

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered this 31st day of July 2019, by and between the City of Central Falls (“City”) and the Central Falls Local No. 1485 International Association of Fire Fighters, AFL-CIO (“Local 1485”) (collectively referred to as the “parties”).

WHEREAS, there is a collective bargaining agreement (“CBA”) between the City and Local 1485 for the period July 1, 2017 through June 30, 2022;

WHEREAS, the City presently administers a local pension plan for members of the bargaining unit known as the City of Central Falls Pension Plan (“City Pension Plan”);

WHEREAS, the terms of the City Pension Plan are collectively bargained by the parties and are contained in Article 29 of the existing CBA;

WHEREAS, the parties desire to terminate City management of the City Pension Plan and to transfer governance of pension benefits for current and future members of the bargaining unit to the State of Rhode Island, and more specifically, to the Employees Retirement System of Rhode Island (ERSRI).

WHEREAS, the General Assembly has enacted G.L. 1956 § 45-21.4-1 et seq., an Act related to the City Pension Plan which provides the legislative mechanism for the migration of the City Pension Plan to ERSRI;

WHEREAS, other statutory provisions exist allowing the City to participate in the Municipal Employees Retirement System (MERS), administered by ERSRI, for new members of the bargaining unit;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the City and Local 1485 agree as follows:

1. This agreement and the parties' obligations contained herein shall be conditioned on the ratification of this agreement by the members of Local 1485.

2. This agreement and the parties' obligations contained herein shall be conditioned on City Council resolution approving transfer of the City Pension Plan to ERSRI and upon the ratification of this agreement.

3. Except as modified by this agreement, all other terms and conditions of the existing CBA shall remain in full force and effect.

4. The parties agree that Article 29 of the CBA shall be amended to read as follows:

ARTICLE 29: PENSION PLAN
EMPLOYEES RETIREMENT

Section 1. Non-Disability Retirement

A. Effective August 1, 2011, employees of the Fire Department who were previously covered under the John Hancock Pension Plan and all new employees who become members of the Fire Department, will be provided pension benefits in accordance with the new Central Falls Pension Plan, and with the terms set forth herein. The Chief of the Fire Department, so long as he or she is promoted from within the ranks of the Fire Department shall be allowed to participate in the City Pension Plan.

B. An employee will be considered vested after five (5) years of service. If an employee shall separate from service prior to achieving five (5) years of credited service he/she will only be entitled to a refund of his/her accumulated contributions, with interest and shall not be entitled to any other pension benefit.

C. All employees may retire at his/her own option upon completion of twenty-five (25) years of credited service and being of fifty-three (53) years of age and shall receive as a pension two percent (2%) per year of credited service equal to fifty percent (50%) of

the employee's average regular salary including longevity and holiday pay for the highest consecutive five (5) years within the final ten (10) years of employment (the "Average Salary"). An employee who chooses to remain on the department after twenty-five (25) years of credited service shall receive an additional one percent (1%) for each additional complete year of credited service, up to 5 years. The maximum pension benefit is fifty-five (55%) of the Average Salary.

D. No member may collect any monthly non-disability pension benefit prior to age 50. However, any member with at least five (5) years of service who chooses to retire and collect a pension between the ages of fifty (50) and fifty-three (53) shall have his/her pension benefit (two percent (2%) per year of credited service) reduced by the following early retirement factor (ERF):

<u>Age at Commencement² Multiplier</u>	Reduction
30.00	0.1637
31.00	0.1764
32.00	0.1903
33.00	0.2052
34.00	0.2213
35.00	0.2388
36.00	0.2577
37.00	0.2782
38.00	0.3004
39.00	0.3245
40.00	0.3506
41.00	0.3789
42.00	0.4097
43.00	0.4431
44.00	0.4794
45.00	0.5190
46.00	0.5621
47.00	0.6091
48.00	0.6605

² For purposes of non-disability retirement, this table shall only be applicable when benefits commence at age 50 or thereafter.

49.00	0.7166
50.00	0.7779
51.00	0.8452
52.00	0.9189
53.00	1.0000

E. Provided, further, the ERF shall not be applied to reduce the benefit of any member who chooses to retire with more than five (5) years of credited service but less than twenty-five (25) years of service, and prior to age fifty-three (53), but who defers his receipt of pension benefits until age fifty-three (53). A member with more than five (5) years of credited service but less than twenty-five (25) years of service may also elect, at his or her option, to take a refund of his or her accumulated contributions with interest and in the event this option is elected, he or she shall not be entitled to any further benefits from the trust.

F. Beginning September 1, 2019, all members of the Fire Department shall make pension contributions in the amount of eleven and seven/tenths of a percent (11.7%) of their salary (which includes base pay, holiday and longevity pay) on a pre-tax basis paid bi-weekly.

