant to this Section 2.3.1 may not be disclosed by the System to any other person without the prior written consent of such person.

2.3.2 Annual Statement of Qualifications. Persons interested in contracting with the System shall be encouraged by the Executive Director to submit to the System annually a statement of qualifications. Solicitation mailing lists of potential vendors shall include but need not be limited to vendors who have submitted annual statements of qualifications.

2.3.3 Cost or Pricing Data.

(a) A vendor shall submit to the System cost or pricing data and shall certify that, to the best of its knowledge and belief, any cost or pricing data required to be submitted was accurate, complete, and current as of a mutually determined specified date prior to the date of the pricing of any negotiated contract where the total contract price is expected to exceed fifty thousand dollars ($50,000), or the pricing of any change order or contract modification which is expected to exceed twenty-five thousand dollars ($25,000).

(b) The System may require vendor certified cost or pricing data in connection with any bid, proposal or contract without regard to the price ceilings set forth above if the System determines that such cost or price data is necessary to ensure a fair and reasonable contract price to the System.

(c) Where certified cost or pricing data must be submitted in connection with any contract, change, or modification thereto, the price to the System, including profit or fee, shall be adjusted to exclude any significant sums by which the System finds that such price was increased because the vendor furnished cost or pricing data, as of the date agreed upon between the parties, that was inaccurate, incomplete, or not current.

(d) The System may elect not to require certified cost or pricing data where the price negotiated is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, prices set by law or regulation, or in exceptional cases where the System determines that the requirements of this section may be waived by the System, and the reasons for such waiver are stated in writing.

Section 2.4 Contracts.

2.4.1 Types of Contracts. The System may enter into any type of contract which will promote the best interests of the System subject to the following rules:

(1) Cost plus percentage of cost-type contracts shall not be awarded to any person.

(2) No contract providing for the reimbursement of the vendor's cost plus a fixed fee (herein referred to as a cost-reimbursement-type contract) shall be awarded to any person unless the System determines that this type of contract is likely to be less costly to the System than any other type of contract or that it is impracticable to obtain supplies or services of the kind or quality required except under such a contract. Each vendor under a cost-reimbursement-type contract shall obtain the consent of the System, as provided for in the contract, before entering into:

(i) a cost-reimbursement type subcontract; or

(ii) any other type of subcontract involving more than ten thousand dollars ($10,000) or ten percent (10%) of the estimated cost of the prime contract. All cost-reimbursement-type contracts shall permit reimbursement only of allowable costs as determined in accordance with cost principles set forth in Article V of these Rules.

2.4.2 Approval of Accounting System. Except with respect to firm-fixed-price-type contracts, no contract type shall be used by the System unless the System has determined that the proposed vendor's accounting system will permit timely development of all necessary cost data in the form required by the specific contract type contemplated and that the vendor's accounting system is adequate to allocate costs in accordance with generally accepted accounting principles.

2.4.3 Partial, Progressive and Multiple Awards.

(a) A contract may provide for payments as work progresses under the contract, upon the basis of costs incurred, percentage of completion accomplished or of a particular stage of completion.

(b) A contract may provide for payments upon submission of proper invoices or vouchers for supplies delivered and accepted or services rendered and accepted where such supplies and services are only part of total contract requirements.

(c) The System may reserve the right to split a contract between two or more responsive and responsible bidders and to make an award for all or only part of the items, services or construction specified in the solicitation, if so stated in the invitation to bid or the request for proposal.

2.4.4 Annual Appropriations. All contracts awarded by the System shall be subject to the availability of annual appropriations by the General Assembly unless prior to the award an amount equal to the contract price has been administratively set aside by the System from then available appropriated funds.

Section 2.5 Inspection of Facilities and Audits of Records.

(a) The System may inspect the plant or place of business of the vendor or any subcontractor under any contract awarded or to be awarded by the System.

(b) The System shall be entitled to audit the books and records of a vendor or any subvendor under any negotiated contract other than a firm-fixed-price-type contract, at any time until the period of retention provided for herein expires. Such books and records shall be maintained by the vendor for a period of three (3) years from the date of final payment under the prime contract and by the subcontractor for a period of three (3) years from the date of final payment under the subcontract.

Section 2.6 Reporting of Anti-Competitive Practices.

(a) If for any reason the System suspects collusion among bidders or offerors, the System shall transmit a written notice of the facts giving rise to such suspicion to the Attorney General of the State (the "Attorney General").

(b) All documents involved in any procurement in which collusion is suspected shall be retained by the System until the Attorney General notifies the System that they may be released. All such documents shall be made available to the Attorney General or his or her designee upon request, notwithstanding any other provision of this Rule.

ARTICLE III - SPECIFICATIONS

Section 3.1 Issuance of Specifications.

(a) The Executive Director shall establish and maintain to the extent practicable standards and specifications approved by the Department of Administration of the State, the U.S. Government, and industry and professional associations, relating to the development and use of purchasing specifications and for the inspection, testing and acceptance of supplies and services not inconsistent with the Rules of the System.

(b) The System shall develop to the extent practicable "General Conditions" to be used in various types of contracts entered into by the System.

(c) The System shall from time to time, review those standards and specifications and "General Conditions" which it utilizes, with a view to conforming such standards, specifications and "General Conditions" to all technical and scientific advances and to reflect changes in the System's requirements and to the extent practicable to maximize competition in the fulfillment of the System's requirements.

ARTICLE IV - MODIFICATION AND TERMINATION OF CONTRACTS

Section 4.1 Modification of Contracts.

The System may require clauses in its contracts to which it is a party permitting changes or modifications by the System.

Section 4.2 Termination of Contract - Default of Vendor.

The System may provide that a contract may be terminated for default of the vendor and may provide for liquidated damages.

Section 4.3 Termination of Contract - Convenience.

The System may provide that contracts may be terminated for the convenience of the System or the vendor and in such cases shall provide for appropriate adjustments in price including, where applicable, reimbursement for the reasonable value of any nonrecurring costs incurred but not amortized in the price of any item or service delivered under the contract.

ARTICLE V - COST PRINCIPLES

Section 5.1 Cost and Pricing Principle.

Except as otherwise provided by contract, the System shall use generally accepted accounting principles:

(1) as guidelines in the negotiation of estimated costs for contracts when the absence of open-market competition precludes the use of competitive-sealed bidding, as adjustments for changes or modifications in contract performance requested by the System, and as settlements of contracts which have been terminated;

(2) to determine the allowability of incurred costs for the purposes of reimbursing costs under contract provisions which provide for the reimbursement of costs; and

(3) as appropriate in any other situation where determinations of estimated or incurred costs of performing a contract may be required.

ARTICLE VI - DISPUTE RESOLUTION AND DEBARMENT

Section 6.1 Resolution of Protested Solicitation and Award.

(a) Any actual or prospective bidder, offeror, or vendor who is aggrieved in connection with the solicitation or award of any contract may file a protest with the System. A protest must be filed in writing not later than two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto.

(b) The System shall promptly issue a decision in writing regarding such protest. A copy of that decision shall be furnished to the aggrieved party and shall state the reasons for the action taken.

(c) In the event a protest is filed in a timely manner under this Section, the System shall not proceed further with the solicitation or award which is the subject of the protest until it has issued a decision on the protest, or determined that continuation of the procurement is necessary to protect a substantial interest of the System.

Section 6.2 Debarment and Suspension.

(a) After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the System may debar a person for cause from consideration for award of contracts contemplated by these Rules. The debarment shall not be for a period of more than three years. The System may suspend a person from consideration for award of contracts if there is probable cause for debarment. The suspension shall be for a period of not less than three months.

(b) Causes for debarment or suspension include the following:

(1) conviction of a criminal offense in connection with obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

(2) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a vendor with the System;

(3) conviction under state or federal antitrust statutes arising from the submission of bids or proposals;

(4) violation of contract provisions, as set forth below, of a character which is regarded by the System to be so serious as to justify debarment action:

(i) deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in a contract with the System; or

(ii) recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts with the System or the State; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the vendor shall not be considered to be a basis for debarment;

(5) any other cause the System determines to be so serious and compelling as to affect responsibility as a vendor, including debarment by a governmental entity.

(c) The System shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person of its rights to judicial review.

(d) A copy of the decision under Subsection (c) of this Section shall be furnished promptly to the debarred or suspended person.

Section 6.3 Resolution of Contract Disputes.

If any claim or controversy arising under contracts to which these Rules apply is not resolved by mutual agreement, the System shall promptly issue a decision in writing regarding the subject matter of such claim or controversy. A copy of that decision shall be furnished to the vendor. If the System does not issue a written decision within thirty (30) days after written request for a final decision, or within such longer period as might be established by the parties to the contract in writing, then the vendor may proceed as if an adverse decision had been received from the System.

ARTICLE VII - ADDITIONAL MATTERS

Section 7.1 Equal Employment Opportunity.

For all contracts for supplies and services exceeding ten thousand dollars ($10,000), vendors must comply with the requirements of federal executive order 11246, as amended, and Section 28-5.1-10 of the General Laws of the State. Failure to comply will be considered a substantial breach of the contract subject to penalties prescribed on regulations administered by the Department of Administration of the State.

Section 7.2 Conflict of Interest.

No member or employee of the System shall have any interest, financial or otherwise, direct or indirect, or engage in any activity which is in substantial conflict with the proper discharge of his or her duties as a member or employee of the System.

Section 7.3 Legal Counsel.

Pursuant to the provisions of Section 36-8-9 and Section 45-21-35 of the General Laws of Rhode Island, legal counsel to the System is chosen by the General Treasurer of the State. Accordingly, nothing herein contained shall be deemed applicable to the selection of legal counsel for the System.

ARTICLE VIII - EFFECTIVE DATE

Section 8.1 Effective Date.

These Rules shall become effective upon their adoption by the Board. Thereafter, the Board shall file a copy of these Rules with the Secretary of State.

Section 8.2 Contracts in Effect on Effective Date.

These Rules shall not change in any way a contract commitment by the System or of a vendor to the System which was in existence on the effective date of these Rules.

Employees' Retirement System Of The State Of Rhode Island
And
Municipal Employees' Retirement System Of The State Of Rhode Island

Regulation No. 3

Rules Concerning the Selection of Consultants

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ARTICLE I - GENERAL PROVISIONS

Section 1.1 Introduction.

The Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island (the "System") are authorized to employ consulting and other professional services. The purpose of these rules is to adopt internal procedures consistent with the requirements of Chapter 2 of Title 37 of the Rhode Island General Laws (State Purchases Act) in connection with the procurement of consulting services by the System.

Section 1.2 Definitions.

All capitalized terms used herein shall have the same meaning as set forth in the "Rules of the Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island for the Procurement of Supplies and Services". The words defined in this subsection shall have the following meanings wherever they appear in these Rules, unless the context in which they are used clearly requires a different meaning.

(1) "Consultant" shall mean any person engaged to provide information regarding a particular area of knowledge in which the person has expertise, including, but not limited to, accountants, actuaries, financial consultants, data processing consultants and physicians, excluding, however, legal services.

Section 1.3 Application of Rules.

These Rules apply to all expenditures of funds by the System under a contract for consulting services, except contracts between the System and the State of its political subdivisions, or between the System and other governments. The provisions of these Rules shall be considered to be incorporated in all contracts of the System to which they apply.

Notwithstanding anything contained in this Section 1.3, the "Rules of the Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island for the Procurement of Supplies and Services" shall govern the procurement of supplies and services.

Section 1.4 Procurement Responsibilities of the System.

The Procurement Committee shall select persons or firms to render consultant services pursuant to these Rules. Accordingly, the term "System" shall be used in these Rules to designate the Procurement Committee.

Section 1.5 Public Access to Procurement Records.

Except as otherwise provided for herein all procurement records of the System shall be public record to the extent provided in Chapter 2 of Title 38 (Access to Public Records) of the General laws of Rhode Island and shall be available to the public as provided in such Act.

Section 1.6 Procurement Decisions of the System.

Every determination required by these Rules shall be in writing and based upon written findings of fact by the System. These determinations and written findings shall be retained in an official contract file in the offices of the System.

ARTICLE II - SELECTION OF CONSULTANTS

Section 2.1 General Policy.

It shall be the policy of the System to publicly announce its requirements for consulting services, which are reasonably estimated to exceed ten thousand dollars ($10,000), and to negotiate contracts for such professional services on the basis of demonstrated competence and qualifications and at fair and reasonable prices.

Section 2.2 Annual Statement of Qualifications and Performance Data.

Consultants shall be encouraged by the Executive Director to submit to the System annually a statement of qualifications and performance data which shall include, but not be limited to the following:

1. The name of the firm and the location of its principal place of business and all offices;
2. The age of the firm and its average number of employees over the past five years;
3. The education, training, and qualifications of members of the firm and key employees;
4. The experience of the firm, reflecting technical capabilities and project experience; and
5. Such other pertinent information as requested by the Executive Director.

Section 2.3 Public Announcement of Needed Consultant Services.

The System shall give public notice in a newspaper of general circulation in the State of the need for consultant services which are reasonably estimated to exceed ten thousand dollars ($10,000). The System may publish such additional notice as it deems necessary to assure response from qualified individuals or firms. Such public notice shall be published sufficiently in advance of the date when responses must be received in order that interested parties have an adequate opportunity to submit a statement of qualifications and performance data. The notice shall contain a brief statement of the services required, describe the project and specify how a solicitation containing specific information on the project may be obtained.

Section 2.4 Solicitation.

(a) A solicitation shall be prepared which describes the System's requirements and sets forth the evaluation criteria. It shall be distributed to interested persons.

(b) The solicitation shall describe the criteria to be used in evaluating the statement of qualification and performance data and in the selection of firms. Criteria shall include, but are not limited to:

(1) competence to perform the services as reflected by technical training and education; general experience; experience in providing the required services; and the qualifications and competence of persons who would be assigned to perform the services;

(2) ability to perform the services as reflected by workload and the availability of adequate personnel, equipment, and facilities to perform the services expeditiously;

(3) past performance as reflected by the evaluation of private persons and officials of other governmental entities that have retained the services of the firm with respect to such factors as control of costs, quality of work, and ability to meet deadlines; and

(4) the cost of such services.

(c) For services reasonably estimated to exceed twenty thousand dollars ($20,000), a bidder's conference shall be held which describes the criteria to be used in evaluating the statement of qualification and performance data and in the selection of firms. The scope of work shall be discussed and further defined at such conference, including on-site visits, if appropriate.

Section 2.5 Evaluation of Statements of Qualifications and Performance Data.

The consultant selection committee shall evaluate statements that may be submitted in response to the solicitation of consultant services and statements of qualifications and performance data, if required. All such statements shall be evaluated in light of the criteria set forth in the solicitation for consulting services. The consultant selection committee may waive informalities in any such statements.

Section 2.6 Final Selection of Contractors.

The consultant selection committee shall select no more than three (3) firms (or two (2) if only two (2) apply) evaluated as being professionally and technically qualified. The firms selected, if still interested in providing the services, shall make a representative available to the consultant selection committee at such time and place as it shall determine, to provide such further information as it may require.

The consultant selection committee shall negotiate with the highest qualified firm for a contract for consulting services for the System at compensation which the consultant selection committee determines to be fair and reasonable. In making such determination, the consultant selection committee shall take into account the professional competence and technical merits of the offerors, and the price for which

the services are to be rendered. The consultant selection committee shall be responsible for the final selection of the providers of consulting services.

Section 2.7 Contracts Not Exceeding $10,000.

The Executive Director of the System shall be responsible for the final decision on consulting contracts not expected to exceed ten thousand dollars ($10,000). The Executive Director shall, however, notify the Department of Administration, the Division of Purchases and the Division of Budget of the State of its selection. The Executive Director shall use the criteria set forth in Section 2.4(b) in making such determinations. Each determination shall be justified in writing.

ARTICLE III - REMEDIES

Section 3.1 Protest of Solicitation and Award.

(a) Any actual or prospective contractor who is aggrieved in connection with the solicitation or award of any contract under these Rules may file a protest with the System. A protest must be filed in writing not later than two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto.

(b) The System shall promptly issue a decision in writing regarding such protest. A copy of that decision shall be furnished to the aggrieved party and shall state the reasons for the action taken.

(c) In the event a protest is filed in a timely manner under this Section, the System shall not proceed further with the solicitation or award which is the subject of the protest until it has issued a decision on the protest, or determined that continuation of the procurement is necessary to protect a substantial interest of the System.

Section 3.2 Debarment and Suspension.

(a) After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the System may debar a person for cause from consideration for award of contracts contemplated by these Rules. The debarment shall not be for a period of more than three years. The System may suspend a person from consideration for award of contracts if there is probably cause for debarment. The suspension shall be for a period of not less than three months.

(b) The causes for debarment or suspension include the following:

(1) conviction of a criminal offense in connection with obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

(2) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, stolen property, or any other offense indicating a lack of business

integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor with the System;

(3) conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

(4) violation of contract provisions, as set forth below, of a character which is regarded by the System to be so serious as to justify debarment action, including,

(i) deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

(ii) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment;

(5) any other cause the System determines to be so serious and compelling as to affect responsibility as a contractor, including debarment by a governmental entity.

(c) The System shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken; and inform the debarred or suspended person of its rights to judicial review.

(d) A copy of the decision under Subsection (c) of this Section shall be furnished promptly to the debarred or suspended person.

Section 3.3 Resolution of Contract Disputes.

If any claim or controversy arising under contracts to which these Rules apply is not resolved by mutual agreement, the System shall promptly issue a decision in writing regarding the subject matter of such claim or controversy. A copy of that decision shall be furnished to the contractor. If the System does not issue a written decision within thirty 30) days after written request for a final decision, or within such longer period as might be established by the parties to the contract in writing, then the contractor may proceed as if an adverse decision had been received from the System.

ARTICLE IV - ADDITIONAL MATTERS

Section 4.1 Equal Employment Opportunity.

For all contracts for consultant services exceeding ten thousand dollars ($10,000), contractors must comply with the requirements of federal executive order 11246, as

amended, and Section 28-5.1-10 of the General Laws. Failure to comply will be considered a substantial breach of the contract subject to penalties prescribed in regulations administered by the Department of Administration of the State.

Section 4.2 Conflict of Interest.

No member or employee of the System shall have any interest, financial or otherwise, direct or indirect, or engage in any activity which is in substantial conflict with the proper discharge of his or her duties as a member or employee of the System.

ARTICLE V - EFFECTIVE DATE

Section 5.1 Effective Date.

These Rules shall become effective upon adoption by the Board. Thereafter, the Board shall file a copy of these Rules with the Secretary of State.

Section 5.2 Contracts in Effect on Effective Date.

These Rules shall not change in any way a contract commitment by the System or of a contractor to the System which was in existence on the effective date of these Rules.

Employees' Retirement System of the State of Rhode Island
And
Municipal Employees' Retirement System
Of The State of Rhode Island

Regulation No. 4

Rules of Practice and Procedure for Hearings in Contested Cases

Revised: May 12, 2010

Effective: August 26, 2010

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Section 1 Introduction

These Rules of Practice and Procedure are promulgated pursuant to R.I. General Laws Section 36-8-3. The Rules shall be in effect during any hearing on a contested case before the Retirement Board or its duly authorized representatives.

Section 2 Definitions

(1) The definitions set forth in R.I. General Laws Sections 36-8-1, 45-21-2, 45-21.2-2 and 16-16-1, and as further set forth in Regulations promulgated by the Retirement Board, are specifically incorporated by reference herein.

(2) ”Contested case” means a matter for which a member requests a hearing because he or she is aggrieved by an administrative action other than a Disability decision. The term shall apply to hearings conducted before Hearing Officers, and thereafter in proceedings before the full Retirement Board.

(3) “Party” means any member, beneficiary, Retirement System, or such other person or organization deemed by the Hearing Officer to have standing.

(4) “Hearing Officer” means an individual appointed by the Retirement Board to hear and decide a contested case.

Section 3 Request for Hearing and Appearance

(1) Any member aggrieved by an administrative action other than a Disability decision, may request a hearing of such grievance. Upon such request, the matter will be deemed a contested case. The procedure for Disability decisions and appeals therefrom shall be governed by the procedures set forth in Regulation Number 9, Rules Pertaining to the Application to Receive an Ordinary or Accidental Disability Pension.

(2) Such request shall be in writing and shall be sent to the Retirement Board within sixty (60) days of the date of a letter from the Executive Director or Assistant Executive Director constituting a formal administrative denial.

(3) A request for hearing shall be signed by the member and shall contain the following information:

   i. Name of member;
   ii. Date and nature of decision being contested;
   iii. A clear statement of the objection to the decision which must include the reasons the member feels he or she is entitled to relief; and
   iv. A concise statement of the relief sought.

(4) Requests for hearing should be sent to the Retirement Board at 50 Service Avenue, 2nd Floor, Warwick, RI 02886-1021.

(5) Failure to strictly comply with the procedures outlined in this Section shall be grounds to deny any request for a hearing.

Section 4 Contested Cases – Notice of Hearing

(1) Upon receipt of a request for hearing in matters other than Disability decisions and appeals therefrom, the Retirement Board or its designee shall appoint a Hearing Officer. The appointed Hearing Officer shall hear the matter, find facts and offer conclusions of law to the Retirement Board. The decision of a Hearing Officer shall be subject to approval by the full Retirement Board. The Retirement System's action shall not be deemed final until such time as the Hearing Officer's recommendation has been voted upon by the Retirement Board.

(2) Within forty-five (45) days after receipt by the Retirement Board of a request for hearing, the Retirement Board shall give notice that the matter has been assigned to a Hearing Officer for consideration.

(3) In any contested case, all parties shall be afforded an opportunity to be heard after reasonable notice.

(4) The notice described in subsection (2), above, shall include:

i. A statement of the time, place, and nature of the hearing;

ii. A statement of the legal authority and jurisdiction under which the hearing is to be held;

iii. A reference to the particular sections of the statutes and rules involved;

iv. The name, official title and mailing address of the Hearing Officer, if any;

v. A statement of the issues involved and, to the extent known, of the matters asserted by the parties; and

vi. A statement that a party who fails to attend or participate in the hearing may be held to be in default and have his or her appeal dismissed.

(5) The notice may include any other matters the Hearing Officer or the Retirement Board considers desirable to expedite the proceedings.

Section 5 Contested Cases – Hearings in General

(1) All parties shall be afforded an opportunity to respond and present evidence and argument on all issues involved.

(2) Members must appear at hearings either personally, or by appearance of legal counsel. Members may represent themselves or be represented by legal counsel at their own expense. Consistent with RIGL §11-27-2 entitled, "Practice of law", any person accompanying the member who is not a lawyer (certified member of the bar of the State of Rhode Island) cannot represent the member in the hearing.

(3) Continuances and postponements may be granted by the Hearing Officer or the Retirement Board at their discretion.

(4) Disposition may be made of any contested case by stipulation, agreed settlement, consent order or default.

(5) Should the Hearing Officer or Retirement Board determine that written memoranda are required, the member will be notified by the Hearing Officer or the Retirement Board of the need to file a written document which discusses the issues of the case. Memoranda of law may always be offered in support of arguments offered by the member or the representative of the retirement systems.

(6) The Executive Director may, when he or she deems appropriate, retain independent legal counsel to prosecute any contested case.

(7) A recording of each hearing shall be made. Any party may request a transcript or copy of the tape at their own expense.

Section 6 Contested Cases - Conduct of Hearings before Hearing Officers

(1) Hearings shall be conducted by the Hearing Officer who shall have authority to examine witnesses, to rule on motions, and to rule upon the admissibility of evidence.

(2) The Hearing shall be convened by the Hearing Officer. Appearances shall be noted and any motions or preliminary matters shall be taken up. Each party shall have the opportunity to present its case generally on an issue by issue basis, by calling and examining witnesses and introducing written evidence.

(3) The Member shall first present his or her case followed by presentation of the Retirement System's case.

(4) The Hearing Officer shall have the authority to continue or recess any hearing and to keep the record open for the submission of additional evidence.

(5) If for any reason a Hearing Officer cannot continue on a case, another Hearing Officer will be appointed who will become familiar with the record and perform any function remaining to be performed without the necessity of repeating any previous proceedings in the case.

(6) Each party shall have the opportunity to examine witnesses and cross-examine opposing witnesses on any matter relevant to the issues in the case.

(7) Any objections to testimony or evidence and the basis for the objection shall be made at the time the testimony or evidence is offered.

(8) The Hearing Officer may question any party or any witness for the purpose of clarifying their understanding or to clarify the record.

(9) The scope of hearing shall be limited to those matters specifically outlined in the request for hearing.

(10) Written evidence will be marked for identification. If the original is not readily available, written evidence may be received in the form of copies or excerpts. Upon request, parties shall be given an opportunity to compare the copy with the original.

(11) Findings of fact shall be based solely on the evidence and matters officially noticed.

(12) If a member fails to attend or participate in the hearing as requested, the Hearing Officer may default such member and dismiss his or her appeal with prejudice.

Section 7 Contested Cases – Record of Proceedings before Hearing Officers

The record in a contested case shall include:

(1) All pleadings, motions, intermediate rulings;
(2) Evidence received or considered;
(3) A statement of matters officially noticed;
(4) Questions and offers of proof and rulings thereon;
(5) Proposed findings and exceptions;
(6) Any decision, opinion, or report by the Hearing Officer at the hearing; and
(7) All staff memoranda or data submitted to the Hearing Officer in connection with their consideration of the case.

Section 8 Ex Parte Communications (Communications by one party)

There shall be no communications between the Hearing Officer and either a member, the Retirement System or the Retirement Board, or any of their representatives regarding any issue of fact or law in a case, without notice and opportunity for all parties to participate. There shall be no written communications by any party that are not transmitted at the same time to all parties.

Section 9 Rules of Evidence in Contested Cases:

Irrelevant, immaterial, or unduly repetitious evidence shall be excluded. The rules of evidence as applied in civil cases in the superior courts of this state shall be followed. Evidence not usually admitted under the rules of evidence for civil cases may be admitted where it is shown that such evidence is necessary to ascertain facts not capable of being proved otherwise. The Hearing Officer and the Retirement Board shall give effect to the rules of privilege (such as attorney/client privilege) recognized by law. Objections to evidence may be made and shall be noted in the record. Any part of the evidence may be received in written form when a hearing needs to be expedited and the interests of the parties will not be hurt substantially.

Section 10 Final Decision and Member Right of Appeal

(1) Within twenty-five (25) days after receipt of the Hearing Officer's recommendation, a copy thereof shall be served upon all parties to the proceeding and each party shall be notified of the time and place when the matter shall be considered by the Retirement Board. Each party to the proceeding shall be given the right to make exceptions, to file briefs and to make oral arguments before the Retirement Board. No additional evidence will be considered by the Retirement Board once the Hearing Officer has issued a recommendation. A party wishing to file a brief or make exceptions to the recommendation of the Hearing Officer shall be required to submit the same to the Executive Director not later than ten (10) days prior to the date when the Retirement Board is scheduled to hear and act upon the recommendation of the Hearing Officer. The aggrieved party and his or her representative shall have the right to appear before the Retirement Board and make oral argument at the time of such hearing. No new testimony will be taken, or evidence considered at this time. Consistent with RIGL §11-27-2 entitled, "Practice of law" any person accompanying the member who is not a lawyer (certified member of the bar of the State of Rhode Island), cannot represent the member before the Retirement Board. After consideration of the decision of the Hearing Officer and such other argument as shall be presented by any party to the proceeding, the Retirement Board shall vote on the recommendation of the Hearing Officer.

(2) In the event of a tie vote of a quorum present and voting on a contested matter, the matter will automatically be placed on the agenda of the next Retirement Board meeting.

In the event of a tie vote of a quorum present and voting on a contested matter rescheduled from a prior meeting, the Retirement Board may vote to postpone and re-consider the matter at a subsequent hearing, when a larger number of voting members may be present. If no such vote to postpone and re-consider is taken, or if a vote to postpone and re-consider the matter at a later date fails, the underlying action appealed from will be deemed affirmed

Section 11 Requests for Rehearing

(1) A request for rehearing which is submitted prior to the issuance of the Hearing Officer's recommendation should be made in writing. The request must detail the substance of any additional evidence to be offered, and the reason for the failure of the party to offer it at the prior proceedings.

(2) A rehearing will be denied if the evidence does not bear on any issue in contest in the original proceedings, will not likely affect the final recommendation, or if the request appears to be merely for purposes of delaying a final decision. A second request for rehearing after the granting or denial of a prior request for rehearing will not be permitted.

Employees Retirement System of Rhode Island
And
Municipal Employees Retirement System

Regulation No. 5

Rules of Elections to Employees Retirement Board

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ARTICLE I - Regular Elections

Section 1. Date of Election.

Regular elections will be held in the January preceding the expiration of the elected members' term of office.

Section 2. Notice of Election.

A notice of intent to hold elections to seat members of the state employees, teacher, municipal employee and retiree groups shall be sent by regular mail to each member of the system by September 15th of the year preceding the election. Additional notices will be made available for posting in various state and municipal agencies, schools, and related public offices. Each such mailing shall be made to the last known address of the member, as provided by the member's employer or the member's data file at the retirement system.

Section 3. Eligibility to Vote and Candidacy.

Each member, who is an active contributing member of the retirement system on the date of the notice of election, or who has attained maximum service credit and no longer contributes, or who is on a leave of absence status without pay for up to one year, shall be eligible to vote for a candidate of his respective group or be a candidate. An official of a state employee union, municipal employee union, or teacher employee union may also be a candidate for election.

Each retired member who is receiving a retirement benefit as of the date of notice of the election shall be eligible to vote for or be a candidate for the retirees' representative to the board.

Section 4. Nomination Papers.

Each member who wishes to be a candidate for the board from his/her respective group must file his/her intent for such office and obtain nomination papers in person from the retirement system.

Each candidate must secure at least 100 valid signatures on such nomination papers and return them to the retirement office as of the date identified within the notice of election. Such date must be between October 15th and October 30th of the year preceding the election.

The Sub-Committee on Elections shall validate such signatures and certify to the Retirement Board that the candidate has qualified for a place on the ballot.

Signatures of members appearing more than once on a set of nomination papers are invalid as are signatures of non-members such as a candidate's spouse, family member or beneficiary.

In the event that only one retired or municipal candidate qualifies under this section, he/she shall be deemed elected and no election shall be necessary for that group. If only two active state employees or teachers qualify under this section, they shall be deemed elected and no election shall be necessary.

Any candidate who does not qualify because of invalidated signatures will be accorded a hearing by the Elections Sub-Committee prior to the printing of ballots.

Section 5. Ballots.

Upon certification of the qualifying candidates in each respective group, the Sub-Committee on Elections or its agent shall have ballots and return envelopes printed in a coded scheme, to differentiate between the respective voting groups.

Each ballot shall contain a printer's trademark to prevent the reproduction of non-official ballots, and shall contain a list of the candidates, identification of their department, division, city, town, or school and instructions as to the method of correctly marking the ballot.

The order of candidates' names on the printed ballots within each respective group shall be determined by a lottery held at the November board meeting prior to the January election.

Section 6. Distribution and Contents of Ballots.

Ballots will be mailed to each eligible member to the address on record as of the date of the election notice. Each mailing envelope will contain a ballot, instructions, and a return envelope.

Duplicate ballots will be distributed only upon receipt of a written notarized affidavit certifying that the member did not receive a ballot or wishes to exchange a mutilated or erroneously marked ballot.

Section 7. Tabulation of Ballots.

On the day following the end of the election, the Sub-Committee on Elections or their designated agent shall tabulate the results. Any interested person may attend the tabulation of the ballots. The Sub-Committee on Elections shall cause the ballots to be safeguarded in an appropriate place should the tabulation be suspended for any reason.

Section 8. Voided Ballots.

The following ballots shall be deemed void:

(a) Ballots received after deadline date;
(b) Ballots delivered in person to the retirement system;
(c) Ballots not in an official return envelope;
(d) Multiple ballots in single envelope;
(e) Ballots torn or mutilated in the ballot area;
(f) Ballots containing more than one selection when only one is appropriate; or more than two selections when only two selections are appropriate:
(g) Ballots crossed out or erased;
(h) Copies or facsimiles of ballots;

(i)Ballots with write-in candidates.

The Sub-Committee on Elections or their agent shall hold voided ballots to be evaluated by the board in the event that they may change the outcome of the election.

Section 9. Explanations, Challenges, and Recounts.

Any candidate may request an explanation of voided ballots, challenge ballots, or seek a recount of ballots by making such request to the Chairperson of the Retirement Board in writing by certified mail within seventy-two (72) hours of legal notification of the results of tabulation of ballots, excluding Saturday, Sundays, and holidays.

Section 10. Results of Election and Certification.

Upon completion of the tabulation of ballots cast, the Sub-Committee on Elections or its agent shall certify to the board the results and the names of the candidates elected. The Board shall then certify and publish the results.

Section 11. Tie Votes.

In the event of a tie vote in any election, the Sub-Committee on Elections or its agent shall order an immediate recount of ballots and a review of all voided ballots in that election. If a tie vote still results, the Sub-Committee on Elections or its agent shall hold a run-off election between the tied candidates.

Section 12. Destruction of Ballots.

The Retirement Board shall keep the ballots cast in each election in sealed cartons for three months following the certification of election, and then destroy them.

ARTICLE II - Special Elections

Section 1. Date of Election.

A special election will be held within seventy (70) days of a Board vacancy.

Section 2. Notice of Election.

A notice of intent to hold an election to seat a vacancy on the Board shall be sent by regular mail to each eligible member. Additional notices will be made available for posting in various state and municipal agencies, schools, and related public offices within ten (10) days of such vacancy. Each such mailing shall be made to the last known address of the member, as provided by the member's employer or the member's file at the retirement system.

Section 3. Eligibility to Vote and Candidacy.

Each member, who is an active contributing member of the retirement system on the date of the notice of election, or who has attained maximum service credit and no longer contributes, or who is on a leave of absence status without pay for up to one year, shall be eligible to vote for a candidate of his/her respective group or be a candidate for election. An official of a state employee union, municipal employee union, or teacher employee union may also be a candidate for election.

Each retired member who is receiving a retirement benefit as of the date of notice of the election shall be eligible to vote for or be a candidate for the retirees' representative to the Board.

Section 4. Nomination Papers.

Each member who wishes to be a candidate for the Board from his/her respective group must file his/her intent for such office and obtain nomination papers in person from the retirement system.

Each candidate must secure at least 100 valid signatures on such nomination papers and return them to the retirement office as of the date identified within the notice of election.

The Sub-Committee on Elections shall validate such signatures and certify to the Retirement Board that the candidate has qualified for a place on the ballot.

Signatures of members appearing more than once on a set of nomination papers are invalid as are signatures of non-members such as a candidate's spouse, family member or beneficiary.

In the event that only one retired or municipal candidate qualifies under this section, he/she shall be deemed elected and no election shall be necessary.

Any candidate who does not qualify because of invalidated signatures
will be accorded a hearing by the Elections Sub-Committee prior to the printing of ballots.

Section 5. Ballots.

Upon certification of the qualifying candidates in each respective group, the Sub-Committee on Elections or its agent shall have ballots and return envelopes printed in a coded scheme, to differentiate between the respective voting groups.
Each ballot shall contain a printer's trademark to forestall reproduction of unofficial ballots, and shall contain a list of the candidates, identification of their department, division, city, town, or school and instructions as to the method of correctly marking the ballot.

The order of candidates' names on the printed ballots within each respective group shall be determined by a lottery held at the next available Board meeting.

Section 6. Distribution and Contents of Ballots.

Ballots will be mailed to each eligible member to the address on record as of the date of the election notice. Each mailing envelope will contain a ballot, instructions, and a return envelope.

Duplicate ballots will be distributed only upon receipt of a written notarized affidavit certifying that the member did not receive a ballot or wishes to exchange a mutilated or erroneously marked ballot.

Section 7. Tabulation of Ballots.

On the day following the end of the election, the Sub-Committee on Elections or their designated agent shall tabulate the results. Any interested person may attend the tabulation of the ballots. The Sub-Committee on Elections shall cause the ballots to be safeguarded should the tabulation be suspended for any reason.

Section 8. Voided Ballots.

The following ballots shall be deemed void:

(a) Ballots received after deadline date;
(b) Ballots delivered in person to the retirement system;
(c) Ballots not in an official return envelope;
(d) Multiple ballots in a single envelope;
(e) Ballots torn or mutilated in the ballot area;
(f) Ballots containing more than one selection when only one is appropriate; or more than two selections when only two elections are appropriate.
(g) Ballots crossed out or erased;
(h) Copies or facsimiles of ballots;
(i)Ballots with write-in candidates.

The Sub-Committee on Elections or their agent shall hold voided ballots to be evaluated by the board in the event that they may change the outcome of the election.

Section 9. Explanations, Challenges, and Recounts.

Any candidate may request an explanation of voided ballots, challenge ballots, or seek a recount of ballots by making such request to the
Chairperson of the Retirement Board in writing by certified mail within seventy-two (72) hours of legal notification of the results of tabulation of ballots, excluding Saturday, Sundays, and holidays.

Section 10. Results of Election and Certification.

Upon completion of the tabulation of ballots cast, the Sub-Committee on Elections or its agent shall certify to the board the results and the name of the candidates elected. The Board shall then certify and publish the results.

Section 11. Tie Votes.

In the event of a tie vote in any election, the Sub-Committee on Elections or its agent shall order an immediate recount of ballots and a review of all voided ballots in that election. If a tie vote still results, the Sub-Committee on Elections or its agent shall hold a run-off election between the tied candidates.

Section 12. Destruction of Ballots.

The Retirement Board shall keep the ballots cast in each election in sealed cartons for three months following the certification of election, and then destroy them.

Employees' Retirement System of the State of Rhode Island
and
Municipal Employees' Retirement System of the State of Rhode Island

Regulation No. 6

Service Credit Purchase Regulations

Revised:

Effective: September 6, 2013

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REGULATION 6.1 – RIGL §16-16-6 CONCERNING THE PURCHASE OF CREDIT FOR SERVICE IN PRIVATE SCHOOLS OR AS FEDERAL EMPLOYEE.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for service in private schools or as federal employee is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests by teachers to purchase credits for private teaching or teaching as a federal employee.

SECTION (2) DEFINITIONS

(a) Any non-profit private school or institution shall mean a school or institution similar to a public school in Rhode Island.

(b) Public school in Rhode Island shall mean those schools teaching elementary and secondary education, i.e. Kindergarten through grade twelve (12).

SECTION (3) STATUTORY REQUIREMENTS

In order to purchase private teaching or teaching as a federal employee credit the following provisions shall apply as required by RIGL:

(c) The member must be a "teacher" as defined by RIGL §16-16-1(12), i.e. holds a certificate of qualification , engaged in teaching as the principal occupation and be regularly employed as a teacher in the public schools in Rhode Island;

(d) The teacher must be an "active" member pursuant to RIGL §16-16-1(1), i.e. a teacher for whom the retirement system is currently receiving regular contributions;

(e) The teacher must be employed by a city or town in the State of Rhode Island as a teacher;

(f) The time sought to be purchased must be for service as a teacher or in a capacity essentially similar or equivalent to that of a teacher as defined in RIGL §16-16-1(12);

(g) Service must have been rendered in any non-profit private school or institution or in public schools paid by funds of the United States government;

(h) The amount of private teaching credit purchase is limited to a maximum of five (5) years;

(i) The purchase amount is at full actuarial cost based on the salary of the member in effect at the date of application for the credit; Consistent with RIGL §36-8-1(10), requests for the purchase of service credit for service in private schools or as federal employee received and date stamped after

June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests to purchase received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(j) Consistent with RIGL 16-16-12(d)(6), requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit request for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

SECTION (4) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE CREDIT FOR SERVICE IN PRIVATE SCHOOLS OR AS FEDERAL EMPLOYEE

(k) This Regulation does not apply to the purchase of service credit for out of state teaching. Refer to Regulation 6.10 governing the purchase of out of state teaching for the requirements.

(l) Time worked in an institution devoted toward community service and vocational education for adults shall not be purchasable;

(m) Members electing to pay by installment shall pay consistent with Regulation 11;

(n) The purchase by a member who is currently in a part-time position will be calculated using the member's full annualized salary. A current part-time salary shall not be used if the time prior to the application indicates the member was regularly employed as a full time teacher; if the member was regularly employed as a part-time teacher, the part-time salary will be used;

(o) The Private Teaching Credit Request form must be completed by the member, current school official, and former employer and former retirement system or pension plan and must be submitted to ERSRI;

(p) It shall be the responsibility of the member to see that all parties complete the required form and the form must be submitted to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase.

REGULATION 6.2 – RIGL §36-9-31.1 AND §16-16-7.2 CONCERNING THE PURCHASE OF PEACE CORPS, TEACHER CORPS AND VISTA (VOLUNTEERS IN SERVICE TO AMERICA) BY STATE EMPLOYEES AND TEACHERS.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for Peace Corps, Teacher Corps and VISTA is promulgated pursuant to RIGL §36-8-3. The Rule shall be applicable to all requests to purchase credit for Peace Corps, Teacher Corps and VISTA.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase Peace Corps, Teacher Corps or VISTA, the following provisions shall apply as required by RIGL:

(a) The employee must be an active member pursuant to RIGL §36-8-1(2) or §16-16-1(1), i.e. an employee for whom the retirement system is currently receiving regular contributions;

(b) Members on official leave of absence for illness or injury are also eligible to purchase the time;

(c) The amount of Peace Corps, Teacher Corps and VISTA credits purchased is limited to four years in the aggregate, i.e. no more than four (4) years total for combined time in the Corps and/or VISTA;

(d) Requests to purchase Peace Corps, Teacher Corps and/or VISTA credits which are received and date stamped on or before June 16, 2009 will be calculated at 10% of the first year's wages plus interest assessed from the date of enrollment into the system to the date of the request to purchase. No interest will be assessed if the purchase is made within the first five (5) years of membership or if purchased by a member who was an active member of the system prior to July 1, 1980. Consistent with RIGL §36-8-1(10), purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(e) Consistent with RIGL §36-10-9 (1)(c)(iv) and 16-16-12(d)(6), requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF PEACE CORPS, TEACHER CORPS, VISTA

(a) Members shall request the purchase by completing in full, signing and submitting the appropriate Peace Corps, Teacher Corps, and/or VISTA form along with a letter on the employer's/agency's official letterhead to ERSRI stating the time the member served;

(b) It shall be the responsibility of the member to submit the required form and letter to ERSRI in a timely manner. Incomplete forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

(c) Members electing to pay by installment shall pay consistent with Regulation 11.

REGULATION 6.3 – RIGL §16-17.1-2 CONCERNING THE PURCHASE OF TIME IN ANOTHER RETIREMENT PROGRAM.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for time in another retirement program is promulgated pursuant to RIGL §36-8-3. The Rule shall apply to all requests to purchase credit for time in another retirement program as defined by RIGL §16-17.1-1(4).

SECTION (2) DEFINITIONS

(a) Pursuant to RIGL §16-17.1-1(4), "Retirement program" and "program" means any retirement program adopted by the board of regents for higher education or its successor for any of its employees as defined in this section.

(b) Pursuant to RIGL §16-17.1-1(3), "Employees" means presidents, professors, instructors, or other employees of the board who are eligible to participate in any retirement program by virtue of the terms of the program and who are exempt from the merit system; If an employee of the board who participates in the program shall change classifications, he or she shall have the option to remain with the program.

(c) Pursuant to RIGL §16-17.1-1(2), "Board" means the board of regents for higher education or its successor.

(d) As defined in RIGL 36-8-1(14), "Regular interest" means interest at the assumed investment rate of return, compounded annually, as may be prescribed from time to time by the board.

SECTION (3) STATUTORY REQUIREMENTS

In order to purchase time in another retirement program the following provisions shall apply as required by RIGL:

(a) The employee must be an "active member" pursuant to RIGL §36-8-1(2) §16-16-1(1), or §45-21-2(2) i.e. a state employee, teacher, or municipal employee for whom the retirement system is currently receiving regular contributions;

(b) The employee must have participated in the program as defined in Section (2) above;

(c) Employees of the board who were members of the program, and who subsequently enter the employees' retirement system by virtue of employment, shall be allowed to purchase credit for any prior service with the board under the program;

(d) Consistent with RIGL §36-8-1(10) purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30,

2012 shall be at full actuarial value which shall be determined using the systems assumed investment rate of return minus one percent (1%);

(e) The payment shall be made in a lump sum within the employee's first year of membership in the retirement system.

SECTION (4) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF TIME IN ANOTHER RETIREMENT PROGRAM

(a) The request to purchase time in another program must be made in writing to ERSRI;

(b) The purchase of time in another program is limited to five (5) years.

REGULATION 6.4 - RIGL §36-9-20 AND §45-21-56 CONCERNING THE PURCHASE OF NON-PARTICIPATING MUNICIPAL SERVICE CREDIT.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for non-participating municipal service is promulgated pursuant to RIGL §36-8-3. The Rule shall be applicable to all requests to purchase non-participating municipal service credit.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase non-participating municipal service credit, the following provisions shall apply as required by RIGL:

(a) This purchase is available to current state employees, teachers or municipal employees as defined by RIGL §36-8-1(9), §16-16-1(12), or §45-21-2(7) who were previously employed by a municipality that did not elect to accept the provisions of Chapter 21 of Title 45;

(b) The employee must be an "active" member of ERSRI or MERS pursuant to RIGL §36-8-1(2), §16-16-1(1), or §45-21-2(2), i.e. an employee for whom the Retirement System, as defined in Title 36 chapters 8-10 and Title 45 chapter 21-21.2, is currently receiving regular contributions;

(c) The employee while working for the non-participating municipality must have met the definitional requirements of RIGL §45-21-2(7) while working for the non-participating municipality, i.e. the employee must have been regularly and permanently employed devoting a minimum of twenty (20) hours per week every week on an annual basis throughout the year to the service of the municipality. Those working an average of 20 hours per week and/or participating in casual and seasonal employment are considered not to have met the definition of §45-21-2(5) and will be ineligible to purchase service credits;

(d) The amount of non-participating municipal service credit purchase is limited to a maximum of four (4) years for state employees and teachers and five (5) years for municipal employees;

(e) Purchase amounts shall be calculated at full actuarial cost as defined in §36-8-1(10) and 45-21-2(10). Purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(f) Consistent with RIGL §36-10-9 (1)(c)(iv), 16-16-12(d)(6), and 45-21-16 (2)(v)(I) and (II) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015. The purchase of non-participating municipal service can include more than one municipality.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF NON-PARTICIPATING MUNICIPAL SERVICE CREDIT

(a) Pursuant to RIGLs §36-9-47, §16-16-8.1 and §45-21-64 members electing to pay by installment will have additional interest added to the cost of the purchase;

(b) A member is prohibited from purchasing non-participating municipal service credit which is being credited towards retirement benefits in another system where there is an employer contribution or match. The other system may consist of either a defined benefit and/or a defined contribution (e.g. 457, 403(b) etc.);

(c) Employment which was rendered on a substitute, temporary, casual or seasonal basis is not purchasable;

(d) The Non-Participating Municipality Credit Request form must be completed by the member, current employer, and former employer and former retirement system or pension plan and must be submitted to ERSRI;

(e) It shall be the responsibility of the member to see that all parties complete the required form and the form must be submitted to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase.

REGULATION 6.5 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAWS (RIGL) §45-21.2-16, §45-21.2-18, §45-21.2-19 CONCERNING THE PURCHASE OF CALL SYSTEM SERVICE CREDIT.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for Call System service is promulgated pursuant to RIGL §36-8-3. The Regulation shall apply to all requests to purchase Call System service credit.

SECTION (2) DEFINITIONS

(a) For the purposes of this rule, "any person" shall mean a municipal employee including police and firefighter who is an "active member" of the retirement system as defined by RIGL § §45-21-2(2) or §45-21.2-2, i.e. an employee for whom the retirement system is currently receiving regular contributions.

(b) For the purposes of this Regulation, "three (3) years served" shall mean thirty-six (36) consecutive months which do not contain any other time in which contributions were being made.

SECTION (3) STATUTORY REQUIREMENTS

In order to purchase Call System service credit the following provisions shall apply as required by RIGL:

(a) The person must have been a member of the Call System of North Providence fire department as of January 1, 1960 and thereafter, a member of the Call System of North Kingstown fire department as of January 1, 1950 and thereafter or a volunteer member and/or member of the Call System of the East Greenwich fire district as of January 1, 1943 and thereafter;

(b) The person shall be credited with one year of service credit for every three years served;

(c) In order to receive service credit, the person must pay into the system an amount based on compensation received by that person in the last year of each three year period at the time of the purchase. Minimum compensation on which the purchase is calculated shall be three-hundred dollars ($300.00) annually;

(d) Purchase costs shall include regular interest as defined in RIGL §36-8-1(14) which states that regular interest shall mean interest at the assumed investment rate of return, compounded annually, as may be prescribed from time to time by the retirement board. Purchase requests received and date stamped on or after July 1, 2012 shall be at full actuarial value which

shall be determined using the system's assumed investment rate of return minus one percent (1%);

(e) Consistent with 45-21-16 (2)(v)(I) and (II) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

SECTION (4) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF CALL SYSTEM SERVICE CREDIT

(a) Members electing to pay by installment shall pay consistent with Regulation 11;

(b) The purchase of Call System service credit is limited to a total of five (5) years;

(c) The Call Firefighter Credit Request form must be completed and submitted to ERSRI by the Employer;

(d) It shall be the responsibility of the member to see that the Employer complete and submit the required form to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase.

REGULATION 6.6 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAWS (RIGL) §16-16-6.4 CONCERNING THE PURCHASE OF CERTIFIED NURSE TEACHER CREDIT.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for certified nurse teacher service is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests to purchase certified nurse teacher credit.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase certified nurse teacher credit the following provisions shall apply as required by RIGL:

(a) The employee must be an "active" member of ERSRI pursuant to RIGL §36-8-1(2), or §16-16-1(1), i.e. a state employee or teacher for whom the retirement system is currently receiving regular contributions;

(b) The member must have worked as a Registered Nurse (R.N.);

(c) The employee must be a certified nurse teacher employed by the State or the public schools of the cities and towns in Rhode Island;

(d) The amount of certified nurse teacher credit is limited to a maximum of four (4) years;

(e) Consistent with RIGL §36-8-1(10), purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%).

(f) Consistent with RIGL §36-10-9 (1)(c)(iv) and 16-16-12(d)(6), requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

(g) Credit for time served as a certified nurse teacher may be purchased and used toward the pension for the ordinary disability retirement only if the certified nurse teacher has at least ten (10) years of creditable service before the purchase;

(h) A member is prohibited from purchasing nurse teacher credit which is being credited towards retirement benefits in another system;

(i) Appropriate work experience includes, but is not limited to, work as a Registered Nurse in a hospital setting.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF CERTIFIED NURSE TEACHER SERVICE CREDIT

(a) When calculating the purchase cost, the cost will be based on the salary of the member in effect at the date of application for credit;

(b) The purchase by a member who is currently in a part-time position will be calculated using the member's full annualized salary. A current part-time salary shall not be used if the time prior to the application indicates the member was regularly employed as a full time teacher; if the member was regularly employed as a part-time teacher, the part-time salary will be used;

(c) Members electing to pay by installment shall pay consistent with Regulation 11;

(d) Members shall request the purchase by completing in full and signing the Nurse Teaching Credit Request form and providing ERSRI with a copy of their Department of Education Nurse Teacher Certificate;

(e) The form must also be completed by the member's current employer and former employer of registered nursing employment and be submitted to ERSRI;

(f) It shall be the responsibility of the member to complete the required form, see that the employers complete their sections of the form and to submit the completed form and Department of Education Nurse Teacher certificate to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase.

REGULATION 6.7 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAW (RIGL) §16-16-6.2 CONCERNING THE PURCHASE OF SERVICE CREDIT FOR APPROPRIATE WORK EXPERIENCE.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for appropriate work experience is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests by public school vocational education teachers to purchase service credit for appropriate work experience.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase service credit for appropriate work experience, the following provisions shall apply as required by RIGL:

(a) The employee must be an "active" member pursuant to RIGL §36-8-1(2) or §16-16-1(1), i.e. a state employee or teacher for whom the retirement system is currently receiving regular contributions;

(b) The vocational education teacher must currently be employed as a vocational education teacher by the State of Rhode Island or a city or town in the State of Rhode Island;

(c) The amount of vocational education purchase is limited to a maximum of five (5) years;

(d) Credit for appropriate work experience may be purchased and used toward the pension for the ordinary disability retirement only if the vocational education teacher has at least ten (10) years of creditable service before the purchase;

(e) The purchase amount is based on the salary of the member in effect at the date of application for the credit. Consistent with RIGL §36-8-1(10), purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(f) Consistent with RIGL §36-10-9 (1)(c)(iv)and 16-16-12(d)(6) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE SERVICE CREDIT FOR APPROPRIATE WORK EXPERIENCE.

(a) The vocational education teacher must currently be teaching the subject for which he or she is certified on his or her vocational education certificate;

(b) The purchase by a member who is currently in a part-time position will be calculated using the member's full annualized salary. A current part-time salary shall not be used if the time prior to the application indicates the member was regularly employed as a full time teacher;

(c) Members electing to pay by installment shall pay consistent with Regulation 11.The Vocational Education Credit Request form must be completed by the member and the current employer and must be submitted to ERSRI. In addition to the form, the vocational education certificate for the vocational education teachers current position and a letter on the past employer's official letterhead verifying the dates the member served shall be submitted to ERSRI;

(d) It shall be the responsibility of the member to see that all parties complete the required form, and the form and all documentation must be submitted to ERSRI in a timely manner. Incomplete or inaccurate forms and insufficient documentation will be returned to the member as well as failure to provide all requested documentation will result in a delay in processing the purchase and additional interest being added to the cost of the purchase.

REGULATION 6.8 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAWS (RIGL) §36-10-8 AND §45-21-29, CONCERNING THE RESTORATION OF CREDITS.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of a refund of contributions is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests to purchase a refund of contributions.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase a refund of contributions the following provisions shall apply as required by RIGL:

(a) Member shall refer to "member" as defined in §36-8-1(12): any person included in the membership of the retirement system as provided in §§36-9-1 – 36-9-7;

(b) The member must subsequently reenter service and again become a member of the system for at least one (1) year of continuous service and must make contributions for that one (1) year of continuous service. Consistent with RIGL §36-10-9(1)(c)(iv), 16-16-12(d)(6), and 45-21-16 (2)(v)(I) and (II) requests for the restoration of service credit must be received and date stamped within 3 years of the initial date of re-hire. For active members as of June 30, 1012, the restoration of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015;

(c) The entire amount of years of service previously withdrawn must be purchased in its entirety;

(d) Regular interest as defined in RIGL 36-8-1(14) and RIGL §45-21-2(16), which states that regular interest shall mean interest at the assumed investment rate of return, compounded annually, as may be prescribed from time to time by the retirement board, which accrued from the date of refund to the date of purchase request will be calculated and added to the purchase cost;

(e) Upon the repayment of such a refund including accrued interest the member shall again receive credit for the amount of total service.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF THE RESTORATION OF CREDITS

(a) There is no restriction as to the number of years to be purchased as a refund payback;

(b) The purchase of a refund payback does not count toward the five (5) year limit on purchases;

(c) If purchasing a restoration of service credit and any of the service credits are other than contributory service, those service credits will be subject to the five (5) year maximum purchase limit;

(d) Members may request the purchase by completing the Payback Request form or may call, write, or email the request to the retirement system;

(e) Members with more than one (1) refund may purchase each refund separately, provided however that the refund must be made consistent with Section 2(b) above;

(f) A refund payback resulting in a member being credited with years of service which exceed the maximum benefit shall not be required to purchase years of service in excess of the maximum benefit.

(g) Members electing to pay by installment shall pay consistent with Regulation 11.

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REGULATION 6.9 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAW (RIGL) §16-16-5 CONCERNING THE PURCHASE OF PART-TIME TEACHING.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase by a teacher of credit for part-time teaching is promulgated pursuant to RIGL §36-8-3. The Regulation shall apply to all requests by a teacher to purchase credit for part-time teaching.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase part-time teaching the following provisions shall apply as required by RIGL:

(a) The member must be a "teacher" within the meaning of RIGL §16-16-1(12), i.e. hold a certificate of qualification, engaged in teaching as the principal occupation and be regularly employed as a teacher in the public school system;

(b) The teacher must be an "active member" RIGL §16-16-1(1), i.e. a teacher for whom the retirement system is currently receiving regular contributions;

(c) A teacher employed in a half-time program including a job-share shall receive credit for that part-time service only. For example, a teacher identified as a 0.60 teacher will only receive 0.60 X 180 (the required number of school days every city or town shall establish and maintain pursuant to RIGL §16-2-2) =108 days. No additional service credit will be awarded or be eligible for purchase for the remaining portion of the school year for which the member did not receive service credit.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF PART-TIME TEACHING

(a) In order to purchase part-time teaching, a teacher must have worked a minimum of two-fifths (2/5's) of a school year and must not have been considered an "active member" pursuant to RIGL §16-16-1(1), i.e. no regular contributions were made to the retirement system;

(b) The Part-Time Teacher Verification form must be completed and submitted to ERSRI by the Employer;

(c) It shall be the responsibility of the member to see that the Employer complete and submit the required form to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

(d) The purchase of part-time teaching is limited to a total of five (5) years;

(e) Part-time teaching among school systems in the same school year may be combined for purchase;

(f) The cost to purchase part time teaching service credit will be calculated at regular interest as defined in RIGL 36-8-1(14), which states that regular interest shall mean interest at the assumed investment rate of return, compounded annually, as may be prescribed from time to time by the retirement board, assessed from the date employment commenced to the date of the request to purchase. Consistent with RIGL §36-8-1(10), purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(g) Consistent with RIGL §16-16-12(d)(6) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015;

(h) Members electing to pay by installment shall pay consistent with Regulation 11.

REGULATION 6.10 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAW (RIGL) §16-16-6.1 CONCERNING THE PURCHASE OF OUT OF STATE TEACHING.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for out of state teaching is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests by public school teachers to purchase out of state teaching credit.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase out of state teaching credit, the following provisions shall apply as required by RIGL:

(a) The member must be a "teacher" as defined by RIGL §16-16-1(12), i.e. holds a certificate of qualification, engaged in teaching as the principal occupation and be regularly employed as a teacher in the public schools in Rhode Island;

(b) The teacher must be an "active" member pursuant to RIGL §16-16-1(1), i.e. a teacher for whom the retirement system is currently receiving regular contributions;

(c) The teacher must be employed as a teacher by a city or town in the State of Rhode Island;

(d) The amount of out of state teaching purchase is limited to a maximum of five (5) years;

(e) The time purchased must be for employment in any state college, state university, state school or public school outside the State of Rhode Island or in any territory or possession of the United States including the Philippines or any school under the jurisdiction of the United States government;

(f) Credit for out of state teaching may be purchased and used toward the pension for the ordinary disability retirement only if the teacher has at least ten (10) years of creditable service before the purchase;

(g) The purchase amount is at full actuarial cost based on the salary of the member in effect at the date of application for the credit. Consistent with RIGL §36-8-1(10), purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(h) Consistent with RIGL §16-16-12(d)(6) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF OUT OF STATE TEACHING CREDIT

(a) This Regulation does not apply to the purchase of service credit for private teaching. Refer to the section under this Regulation governing the purchase of private teaching;

(b) The purchase by a member who is currently in a part-time position will be calculated using the member's full annualized salary. A current part-time salary shall not be used if the time prior to the application indicates the member was regularly employed as a full time teacher; if the member was regularly employed as a part-time teacher, the part-time salary will be used;

(c) Members electing to pay by installment shall pay consistent with Regulation 11. A member is prohibited from purchasing out of state teaching credit which is being credited towards retirement benefits in another system where there is an employer contribution or match. The other system may consist of either a defined benefit and/or a defined contribution (e.g. 457, 403(b) etc.);

Employment which was rendered on a substitute, temporary, casual, seasonal or emergency basis is not eligible for purchase;

The Out of State Teaching Credit Request form must be completed by the member, current school official, and former employer and former retirement system or pension plan and must be submitted to ERSRI.

It shall be the responsibility of the member to see that all parties complete the required form and the form must be submitted to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase.

REGULATION 6.11 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAW (RIGL) §16-16-5(C) CONCERNING THE PURCHASE BY A TEACHER OF SUBSTITUTE TEACHING TIME.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase by a teacher of credit for substitute teaching time is promulgated pursuant to RIGL §36-8-3. The Regulation shall apply to all requests to purchase credit for substitute teaching time.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase substitute teaching time the following provisions shall apply as required by RIGL:

(a) The member must be a "teacher" within the meaning of RIGL §16-16-1(12);

(b) The teacher must be an "active member" RIGL §16-16-1(1), i.e. an employee for whom the retirement system is currently receiving regular contributions;

(c) The number of days served by a substitute teacher in any public school of any city or town in the state may only be combined for the same school year to reach required total number of days;

(d) Service credit will only be given to a teacher once the amount the teacher would have contributed to the Plan plus interest has been paid to the retirement system;

(e) Consistent with RIGL §36-8-1(10), purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(f) Consistent with RIGL §16-16-12(d)(6) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF SUBSTITUTE TEACHING TIME

(a) The substitute teaching time does not count toward contributory service. Teachers must have ten (10) years of contributing service to be vested. A teacher with contributory service on or after July 1, 2012 must have 5 years of contributing service to be vested;

(b) The teacher must have substituted a minimum of forty-five (45) days in one (1) school year in order to purchase the time. The substituting can be in more than one (1) public school in more than one (1) city or town in the state but must be in the same school year. The only exception to the forty-five (45) day minimum requirement is in such cases where the teacher has contributing time in the same school year in which they substituted. In this instance, days substituted will be added to contributing service to determine service credit;

(c) Service credit will be calculated as follows:

For service credits accrued **prior to** November 17, 2011, the following schedule shall apply:

45 days	= 3 months service credit
67 days	= 6 months service credit
91 days	= 9 months service credit
135 days	= 1 year service credit

For service credits accrued **on and after** November 18, 2011, the following schedule shall apply:

45	= 3 months service credit
90 days	= 6 months service credit
135days	= 9 months service credit
180 days	= 1 year service credit

(d) The purchase of substitute teaching time is limited by statute to public schools in Rhode Island. State schools in Rhode Island, private school and out of state school requests will be denied;

(e) The Substitute Teaching form must be completed and submitted to ERSRI by the Employer;

(f) It shall be the responsibility of the member to see that the Employer complete and submit the required form and letter to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member

and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

(g) The purchase of substitute teaching time is limited to a total of five (5) years;

(h) Members electing to pay by installment shall pay consistent with Regulation 11.

REGULATION 6.12 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAWS (RIGL) §36-9-26 AND §45-21-58 CONCERNING THE PURCHASE OF OFFICIAL LAYOFF.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for official layoff is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests to purchase credit for official layoff.

SECTION (2) STATUTORY REQUIREMENTS

In order to purchase credit for official layoff the following provisions shall apply as required by RIGL:

(a) The employee must be an "active" member of ERSRI pursuant to RIGL §36-8-1(2), §36-8-1(12) or MERS pursuant to RIGL §45-21-2(2), §45-21-2(12), i.e. an employee for whom the retirement system is currently receiving regular contributions;

(b) The purchase of official layoff can only be made when the member returns to active membership. Consistent with RIGL §36-10-9(1)(c)(iv), §16-16-12(d)(6), and 45-21-16 (2)(v)(I) and (II) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015;

(c) Leave without pay does not qualify as official layoff;

(d) The member shall not have withdrawn his or her retirement contributions during the official layoff;

(e) The amount of service credit for official layoff is limited to a maximum of one (1) year;

(f) Consistent with RIGL §36-8-1(10) purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%).

(g) For members of MERS, the cost to purchase official layoff is calculated at regular interest as defined in Chapter 45-21-2(16) which states that regular interest shall mean interest at the assumed investment rate of return, compounded annually, as may be prescribed from time to time by the retirement board. All requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%).

SECTION (3) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF CREDIT FOR OFFICIAL LAYOFF

(a) Members shall request the purchase by having the Employer complete and sign the Official Layoff Verification form and submitting the form along with the official documentation of the official layoff to ERSRI;

(b) Acceptable documentation includes official documentation from the employer completed at the time that separation from service occurred which clearly states the member was on "layoff";

(c) It shall be the responsibility of the member to see that the Employer complete the required form and submit the form to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

(d) Members electing to pay by installment shall pay consistent with Regulation 11.

REGULATION 6.13 – RHODE ISLAND GENERAL LAWS (RIGL) §36-9-20, §16-16-8, AND §45-21-12.1 – REGULATIONS REGARDING THE PURCHASE OF PRIOR TIME.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of credit for prior time is promulgated pursuant to Rhode Island General Law §36-8-3. The Regulation shall be applicable to all requests to purchase credit for prior time.

SECTION (2) DEFINITIONS

(a) Probationary time shall mean time when a person was considered an employee pursuant to §36-8-1(9) or §45-21-2(7) but for which the employees' retirement system was not receiving regular contributions and which time period does not exceed six (6) months.

(b) The definition of "employee" for State Employees and Municipal Employees is governed by RIGLs §36-8-1(9) and §45-21-2(7) which require a person to devote twenty (20) business hours per week annually to the service of the state or municipality to be an employee within the meaning of the retirement statutes. "Annually" shall mean twenty (20) standard hours, every week on an annual basis, throughout the year devoted to the service of the state or municipality.

(c) Pursuant to RIGL §36-8-1(9) and §45-21-2(7) employment cannot be of a casual, seasonal or emergency nature and cannot have earned less than the equivalent of minimum wage compensation on an hourly basis for his or her services.

SECTION (3) STATUTORY REQUIREMENTS

With respect to the purchase of prior time, the following provisions shall apply as required by RIGL:

(a) The employee must be an "active member" of ERSRI pursuant to RIGL 36-8-1(2), MERS pursuant to RIGL 45-21-2(2), i.e. an employee for whom the retirement system is currently receiving regular contributions, or RIGL §16-16-1(1), i.e. a teacher for whom the retirement system is currently receiving regular contributions;

(b) For State Employees and Teachers who are members of ERSRI as of June 30, 2012, and Municipal Employees who are members of MERS as of June 30, 2012 and who are requesting to purchase prior time under Title 36, consistent with RIGL §36-8-1(10) purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value, and requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%);

(c) For Municipal Employees in MERS as of June 30, 2012 and State Employees and Teachers in ERSRI as of June 30, 2012 who are requesting to purchase prior time under Title 45, the calculation will be at regular interest as defined in RIGL 36-8-1(14) and RIGL §45-21-2(16), which states that regular interest shall mean interest at the assumed investment rate of return, compounded annually, as may be prescribed from time to time by the retirement board. All requests received and date stamped after June 30, 2012 shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%).

(d) Consistent with RIGL §36-10-9 (1)(c)(iv)§16-16-12(d)(6), and 45-21-16 (2)(v)(I) and (II) requests for the purchase of service credit for time before the member's date of hire must be received and date stamped within 3 years of the initial date of hire. For active members as of June 30, 2012, the purchase of service credit for time prior to June 30, 2012 must be received and date stamped by June 30, 2015.

(e) Pursuant to RIGLs §36-10-9(3) (v), §16-16-12 (3) (v), and §45-21-16(2) (IV) no more than five (5) years of service credit may be purchased by a member of the System.

SECTION (4) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF PRIOR TIME

(a) For the purchase of Probationary Time, the following additional Regulations shall apply:

(1) The six (6) month period or less must be the period immediately preceding becoming a contributing member;
(2) The amount of probationary time purchasable is limited to six (6) months or less for each position held that required a probationary period;
(3) The purchased time shall be counted as contributing service;
(4) The purchase of probationary time does not count toward the five (5) year limit on purchases;

(b) The Probationary Time Verification form or the Prior Time Verification form must be completed in full, signed and submitted to ERSRI by the Employer;

(c) The Employer must provide information regarding why the member did not contribute during the time requested to be purchased and must be prepared to provide ERSRI with official documentation supporting the information provided by the Employer on the form;

(d) It shall be the responsibility of the member to see that the Employer complete and submit the required form to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

(e) Members electing to pay by installment shall pay consistent with Regulation 11.

REGULATION 6.14 - REGULATIONS REGARDING RHODE ISLAND GENERAL LAWS (RIGL) §36-9-31, §16-16-7.1, AND §45-21-53 CONCERNING THE PURCHASE OF ARMED SERVICE CREDIT.

SECTION (1) INTRODUCTION

This Administrative Regulation pertaining to the purchase of armed service credit is promulgated pursuant to RIGL §36-8-3. The Regulation shall be applicable to all requests to purchase armed service credit.

SECTION (2) DEFINITION OF ARMED SERVICE

(a) Members with active duty in the following branches of the armed services shall be allowed to purchase armed service credit:

(1) United States Army, United States Army Reserve and the National Guard of the United States;

(2) United States Navy and United States Navy Reserve;

(3) United States Marine Corps and United States Marine Corps Reserve;

(4) United States Coast Guard and United States Coast Guard Reserve;

(5) United States Air Force, United States Air Force Reserve and Air National Guard of the United States;

(6) United States Public Health Service;

(7) Those merchant marine seamen manning army transports of merchant ships operated for the United States War Shipping Administration in war zone areas.

(b) For purposes of determining allowable National Guard time, only time spent on active duty in the National Guard of the United States shall be considered. Service in the full time National Guard or the National Guard of a State, Territory, Commonwealth of Puerto Rico or District of Columbia shall not be considered as service in the National Guard of the United States.

SECTION (3) STATUTORY REQUIREMENTS

In order to purchase armed service credit the following provisions shall apply as required by law:

(a) The employee must be an “active” member of ERSRI pursuant to RIGL §36-8-1(2), §16-16-1(1) or MERS pursuant to RIGL §45-21-2(2), i.e. an employee for whom the retirement system is currently receiving regular contributions;

(b) Only military time served prior to ERSRI or MERS membership is eligible for purchase;

(c) The member must have been on active military duty;

(d) The amount of armed service credit is limited to a maximum of four (4) years. Any purchase made after January 1, 1995 cannot bring the member's total purchased time above five years. Armed service credit purchases completed prior to January 1, 1995 may bring the member's purchased time over five years;

(e) The member must have received an "honorable discharge";

(f) Members on official leave of absence for illness or injury are also eligible to purchase the time;

(g) The purchase cost shall be calculated at ten percent (10%) of the member's first year's earnings as a state employee as defined in Chapter 9 of Title 36, as a teacher as defined in §16-16-1 of Title 16, and as a municipal employee as defined in Chapter 21 of Title 45. First year's earnings shall mean the first full, complete year's earnings. For Teachers, first year's earnings shall mean contractual salary based on a minimum of one-hundred eighty days (180). Interest shall accrue from the date of enrollment into the system to the date of purchase if purchased after completing five (5) years of membership, i.e. if you had a withdrawal as a state employee your first year's earnings as a state employee will be used to calculate the purchase, but if you are presently a teacher and had a withdrawal as a state employee your first year's earnings as a teacher will be used to calculate the purchase;

(h) No interest will be assessed if the purchase is made within the first five (5) years of membership in the retirement system or if purchased by a member who was in the system prior to 7/1/80.

SECTION (4) ADDITIONAL REQUIREMENTS AND RESTRICTIONS REGARDING THE PURCHASE OF ARMED SERVICE CREDIT

(a) When calculating allowable purchase time, no member shall be allowed to purchase credit which, when totaled, pursuant to RIGL §36-9-25 provides the member with more than one (1) year of service credit in any one (1) calendar year;

(b) As of July 3, 1997, any active member shall only be allowed to purchase armed service credit for the actual time he or she was on active duty. For example, if a member was on active duty for ten (10) months and fifteen (15) days, the member shall only be permitted to purchase ten (10) months and fifteen (15) days. If a member served two (2) weeks summer duty in the National Guard, the member shall only be permitted to purchase two (2) weeks of armed service credit;

(c) Members shall request the purchase by completing in full and signing the Military Credit Request form and submitting the form and the documentation to ERSRI;

(d) Acceptable documentation includes a DD214, NGB 23, or other official documentation from the military branch served in stating actual dates of active duty service. Mere statements or affirmations by the individual member as proof of active duty are not acceptable;

(e) Proof of honorable discharge must also be submitted;

(f) A member is prohibited from purchasing armed service credit which is being credited towards retirement benefits in another system. Members who are receiving a military pension or who are eligible to receive a military pension based on this time shall be allowed to purchase the armed service credit;

(g) It shall be the responsibility of the member to submit the required form and letter to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

(h) Members electing to pay by installment shall pay consistent with Regulation 11.

REGULATION 6.15 - RULES REGARDING RHODE ISLAND GENERAL LAWS (RIGL) §36-9-25.1, §36-9-20.5, §16-16-5 AND §45-21-14.2 CONCERNING THE PURCHASE OF LEAVE SERVICE CREDITS INCLUDING THE PURCHASE OF SERVICE CREDIT WHILE ON INACTIVE STATUS – WORKERS' COMPENSATION.

SECTION (1) INTRODUCTION

This Administrative Rule pertaining to the purchase of leave service credits is promulgated pursuant to Rhode Island General Law (RIGL) §36-8-3. The Rule shall be applicable to all requests to purchase under RIGL §36-9-25.1, §36-9-20.5, §16-16-5 and §45-21-14.2.

SECTION (2) DEFINITIONS

References to the words "return to service" shall have the following meanings:

For purposes of this regulation relating to State Employees, consistent with RIGL §36-8-1(18) "service" shall mean service as an employee of the State of Rhode Island as described in §36-8-1((9) .For purposes of this regulation relating to Teachers, consistent with RIGL §16-16-1(a)(10) "service" shall mean service as a teacher as described in §16-16-1(a) (12).

For purposes of this regulation relating to Municipal Employees including Police and Firefighters, consistent with RIGL §45-21-2(20) "service" means service as an employee of a municipality of the state of Rhode Island as described in §45-21-2(7) and §45-21.2-2.

SECTION (3) STATUTORY REQUIREMENTS

In order to purchase official leave the following conditions apply as required by RIGL:

a.) For purchases consistent with §36-9-25.1(a), §36-9-20.5 and §45-21-14.2., members must have at least one year of service;

b.) The member must have been granted an official leave of absence without pay by their appointing authority;

c.) Subject to section (h) below: For state employees, before making the purchase under §36-9-25.1 or §36-9-20.5, the member, upon completion of his or her official leave, must return to state service for at least one year. For teachers, the purchase pursuant to §16-16-5 may be made once he or she returns to active service as a teacher as defined in RIGL §16-16-1(12). Municipal employees must immediately return to municipal service for at least one year upon completion of the official leave to be eligible to make the purchase under §45-21-14.2. All employees must make contributions to the retirement system upon return from official leave;

d.) State employees or teachers who are in an inactive status on workers' compensation may purchase official leave credits, provided the state employee or teacher has not terminated employment. State employees and teachers may make the purchase while on official leave. Municipal employees on official leave /workers compensation must immediately return to municipal service for at least one year upon completion of the leave pursuant to RIGL §45-21-14.2;

e.) The member must complete the purchase by making payment in full on or before the date of retirement;

f.) For municipal employees, the purchase amount for requests for official leave service credits, date stamped by ERSRI on or before June 30, 2012, shall be equal to the contribution the employee would have made to the retirement system based on his or her expected compensation, as defined by RIGL §36-8-1(8), plus regular interest compounded annually to the date of invoice by ERSRI.

g.) For state employees and teachers, purchase requests received and date stamped after June 16, 2009 and prior to July 1, 2012 shall be at full actuarial value consistent with RIGL §36-8-1(10). For state employees, teachers and municipal employees, purchase requests received and date stamped after June 30, 2012, shall be at full actuarial value which shall be determined using the system's assumed investment rate of return minus one percent (1%) as defined in RIGL §36-8-1(10)(ii).

h.) Consistent with RIGL §36-10-9(3)(vi), §16-16-12(d)(6), and §45-21-16(2)(II)(v) effective July 1, 2012, the purchase must be made within three (3) years of the time the official leave was concluded by the member. Requests for service purchases from time periods prior to June 30, 2012 may be made on or prior to June 30, 2015;

i.) Credit for official leaves of absence, including time spent out of work on workers compensation shall be limited in the aggregate during the total service of an employee to a period of four (4) years.

SECTION (4) ADDITIONAL REQUIREMENTS AND RESTRICTIONS ON THE PURCHASE OF LEAVE SERVICE CREDIT

a.) This rule is applicable to all applications for the purchase of official leave which are received and date stamped by ERSRI on or after the effective date of this regulation.

b.) For Municipal employees, the return to service must occur immediately following completion of the leave. Lapses of time between the end of the leave and subsequent service for the state or another municipality or teaching in any of the public schools as well as termination of employment upon completion of or prior to completion of the official leave and subsequent reemployment shall indicate that the employee does not meet the requirements of this Regulation;

c.) The Official Leave Verification form must be completed by the employer, current school official or former employer and must be submitted to ERSRI. No request to purchase leave service credit will be granted without this required documentation. No other documentation will be accepted.

d.) It shall be the responsibility of the member to see that all parties complete the required form and the form must be submitted to ERSRI in a timely manner. Incomplete or inaccurate forms will be returned to the member and will result in a delay in processing the purchase and additional interest being added to the cost of the purchase;

e.) Pursuant to RIGLs §36-9-47, §16-16-8.1, and §45-21-64 members electing to pay by installment will have additional interest added to the cost of the purchase in accordance with these statutes and Regulation 11;

f.) Leave without pay involving a reduction in scheduled work days or a reduction in scheduled work hours shall not be considered an official leave within the meaning of this Rule or RIGLs §36-9-25.1, §16-16-5 and §45-21-14.2 and is not eligible for purchase unless the following additional requirements and conditions are met:

i. State and municipal employees, and teachers, who are on reduced schedule work days or reduced schedule work hours from their regular full or part time employment must provide documentation of the official leave from their regular full or part time employment, and will be eligible to make the purchase upon return to service. The pre-leave position must be a contributing position; i.e. not an emergency, seasonal or casual employment position.

ii. For the purpose of calculating the four (4) year maximum allowance for official leave purchases, a calendar year will be used for state and municipal employees and a school year will be used for teachers.

REGULATION EFFECTIVE DATE

These Regulations shall become effective upon adoption by the Board. Thereafter, the Board shall file a copy of this Rule with the Secretary of State.

Employees' Retirement System of Rhode Island
And
Municipal Employees' Retirement System

Regulation No. 7

Rules Regarding the Use of R.I.G.L. 36-10-18 Multiple Beneficiaries

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Section (1) Regulation Summary

In 1994, the Rhode Island General Assembly amended R.I.G.L. 36-10-18 to allow members of the Employees Retirement System of Rhode Island (public school teachers and state employees only) to elect more than one beneficiary to be the recipient of a survivor option under Rhode Island retirement law. The option to elect multiple beneficiaries is not available to state police, judicial, general municipal, or police & fire members of retirement plans administered by ERSRI.

This regulation explains the procedure to be utilized by ERSRI in determining the amount due each qualified beneficiary.

Section (2) ERSRI Methodology on Multiple Beneficiaries Optional Annuity

ERSRI Regulation No. 7 and all applicable R.I.G.L. statutory rules shall be used in determining a member's optional annuity.

Optional Annuity Multiple Beneficiary benefits will be determined as follows:

(a) The amount of the ex-member's contributions shall be divided by the number of multiple beneficiaries identified on the Optional Annuity Form in order to calculate an equal amount of 'return of contributions' to be due each multiple beneficiary.
(b) The ex-member's retirement benefit shall be calculated according to the standard method for service retirement annuity (SRA or maximum plan). If the member on the date of his/her death was not eligible for retirement, the optional annuity shall be calculated using an actuarial adjustment determined by the number of years the member was below age or service requirements.
(c) The resulting SRA retirement benefit due the deceased member shall be divided in equal shares between the multiple beneficiaries.
(d) The multiple beneficiaries shall have the choice of selecting either: (1) return of contributions; or (2) an Optional Annuity benefit that has been split evenly amongst the named multiple beneficiaries.
(e) It is not necessary that all multiple beneficiaries make the same selection (i.e. One beneficiary may choose a return of contributions while the others may choose the optional annuity.)

Section (3) ERSRI Methodology on Multiple Beneficiaries / Joint and Survivor Option One

ERSRI Regulation No. 7 and all applicable R.I.G.L. statutory rules shall be used in determining a member's survivor retirement benefit.

Option One Multiple Beneficiary benefits will be determined as follows:

(a) The retiring member's retirement benefit shall be calculated according to standard method for service retirement annuity (SRA or maximum plan);
(b) The SRA retirement benefit is then divided into equal shares according to the number of named multiple beneficiaries;
(c) For a non-spouse beneficiary who is ten years (or more) younger than the retiring member, Internal Revenue Service rules require an actuarial reduction for retiring members utilizing Option One; See IRS proposed regulation 1.401(a)(9)—2.
(d) Option One factors based on the multiple beneficiaries ages are then applied to the equal shares;
(e) The sum of the actuarially reduced benefits shall be the retiring member's benefit during his/her lifetime.

Section (4) ERSRI Methodology on Multiple Beneficiaries / Joint and Survivor Option Two

ERSRI Regulation No. 7 and all applicable R.I.G.L. statutory rules shall be used in determining a member's survivor retirement benefit.

Option Two Multiple Beneficiary benefits will be determined as follows:

(a)The retiring member's retirement benefit shall be calculated according to standard method for service retirement annuity (SRA or maximum plan);
(b) The SRA retirement benefit is then divided into equal shares according to the number of named multiple beneficiaries;
(c) Option Two factors will be applied to multiple amounts;
(d) The sum of the actuarially reduced benefits shall be the retiring member's benefit during his/her lifetime.

Section (5) Restrictions on the use of Multiple Beneficiaries as provided under R.I.G.L 36-10-18

(a) Beneficiaries must be natural or adopted children or stepchildren and/or a spouse or domestic partner of the ERSRI member. There is no restriction as to the number of multiple beneficiaries.
(b) In the case of the death of a multiple beneficiary, the benefit of remaining beneficiaries shall not be increased nor decreased.
(c) A multiple beneficiary's benefit shall cease upon his/her death. There is no additional benefit due the survivor or beneficiary of a multiple beneficiary.
(d) The multiple beneficiary option is not available to state police, judicial, general municipal, or police & fire members of the retirement system.

Employees' Retirement System of Rhode Island
And
Municipal Employees' Retirement System

Regulation No. 8

Rules Regarding the Operation and Administration of Rhode Island General Laws 36-10-18, 36-10-19, 45-21-30 and 45-21-51 concerning the right to revoke or modify a retirement option after retirement

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Section 1: INTRODUCTION

These Administrative Rules pertaining to the right of a retired member to revoke or modify their retirement option after retirement are promulgated pursuant to R.I. General Laws Section 36-8-3. The Rules shall be applicable to all changes requested pursuant to RIGL §36-10-19 and 45-21-30.

This Regulation does not apply to retired members who selected to receive retirement benefits per the Maximum Plan or the Social Security Option provisions or to members of either the Judicial Retirement Plan or the State Police Retirement Plan.

Section 2: DEFINITIONS

Retired Member	A member of the Employees Retirement System of Rhode Island or the Municipal Employees Retirement System whose application for retirement benefits has been approved by the Retirement Board.

Section 3: REVOCATION/MODIFICATION OF RETIREMENT OPTION SELECTION

A. Only retired members who have selected to receive retirement benefits pursuant to Option One or Option Two shall be entitled to revoke or modify their retirement option.

B. A retired member may exercise his/her right to revoke or modify his/her retirement option selection only one time. Additional requests to revoke or modify an individual's retirement selection are not permitted.

C. Retired members who are receiving retirement benefits per the Maximum Plan or the Social Security Option are not entitled to change their retirement option selection.

D. A retired member may revoke his/her selection of Option One or Option Two and select the Maximum Plan.

E. A retired member may modify his selection from Option One to Option Two or from Option Two to Option One.

F. Notice of modification or revocation must be filed with and approved by the Retirement System prior to the commencement of divorce proceedings against or by the named beneficiary being filed in the Rhode Island Family Court or in a foreign court of equal jurisdiction.

Section 4: PROCESS OF REVOCATION/MODIFICATION

A. A retired member seeking revocation or modification of his/her retirement benefits must complete and return the form prescribed by the Retirement System. No action will be taken on an oral request to revoke or modify a retired member's benefits.

B. Revocation or modification will become effective in the month following receipt of the signed form by the Retirement System.

C. Any request for modification or revocation of benefits described in Section 3:00 above must be received prior to the death of the retired member or if sent by mail, post marked prior to the death of the retired member.

Employees' Retirement System of the State of Rhode Island

And

Municipal Employees' Retirement System of the State of Rhode Island

Regulation No. 9

Rules pertaining to the application to receive an Ordinary or Accidental Disability Pension

Revised: May 12, 2010

Effective: August 26, 2010

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Section (1) INTRODUCTION

These Administrative Rules pertaining to the application to receive an Ordinary or Accidental Disability Pension are promulgated pursuant to Rhode Island General Laws (R.I.G.L.) Section 36-8-3. The Rules shall be applicable to the adjudication of all Ordinary Disability Pension applications received pursuant to RIGL §36-10-12, §§36-10-13, 16-16-14, 16-16-15, 45-21-19, 45-21-20, 45-21.2-7 and 45-21.2-8, and all Accidental Disability Pension applications received pursuant to RIGL §§36-10-14, 36-10-15, 16-16-16, 16-16-17, 45-21-21, 45-21-22, 45-21.2-9 and 45-21.2-10.

This Regulation does not apply to members of the Judicial Retirement Plan or the State Police Retirement Plan.

Section (2) DEFINITIONS

Active Member Shall mean any employee of the State of Rhode Island for whom the Retirement System is currently receiving regular contributions pursuant to RIGL §36-10-1 and §36-10-1.1; or any employee of a participating municipality for whom the Retirement System is currently receiving regular contributions pursuant to RIGL §45-21-41 and §45-21-41.1; or any Police or Firefighter for whom the Retirement System is currently receiving regular contributions pursuant to RIGL §45-21.2-14; or any teacher for whom the Retirement System is currently receiving regular contributions pursuant to RIGL §16-16-22 and §16-16.22.1.

Section (3) REQUIREMENTS FOR APPLICATION AND DISABILITY DETERMINATION

1. Only active members or members on leave of absence for illness from the Employees' Retirement System of the State of Rhode Island ("ERSRI") or the Municipal Employees' Retirement System of the State of Rhode Island ("MERS") with a minimum of five (5) years of contributing service, three (3) of which must be consecutive, are eligible to receive an Ordinary Disability Pension. The Board may consider Members that are on workers compensations to be on a leave of absence for illness within the meaning of this regulation.
2. Only active members of ERSRI or MERS are eligible to receive an Accidental Disability pension. The application must be made within 5 years of the accident for State employees, Municipal employees and Teachers and within 18 months of the accident for Municipal Police and Firefighters. An application must be filed within 3 years of a reinjury or aggravation of a prior injury for State Employees and Teachers. For Municipal Police and Firefighters, an application must be filed within 18 months of a reinjury or aggravation of a prior injury.

3. Any member eligible to receive a regular service retirement allowance is prohibited from receiving an Ordinary Disability Pension. Any member who has attained the age of sixty-five is prohibited from receiving an Accidental Disability Pension.
4. An applicant for a disability pension shall complete, sign and submit the following forms and information prior to the application being reviewed by the Disability Subcommittee of the Retirement Board. The information includes, but is not limited to: :
   a.) Disability Retirement Application;
   b.) Applicant's Physician's Statement for Disability Retirement;
      i) Affirmation from applicant's Physician that applicant has reached Maximum Medical Improvement (MMI)
   c.) Employer's Disability Statement;
   d.) Current Job Description;
   e.) For Accidental Disability Applications Only:
      i) Any and all medical records from three (3) years prior to the alleged accident through the date of the application for benefits. An applicant unable to produce requested medical records must complete an affidavit, attesting under the penalties of perjury, that no records exist;
      ii) An injury or accident report related to the alleged injury;
      iii) All accident or injury reports filed by or on behalf of the applicant with any employer, at any time, for any purpose;
      iv) All urgent care records of the applicant related to the alleged accident.
      v) Work history to include only those days absent from work and the reason for the absence(s) for three years prior to and three years after the date of the alleged accident.
5. Subject to subsection 12, after submitting a disability retirement application, applicants will have 90 days to submit all applicable documents listed in subsection 4 above. Should the applicant fail to submit all applicable documents listed in subsection 4 within 90 days of the date of application, the Disability Subcommittee may recommend denial of the application, and the Retirement Board may approve the denial.
6. An applicant for an Ordinary or Accidental Disability Pension must be examined by three independent physicians engaged by the Retirement Board. Payment for these examinations and any test required as a result of the examinations shall be borne by the Retirement Systems. It is the responsibility of the applicant to contact these independent physicians to make an appointment for examination within 30 days of receipt of the physicians' contact information from the Retirement Board. If all required independent medical examinations are not completed within one (1) year of the filing of the application, the Disability Subcommittee and/or the Retirement Board shall either require that a new application be submitted, or deny the application.
7. Beyond the communication necessary to schedule and complete the required medical examinations, neither applicants nor their attorneys shall make any further inquiries of, nor have any further communications or contact with the independent

physicians engaged by the Retirement Board. Once the examination is concluded, neither the applicant nor his/her counsel shall have any further communication with any of the independent physicians regarding the physician's findings, conclusions, recommendations or any other aspect of the examination. If an applicant or his/her attorney has any such communication or contact with the independent physician(s), the Retirement Board and/or its Disability Subcommittee may deny the application or may choose to disregard any materials generated by said physician(s) following such communication or contact.

Section (4) STATUTORY STANDARD FOR ORDINARY AND ACCIDENTAL DISABILITY

1. Upon review of the reports of the medical examinations of the physicians engaged by the Retirement Board, the Retirement Board may grant the member an Ordinary or Accidental Disability Pension.
2. For a member to receive an Ordinary Disability Pension, the Retirement Board must determine that a member is physically or mentally incapacitated from the performance of duty and ought to be retired.
3. For a State Employee, Teacher, Municipal Employee, Municipal Police Officer or Fire Fighter to receive an Accidental Disability Pension, the Retirement Board must make a determination that the applicant has reached maximum medical improvement (MMI), and is physically or mentally incapacitated for the performance of service as a natural and proximate result of an accident sustained while in the performance of duty, that the disability is not the result of willful negligence or misconduct of the member, and is not the result of age or length of service, and that the member has not yet attained the age of 65. The applicant must certify to the Retirement Board the definite time, place, and conditions of the duty performed by the member and the incident resulting in the alleged disability for the member to be eligible for an accidental disability pension.
4. Although the language in the ordinary disability statutes (R.I.G.L. §§36-10-12, 16-16-14, 45-21-19, and 45-21.2-7) and the accidental disability statutes (R.I.G.L. §§36-10-14, 16-16-16, 45-21-21 and 45-21.2-9) differ slightly, the Retirement Board endeavors to interpret the language of all the accidental disability statutes consistently with one another, and the language of all of the ordinary disability statutes consistently with one another wherever possible.

Section (5) CONSIDERATION BY THE DISABILITY SUBCOMMITTEE

1. Upon determination by the administration of the retirement systems that the applicant has complied with Section 3(4), the application will be forwarded to the Retirement Board's Disability Subcommittee which shall review the submitted material.

2. The Disability Subcommittee will vote to recommend approval or denial, or may postpone the application for the submission of additional material, and will thereafter recommend a final determination to the Retirement Board.
3. Applications may be postponed pending the submission of additional information requested by the Sub-committee or desired to be presented by the applicant. If a matter is postponed, every effort will be made to reschedule the matter for the next regularly scheduled meeting. The matter may be postponed as many times as is necessary to ensure that all pertinent information has been received from the applicant for review by the Sub-committee and/or the Retirement Board. Failure to respond to a request for information by the Sub-committee within 30 days of the date of the request may result in a denial of the application by the Retirement Board.
4. The Disability Subcommittee may require the applicant to appear before the Sub-committee to answer questions regarding his or her application for disability benefits.

Section (6) REQUEST FOR RECONSIDERATION

1. Any member aggrieved by a decision of the Retirement Board to accept a recommendation of the Disability Subcommittee to deny his or her application for Ordinary or Accidental Disability Benefits, may request that the application be reconsidered by the Disability Subcommittee.
2. Such request shall be in writing and shall be sent to the Retirement Board within thirty (30) days of the date of mailing of the notification that the Retirement Board has accepted the Subcommittee's recommendation of denial.
3. A request for reconsideration shall be signed by the member or the member's attorney and shall contain the following:
   a.) Name of member;
   b.) Date and nature of decision being contested; and
   c.) A clear statement of the objection to the decision.
4. Requests for reconsideration should be sent to the Executive Director, Employees Retirement System of Rhode Island, 50 Service Avenue, 2nd Floor, Warwick, RI 02886-1021.
5. Failure to strictly comply with the procedures outlined in this Section shall be grounds to deny any request for reconsideration.

Section (7) RECONSIDERATION NOTICE

1. Upon receipt of a request for reconsideration, the Retirement Board or its designee shall refer the matter to the Disability Subcommittee, which shall assign a reconsideration hearing date within sixty (60) days of the mailing of the receipt of the request for reconsideration.
2. The notice of the reconsideration hearing date shall contain:
   a.) A statement of the time and place of the reconsideration hearing;

b.) A statement that a party who fails to attend or participate in the reconsideration hearing may be held to be in default and may have the original denial of his or her application affirmed by the Subcommittee and/or the Retirement Board without further hearing.

Section (8) ADDITIONAL DOCUMENTATION BEFORE THE DISABILITY SUBCOMMITTEE

Any applicant wishing to present additional documentation during the reconsideration hearing before the Disability Subcommittee must forward to the Retirement Board ten (10) copies of the additional documentation a minimum of ten (10) days prior to the date of the reconsideration hearing. The hearing to reconsider the Subcommittee's original recommendation of denial with respect to the applicant's application for a disability pension, is the applicant's opportunity to explain to the Retirement Board's Disability Sub-committee why the applicant believes he/she is entitled to a disability pension and why he/she believes the initial decision was erroneous, or to present new evidence or documentation which was previously unavailable in support of the applicant's application. Fifteen minutes will be allotted for any applicant wishing to appear before the Disability Subcommittee at the reconsideration hearing. An applicant may represent him/herself at this hearing or may be represented by an attorney. Consistent with RIGL §11-27-2, any person accompanying the applicant who is not a lawyer (certified member of the bar of the State of Rhode Island), cannot represent the applicant before the Disability Subcommittee.

Section (9) RECOMMENDATION OF THE DISABILITY SUBCOMMITTEE AFTER RECONSIDERATION

1. Upon completion of the reconsideration hearing, and subject to any further postponements the Subcommittee may deem necessary or advisable for purposes of obtaining additional information or completing additional investigation, the Disability Subcommittee will recommend to the Retirement Board either approval or denial of the member's application for an Ordinary or Accidental Disability Pension.
2. The Retirement Board shall notify the applicant of its decision to accept or reject the recommendation of the Disability Subcommittee within ten (10) days of its decision.

Section (10) APPEAL PROCESS

1. Any member aggrieved by a decision of the Retirement Board to deny their application for Ordinary or Accidental Disability Benefits, after reconsideration by the Disability Subcommittee, may appeal that decision to the Retirement Board.
2. The appeal shall be in writing and shall be sent to the Retirement Board within thirty (30) days of the mailing date of the letter notifying the member of the

decision to deny the application following reconsideration by the Disability Subcommittee.

3. The appeal shall be signed by the member or the member's attorney and shall contain the following information:
   a.) Name of member;
   b.) Date and nature of decision being contested; and
   c.) A clear statement of the objection to the decision.
4. Notice of Appeal shall be sent to the Retirement Board, Attention: Executive Director, Employees Retirement System of Rhode Island, 50 Service Avenue, 2nd Floor, Warwick, RI 02886-1021.
5. Failure to strictly comply with the procedures outlined in this Section shall, at the discretion of the Board, be grounds to dismiss the appeal with prejudice.

Section (11) NOTICE OF APPEAL

1. Upon receipt of a Notice of Appeal, the Retirement Board or its designee shall assign a hearing date before the Retirement Board within ninety (90) days of the receipt of the Notice of Appeal or the next available retirement board meeting where the schedule permits. If after assignment and confirmation of the hearing date, the applicant cancels their appearance without sufficient notice, the Retirement Board may asses the member the applicable fees incurred by the system for cancellation.
2. The hearing notification issued by the Retirement Board or its designee shall contain:
   a.) A statement of the time and place of the hearing;
   b.) A statement that a party who fails to attend or participate in the hearing shall be held to be in default and may have his or her appeal dismissed without further hearing.
3. No additional documentation will be accepted for this hearing before the full Board with the exception of legal memoranda.
4. The appeal is not an opportunity for the applicant to present new factual material or evidence to the Retirement Board. The Board affords deference to the conclusions of its Disability Subcommittee on factual determinations and questions of credibility and will not overturn those determinations and assessments unless they are found to be clearly wrong.
5. The applicant will receive notice of a final decision within 10 days of the Hearing before the Retirement Board. If denied, the notice of final decision will constitute final administrative action for all purposes pursuant to R.I.G.L. §45-35-1, *et. seq*.

6. An applicant may represent him/herself before the Retirement Board, or the applicant may be represented by an attorney that is a certified member of the bar of the State of Rhode Island. Consistent with RIGL §11-27-2, any person accompanying the applicant who is not a lawyer cannot represent the applicant before the full Board.

Section (12) APPLICATIONS BY TERMINAL MEMBERS

a) An application for accidental or ordinary disability benefits on behalf of a member whose disability is deemed terminal by the Board's medical advisor may be considered with only one additional medical report by an independent physician. The ERSRI medical advisor must supply the Subcommittee with a written certification of the terminal status of the member.
b) When a member, whose accidental or ordinary disability application has been accepted by the Retirement Board, and who has completed 3 independent medical examinations, dies prior to the approval of the disability pension at a monthly board meeting, the Retirement Board may award the disability to the member's beneficiary provided an option selection form indicating Option One or Option Two had been received by the Retirement Board prior to the member's death.

Employees' Retirement System of Rhode Island
And
Municipal Employees' Retirement System

Regulation No. 10

Rules Regarding the Operation and Administration of Rhode Island General Laws 16-16-1(12) and 16-16-5 regarding creditable service as a teacher member of the Employees Retirement System of Rhode Island

SECTION (1) Regulation Summary

This regulation governs the determination of creditable service for teacher members of the Employees' Retirement System of Rhode Island (ERSRI). This regulation does not apply to state employee members, members of the Municipal Employees' Retirement System (MERS), or members of the Judicial Retirement Plan or State Police Retirement Plan.

SECTION (2) Section Two: Definitions

School Year: "School year" shall be defined as the number of days required by R.I. G.L. 16-2-2 that school be in session.

SECTION (3) Section Three: Statutory Standard

Every teacher as defined in R.I.G.L. 16-16-1(a)(12)who is an active member of the Employees Retirement System of Rhode Island shall be eligible for one year of service credit for each school year served as a teacher.

SECTION (4) Section Four: Service Credit for Classroom Teachers

In those years in which a teacher works less than the total number of days in a school year the Employees' Retirement System will award service credit according to the following schedules:

a) For service credits accrued prior to November 17, 2011, the following schedule shall apply:

45 days	**= 3 months service credit**
67 days	**= 6 months service credit**
91 days	**= 9 months service credit**
135 days	**= 1 year service credit**

b) For service credits accrued on and after November 17, 2011, service credits are calculated on a proportional basis based on days worked and the following schedule shall apply:

45 days	**= 3 months service credit**
90 days	**= 6 months service credit**
135 days	**= 9 months service credit**
180 days	**= 1 year service credit**

For example, a Teacher is able to retire as of November 9, 2013. How much credit will be awarded for the 2013-2014 school year?

Step 1. Count the number of days to November 9 from the beginning of the school year i.e., September 1st = **47 days**
Step 2. Divide the number of school days by 180 **47/180 = .2611**
Step 3. Multiply .2611 x 12 months **.2611 x 12 = 3.1332**

The result is **3.1332** months. To get the days, multiply **.1332 x 30** days which is 4 days. Therefore, the Teacher will get **3 months and 4 days of credit for the 2013-2014 school year.**

SECTION (5) Section Five: Effective Date

This regulation shall take effect upon promulgation.

Employees' Retirement System of Rhode Island
And
Municipal Employees' Retirement System

Regulation No. 11

Rules Regarding the Operation and Administration of Rhode Island General Laws 16-16-8.1, 36-9-41 and 45-21-64 regarding Purchase of service credits payable by installment

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Section (1) Regulation Summary

This regulation governs procedure for installment payments on optional service credits purchases (OSC) to members of the State and Teacher Retirement System (ERS) and Municipal Employees Retirement System (MERS).

Section (2) Definitions

Regular Interest – Shall mean interest paid on a lump sum purchase as defined in 36-8-1(14).

Active Member – Shall be defined as is in RIGL 36-8-1 (2), 16-16-1(1) and 45-21-2 (2).

Installment Interest – Shall be defined as the actuarial assumed rate of return adopted by the board pursuant to RIGL 36-8-13.

Prorated Agreement – Shall be calculated using a fraction. The numerator shall be the number of payments made on the installment agreement and the denominator shall be the total number of payments required to complete the agreement. This fraction shall be multiplied by the total years of service being purchased through the installment. For example:

Total installment payments – 12
Total time being purchased – 7years, 0 months, 0 days
Installment payments made before termination – 6
(a) 6/12 = 0.5
(b) 0.5 x 7years = 3.5
Service awarded at time of termination is 3 years, 6 months, 0 days

Section (3) Procedure

1) ERSRI will first create a cost calculation for the service being purchased based on parameters (member-specific data, rules relative to the plan, type of service being purchased, etc.) pursuant to Rhode Island General Laws. The member shall select to purchase the service credits through either a lump-sum payment or an approved installment plan.

a) A member may not enter into an installment agreement and make a lump sum payment, nor may a member enter into a lump sum agreement and make installments. The payment selection made is irrevocable consistent with federal law.

2) Installment agreements are calculated on an amortized payment schedule using interest at the actuarial assumed rate of return adopted by the board.

a) Neither installment interest or regular interest is posted to a member account. Neither is refundable. Only the principal portion (or the portion that is effectively the missing contributions on wages being replaced) is posted to the member account.

b) Agreements, which will be paid using "rollover" funds, must be set up to accept rollover money at their creation. An agreement that has not been set-up to accept rollover funds must be cancelled, and a new agreement created if the member wishes to pay with rollover monies. This will require the cancelled agreement to be prorated.

c) The service is not awarded nor are contributions posted to the member account until the agreement has been *completed* or *prorated* due to cancellation of the agreement. Therefore, member account balances are not affected over the life of an installment agreement. In the member annual statement, summary information regarding "in process" and "completed" purchase agreements will be included.

d) Payment frequencies from active Member Agencies on installment agreements are set at one (1) per month. Early payments cannot be applied to principal, thereby changing the structure of the agreement. Therefore, the total interest on an installment payment plan will remain the same throughout the life of the agreement.

e) Payments on installment agreements may be accepted from active Member Agencies (via payroll deduction.) The payment frequency is fixed at one (1) per month; the employer shall conform to all the reporting and transmittal of OSC funds on a monthly basis, regardless of their wage and contribution reporting frequency.

(1) In the event, an employer becomes delinquent remitting payments to ERSRI on installment agreements, the member shall not be held in default and the agreement shall not be cancelled. ERSRI may seek penalty interest from the employer.

3) Pursuant to RIGL 45-26-56, 45-21-12.1, 36-9-20, and 16-16-8, requiring the present value of accrued benefits (PVAB) be transferred from one employer reserve to another at the time a member changes employment, installment agreements must be prorated and posted to the member account at the time of the termination of employment. Proration of an agreement results in service and contributions being

reported to the plan and employer reserve that the member belongs to at the time the agreement is entered into.

a) Therefore, since the agreement is irrevocable the member will be required to continue the purchase of the remaining allowable service with a new agreement after being enrolled with the new employer.

Section (4) General Policies

1) Should someone cease being an active member prior to completion of the installment agreement for any reason, including death and termination (both voluntary and involuntary), the agreement will become null and void at the effective date of termination and will be prorated at the time of termination. If applicable, the member may have the option of paying in lump sum, the amount necessary to complete the service credit originally provided in the installment agreement. These payments must be received by ERSRI within 30 business days from the effective date of termination.

   a) In case of the death of an active member with an active installment agreement, the beneficiary shall be provided the option of completing the agreement by making a lump-sum payment for the outstanding balance of the agreement at the time of the participants death The procedure shall be that the installment agreement becomes null and void at the effective date of termination and will be prorated at the time of termination.

      i) If applicable, funds from the death benefit payment may be used toward the lump-sum payment of the cancelled agreement. The beneficiary will be required to execute ERSRI transfer documents to effectuate the transfer of the death benefit.

2) If an agreement needs to be prorated for any reason and a lump sum is computed, interest on the lump sum shall be computed to the date of termination of employment, death or cancellation of the agreement.

Section (5)Section Five: Effective Date

This regulation shall take effect January 1, 2002

Employees' Retirement System of Rhode Island

Regulation No. 12

Rules regarding Rhode Island General Laws §36-10-14 and §16-16-16 concerning retirement for accidental disability and the definition of the terms of "aggravation" and "reinjury".

Section (1) INTRODUCTION

This Administrative Rule pertaining to the definition of "aggravation" is promulgated pursuant to Rhode Island General Laws Section 36-8-3. The Rules shall be applicable to all applications for disability pensions under RIGL § 36-10-14 and § 16-16-16.

Section (2) DEFINITIONS

a) "Aggravation" shall mean an intervening work-related trauma that independently contributes to a member's original injury that amounts to more than the natural progression of the preexisting disease or condition, and is not the result of age or length of service. The intervening independent trauma causing the aggravation must be an identifiable event or series of work-related events that are the proximate cause of the member's present condition of disability.

b) "Reinjury" shall mean a recurrence of the original work-related injury from a specific ascertainable event. The specific event must be the proximate cause of the member's present condition of disability.

Employees' Retirement System of the State of Rhode Island
and
Municipal Employees' Retirement System of the State of Rhode Island

REGULATION 13

Definitions for Use in Administration of the Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island, Regarding Rhode Island General Laws Title 45, Chapter 21.2, and the definitions of Police Official, Police Officer and Firefighter.

Promulgated: November 21, 2011

Effective: December 11, 2011

Section (1) INTRODUCTION

The Retirement Board of the Employees' Retirement System of the State of Rhode Island and the Municipal Employees' Retirement System of the State of Rhode Island, is vested with authority to establish rules and regulations for the administration and transaction of the business of the Retirement Systems, in connection with its management of the various retirement and pension plans that provide retirement, survivor and disability benefits for state employees, public school teachers, and participating municipal employees.

It is the intent of the Administrative Rules set forth herein to provide uniform definitions for use by the Retirement Board in administering and transacting the business of these Retirement Systems, and the various pension and retirement plans the Board is entrusted with managing.

Statutory References: R.I.G.L. §36-8-3; §45-21-32, §45-21.2-1, *et seq*.; and §16-16-1, *et seq*.

Section (2) DEFINITIONS

I. POLICE OFFICIAL, POLICE OFFICER

a) For purposes of Title 45, Chapter 21.2 of the Rhode Island General Laws, entitled *Optional Retirement for Members of Police Force and Fire Fighters*, the terms "Police Official" or "Police Officer" shall mean those employees who meet the following criteria:

    1) Such employees must have successfully graduated from a recognized police academy; and
    2) Such employees must maintain all of the qualifications required during any period of employment in law enforcement in either a municipal or state department; and
    3) Such employees must be regular and permanent uniformed members of a municipal or state police force, and
    4) The primary function of such employees is to regularly and routinely engage in the delivery of crime prevention services.

b) "Police Official" or "Police Officer" shall only be deemed to include dispatchers and administrative or clerical staff if the employee satisfies the requirements set forth in sections (a)(1) through (a)(4) above, and:

    1) The functions are performed on a temporary or limited basis; or
    2) As a result of a physical or mental limitation of the member, such dispatcher or administrative or clerical position is the only position available.

II. FIRE FIGHTER

a) For purposes of Title 45, chapter 21.2 of the Rhode Island General Laws, entitled *Optional Retirement for Members of Police Force and Fire Fighters*, the term "Fire fighter" shall mean those employees who meet the following criteria:

1) Such employees must have successfully completed all local hiring and state requirements for becoming a firefighter in a state, city, town, fire district, Municipal Corporation, or in a city, town, or fire district rescue/emergency medical service organization. Requirements may include, but are not necessarily limited to, successful completion of any and all requisite trainings, successful completion of any and all physical performance, written and/or psychological examinations, and/or graduation from a recognized training academy;
2) Such employees must successfully maintain all of the required qualifications, certifications and licenses during any period of employment in a fire fighting or rescue/emergency medical service organization as provided for in departmental rules and regulations and collective bargaining agreements, all subject to review and approval by ERSRI should a conflict or misinterpretation exist, and
3) Such employees must be either:
    a. Regular and full-time permanent uniformed members of a municipal or state firefighting service, fire district, fire department or municipal corporation whose primary function is to regularly and routinely engage in firefighting/suppression activities, hazardous materials mitigation, fire prevention and training; or
    b. A regular and permanent member of a city or town rescue/emergency medical service organization or a municipal corporation whose primary function is to regularly and routinely engage in the delivery of rescue or emergency medical services as their primary function.

b) The term "Fire fighter" shall not include those positions that do not regularly and routinely engage in the duties as described above such as fire truck or vehicle mechanics, dispatchers, apparatus maintenance personnel, clerical or administrative positions, and any other non-firefighter or non-emergency medical personnel positions.
c) The term "Fire fighter" shall only be deemed to include dispatchers and administrative or clerical staff if the employee satisfies the requirements set forth in sections (a)(1) through (a)(3) above, and:

1) The functions are performed on a temporary or limited basis pending transition to a Fire fighter; or
2) As a result of a physical or mental limitation of the member, such dispatcher or administrative or clerical position is the only position available.

III. REGULAR AND PERMANENT

"Regular and permanent full-time" shall mean usual, customary, not a substitute, established and lasting or intended to last indefinitely without change.

Section (3) EFFECTIVE DATE

This Rule shall become effective upon adoption by the Board, and shall have prospective application from the date of adoption.

For active members who contribute to the Municipal Employees' Retirement System under Rhode Island General Laws Title 45, Chapter 21.2 as of the date of adoption, and do not meet the standard of this regulation, the ERSRI will evaluate the member(s) and determine if they substantially meet the spirit of this promulgated regulation. If the Board makes a determination that the member(s) do not meet the spirit of the standard, member contributions in excess of what is required under RIGL §45-21.2-14 and/or §45-21.2-22 shall be returned to the member and the member will be enrolled in the Municipal Employees' Retirement System consistent with Title 45, Chapter 21.

Employees' Retirement System of the State of Rhode Island

Regulation No. 14

Rhode Island Retirement Security Act of 2011 Regulations

Effective: September 6, 2013

REGULATION 14.1 – CONCERNING THE INTERPRETATION OF THE PROCEDURE FOR SERVICE RETIREMENT STATUTES UNDER TITLES 36, 45 AND 16.

SECTION (1) INTRODUCTION

This Administrative Rules pertaining to the Rhode Island Retirement Security Act of 2011 are promulgated pursuant to Rhode Island General Laws Section 36-8-3.

SECTION (2) APPLICATION OF §16-12-12 (C)(IV)

The language in RIGL §16-16-12(c)(iv) differs slightly from language in RIGL §36-10-9(c)(iv) and RIGL §45-21-16(ii)(D). The Retirement Board endeavors to interpret the language of each of these procedures for service retirement statutes consistently with one another.
Accordingly, the reference to *this section* found in the first sentence of RIGL §16-16-12 (c)(iv) shall be interpreted to mean section 16-16-12 (c).

REGULATION 14.2 – CONCERNING THE INTERPRETATION OF THE DEFINITION FOR AVERAGE COMPENSATION UNDER §36-8-1(5)(B)

SECTION (1) INTRODUCTION

This Administrative Rule pertaining to the Rhode Island Retirement Security Act of 2011 is promulgated pursuant to Rhode Island General Laws Section 36-8-3.

SECTION (2) APPLICATION OF §36-8-1(5)(B)

Under this section, for members who become eligible to retire on or after July 1, 2012, if more than one half (1/2) of the member's total years of service consist of years of service during which the member devoted less than thirty (30) business hours per week to the service of the state, but the member's average compensation consists of three (3) or more years during which the member devoted more than thirty (30) business hours per week to the service of the state, the member's average compensation shall mean the average of the highest ten (10) consecutive years of compensation within the total service when the average compensation was the highest.

The Retirement Board recognizes that one of the intentions of the Rhode Island Retirement Security Act of 2011 is to protect a member's accrued benefit on June 30, 2012. See, e.g., R.I.G.L. Sections 36-10-9, 16-16-12, 45-21-16, 45-21-2(8), 45-21.2-5, 45-21.2.2, and 42-28-22. Furthermore, the Retirement Board recognizes the need for a consistent method of interpretation and administration of the provisions of the Act wherever possible, in order to efficiently and fairly administer the retirement systems. The Retirement Board further recognizes that R.I.G.L. §§ 45-21-2(8) and 45-21.2-2 specifically protect a member's accrued benefit on June 30, 2012, consistent with the Rhode Island Retirement Security Act of 2011, by providing that in no event shall a member's final compensation be lower than his or her final compensation determined as of June 30, 2012. In order to ensure fairness and consistency in its interpretation and administration of the retirement systems, and consistency with the expressed intention of the Rhode Island Retirement Security Act of 2011, the Retirement Board shall interpret and

administer R.I.G.L. §36-8-1(5)(b) consistently with R.I.G.L. §§45-21-2(8) and 45-21.2-2, and in no event shall it deem a member's average compensation to be less than his or her average compensation determined as of June 30, 2012.

REGULATION 14.3 – CONCERNING THE DESIGNATION OF "PAY-GO" JUDGES CONTRIBUTIONS AS 414(H)(2) CONTRIBUTIONS AND ADOPTION OF TRUST AGREEMENT EFFECTIVE JULY 1, 2012

SECTION (1) INTRODUCTION

This Administrative Rules pertaining to the Rhode Island Retirement Security Act of 2011 are promulgated pursuant to Rhode Island General Laws Section 36-8-3.

SECTION (2) MEMBER CONTRIBUTIONS

For purposes of Sections §8-3-16, §8-8-10.1, §8-8.2-7 and §28-30-18.1, contributions commencing July 1, 2012 for judges hired on or before December 31, 1989, shall be designated as contributions within the meaning of Internal Revenue Code Section 414(h) and shall be made to a trust established effective July 1, 2012."

REGULATION EFFECTIVE DATE

These Rules shall become effective upon adoption by the Board. Thereafter, the Board shall file a copy of these Rules with the Secretary of State.

Employees' Retirement System of the State of Rhode Island, Municipal Employees' Retirement System of the State of Rhode Island, Judicial Retirement Benefits Trust and State Police Retirement Benefits Trust

Regulation No. 15

Access to Public Records

Effective: September 6, 2013

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SECTION (1) Introduction

In accordance with Rhode Island General Laws (RIGL) §38-2-3(d), the Employees' Retirement System of Rhode Island (ERSRI)and Municipal Employees' Retirement System (MERS) has instituted the following procedures to help you obtain public records from our agency. ERSRI and MERS are state administered retirement systems.

SECTION (2) Designated Public Records Officer

The designed public records officer for the Employees' Retirement System of Rhode Island is:

Internal Legal Counsel
Employees' Retirement System of Rhode Island
50 Service Avenue, 2nd Floor
Warwick, RI 02886
(401) 462-7616 (phone)
(401) 462-7691 (fax)
APRA@ersri.org

SECTION (3) Public Records Requests

A. If you wish to make a public records request, please follow the instructions below:

1. For all non-media requests, please hand deliver, mail, email or fax a written request to the attention of the designated public records officer. The contact information for the designated public records officer is listed above.

2. For all media requests, please contact the media relations person at the Office of the General Treasurer at (401) 222-2397.

3. A written request is not required for information available pursuant to RIGL §42-35-2 (Administrative Procedures Act) or other documents prepared for or readily available to the public.

B. The following instructions are recommended by the Employees' Retirement System of Rhode Island:

1. In order to ensure that you are provided with the public records you seek in an expeditious manner, we ask that you complete the Public Records Request Form located in our office and on our website at www.ersri.org.

2. In lieu of completing the form, please provide your name and contact information in order to clarify any questions or concerns that may arise pertaining to your request.

3. To the greatest extent possible, clearly describe and numerically itemize each requested document or item.

4. Please provide the office with instructions pertaining to the method you would prefer to receive the information. For example, write whether you would prefer to have the requested materials mailed or emailed to you.

SECTION (4) Additional Information

C. We may ask you the reason for your request. However, you are not required to provide your identification or the reasons you seek the information. Your right to access public records will not depend upon providing identification or reasons.

D. The Rhode Island Access to Public Records Act (APRA) is codified in Chapter 2 of Title 38 of the Rhode Island General Laws (RIGL). Please visit the following link to review the law: http://webserver.rilin.state.ri.us/Statutes/TITLE38/38-2/INDEX.HTM

E. Please be advised that the Access to Public Records Act permits a public body ten (10) business days to respond, which can be extended an additional twenty (20) business days in accordance with the statute.

F. ERSRI reserves the right to charge for the cost of copying and/or search and retrieval of records. Before assessing any costs, the office will notify you of the anticipated costs. The cost per copied page of written documents provided shall not exceed fifteen cents ($0.15) per page. Hourly costs for search and retrieval shall not exceed fifteen dollars ($15.00) per hour and no costs shall be charged for the first hour of a search or retrieval.

G. If you feel that you have been denied access to public records, you have the right to file an appeal to the Executive Director of ERSRI. If you are still not satisfied, you have the right to file a complaint with the Attorney General or file suit in Superior Court.

H. A copy of the Attorney General's Guide to Open Government can be found at: http://www.riag.ri.gov/civil/opengovernment.

I. The Office of the General Treasurer's website and the Employees' Retirement System of Rhode Island's (ERSRI) website are great resources to access public information. Please do not hesitate to call the offices for assistance navigating through the websites. The links to the websites and the office numbers are as follows:

Treasury:	http://www.treasury.ri.gov/	(401) 222-2397
ERSRI:	https://www.ersri.org/	(401) 462-7600

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Employees' Retirement System of the State of Rhode Island

and

Municipal Employees' Retirement System of the State of Rhode Island

Regulation No. 16

Regulation Regarding the Election of Rhode Island General Law §36-10-10.3 and §45-21-17.2 Social Security Supplemental Option

Effective Date:

Section(1) INTRODUCTION

This Administrative Regulation pertaining to the election of the social security supplemental option is promulgated pursuant to Rhode Island General Law (RIGL) §36-8-3. The Regulation shall be applicable to all state employees, correctional officers, teachers and municipal employees who at the time of retirement, prior to November 17, 2011, elected the social security supplemental option under RIGLs §36-10-10.3 or §45-21-17.2 and who have not reached age 62.

Section(2) APPLICATION OF RIGLs §36-10-10.3 and §45-21-17.2

RIGLs §36-10-10.3 and §45-21-17.2 permit a vested member to elect this option which provides for payment of a larger benefit before the attainment of age 62 and a reduced amount thereafter. The reduced amount shall be equal to the benefit before age 62 including cost of living increases minus the member's estimated social security benefit payable at age 62. The benefits payable before and after the attainment of age 62 will be actuarially determined to be equivalent to the lifetime service retirement allowance as determined in 36-10-10 and 45-21-17 respectively.

This option is not available for Police/Fire retirees, Disability retirees, Nurses retiring from the Department of Behavioral Healthcare Developmental Disabilities and Hospitals or Department of Mental Health Retardation and Hospitals or schedule B retirees.

The purpose of this regulation is to permit retirees who had elected the social security supplemental option at the time of retirement and prior to November 17, 2011, to adjust the effective date of the reduction of the larger benefit before the attainment of age 62. This regulation does not apply to any member retiring on or after November 17, 2011. The adjustment under this regulation will be actuarially determined to be equivalent to the lifetime service retirement allowance as determined in § 36-10-10 or §45-21-17. Members are precluded from selecting joint and survivor options pursuant to RIGL §36-10-19 and §45-21-30.

Section(3) Procedure for Modification

Eligible retirees will be given a one-time election to adjust the effective date of the reduction of the larger benefit before the attainment of age 62. This selection shall be deemed irrevocable on issuance of the first payment. Retirees, before the attainment of age 62, who select this adjustment, will have their current benefit adjusted during calendar year 2014 (January 1, 2014 to December 31, 2014).

Upon request, on a form provided by ERSRI, an eligible retiree's current benefit will be reduced on the month following the retiree's birthday during calendar year 2014 based on an actuarial equivalent amount provided for this purpose. The actuarial equivalent amount will be developed by the System actuary and will be based on the assumptions and tables established on the retiree's date of retirement.

Retirees **must** submit their request on the ERSRI form no later than sixty (60) days prior to the member's birthday in calendar year 2014. In all cases, the eligible retiree will receive a larger benefit before the attainment of age 62 and a reduced amount thereafter, and the reduced amount shall be equal to the benefit before the reduction, including cost of living increases, minus the retiree's estimated social security benefit payable at age 62, and the benefits before and after the adjustment will be actuarially determined to be equivalent to the lifetime service retirement allowance as determined by RIGL §36-10-10 or §45-21-17 respectively, as required by the Rhode Island General Laws.

Example of an adjustment:

Retirement Data

- Age at Retirement: 55
- Base Benefit: $4,750 per month (Prior to election of optional form)
- Social Security Option Elected at Retirement, adjustment of $1,060
- Benefit Until Age 62: $5,810 per month (Current Retiree Payment)
- Age 62 Reduction: $1,767 per month ($21,200 per year)
- Benefit at Age 62: $4,043 per month

Optional Adjustment

- Age at 2014 Birthday: 60
- Benefit Until Age 60: $5,810 per month (Current Retiree Payment)
- Age 60 Reduction: $1,582 per month (from actuarial calculation)
- Benefit at Age 60: $4,228 per month

The reduction amount is not impacted by past or future COLAs.

Section(4) EFFECTIVE DATE

This Regulation shall become effective upon adoption by the Board.