G. Benefits shall be paid to the spouse or dependent children upon the death of a retired fire fighter or fire fighter eligible to retire pursuant to R.I. Gen. Laws § 45-21.3-1 and § 45-21.3-2, as the same may be amended.

H. Members of the bargaining unit hired on or after September 1, 2019, shall not be members of the City Pension Plan, but instead shall be members of the Municipal Employees Retirement System of Rhode Island, Optional Retirement for Members of Police Force and Fire Fighters (“MERS Public Safety”), G.L. 1956 § 45-21.2-1 et seq., and

shall be subject to all statutory and administrative provisions applicable to members of MERS Public Safety.

Section 2. Disability Retirement

A. Determination of Disability Status

The determination of disability shall be made pursuant to G.L. 1956 § 45-21.4-2(e) for members hired on or before August 31, 2019. New employees hired on or after September 1, 2019 shall be subject to the provisions of G.L. 1956 § 45-21.2 including all applicable disability provisions and benefits provided by § 36-10.3-4 and § 45-21-52.

B. Service Connected Disability

A member hired on or before August 31, 2019, incurring disability resulting from an act of duty and determined to be disabled pursuant to § 45-21.4-2(e), shall be entitled to a service connected disability pension equal to sixty-six and two thirds percent (66 2/3%) pay of the salary including longevity and holiday pay of the rank held at the time of his disability for life.

A member who is determined to have a disability resulting from an act of duty shall not have his pension benefit reduced by the early retirement factor as set forth in Section 1 of this Article.

C. Non-Service Connected Disability

(1) A member of the fire department hired on or before August 31, 2019, who has been determined to be disabled, as defined in Article 29, Section 2(A), as a result of a non-service connected injury or disease shall be entitled to receive a pension of fifty percent (50%) of his or her highest salary including longevity and holiday pay of the rank held at the time of his disability.

(2) A member of the fire department shall only be entitled to a non-service connected disability pension provided he or she has completed five (5) years of credited service with the fire department. If a member has not completed five (5) years of credited service with the fire department he will be terminated and any contributions made to the City pension plan shall be returned with interest.

(3) A member who applies for a non-service connected disability shall have his pension benefit reduced by the early retirement factor set forth in Section 1 of this Article if he or she elects to receive pension benefits prior to attaining age fifty-three (53).

Section 3. Cost of Living Adjustment

All retired members shall receive a two percent (2%) non-compounding cost of living increase to his/her pension. Cost of living adjustments shall be made effective July 1 following a member's retirement date and every July 1 thereafter.

5. The amendment referenced in Section 4 of this agreement shall be fully integrated into the CBA and shall constitute all of the existing terms and conditions of Article 29 of the CBA as of August 30, 2019.

6. Effective August 31, 2019, the City Pension Plan shall be closed to new members.

7. On December 31, 2019, ERSRI shall be responsible for administering the City Pension Plan. In administering said plan, ERSRI shall utilize the benefits set forth in the CBA effective as of August 31, 2019 and as modified by § 45-21.4-2.

8. Effective September 1, 2019, the parties agree that all new members of the bargaining agreement shall be members of MERS pursuant to G.L. 1956 § 45-21.2.

9. The parties recognize that this agreement is contingent not only upon ratification by Local 1485 and approval by the City, but upon retiree members of the City Pension Plan pursuant to § 5-21.4-3 and acceptance by the Employees' Retirement System of Rhode Island.

10. This agreement constitutes the entirety of the parties' agreement with respect to the matters set forth herein. The parties warrant that they have not relied upon any representations whether oral or written as inducement to entering into this agreement that are not otherwise incorporated herein.

11. Any disputes arising from this Agreement and/or over the terms and conditions of this Agreement shall be subject to the grievance arbitration process of the CBA.


12. Neither the City nor Local 1485 will seek to have the General Assembly amend any of the provisions of R.I.G.L. § 45-21.4-1, et seq. during the term of the CBA.

CITY OF CENTRAL FALLS;


James Diossa, Mayor and Public
Safety Director

Date:

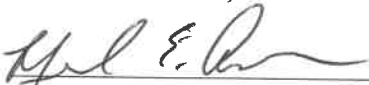
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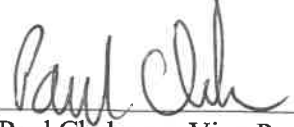

Barbara Addis, Director of Finance

Date:

7-29-19

CENTRAL FALLS LOCAL NO. 1485,
INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, AFL-CIO


Michael E. Andrews, President


Paul Chalmers, Vice-President

Date:

7/22/19

Date:

7/22/19

Approved as to form and correctness:

