

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 Fraternal Order of Police, Lodge #2 (“FOP”) (collectively referred to as the “parties”).

WHEREAS, there is a collective bargaining agreement (“CBA”) between the City and the FOP 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 XX 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 the FOP 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 Lodge 2.

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 XX of the CBA shall be amended to read as follows:

**ARTICLE XX: PENSION PLAN
COVERAGE FOR MEMBERS**

Section 1. Non-Disability Retirement

A. Effective August 1, 2011, employees of the Police Department who were previously covered under the John Hancock Pension Plan and all new employees who become members of the Police 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 Police, so long as he or she is promoted from within the ranks of the Police 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 Commencement¹</u>	<u>Reduction Multiplier</u>
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

¹ For purposes of non-disability retirement, this table shall only be applicable when benefits commence at age 50 or thereafter.

46.00	0.5621
47.00	0.6091
48.00	0.6605
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 Police Department shall make pension contributions in the amount of ~~ten and one half~~ eleven and seven/tenths of a percent (11.70-5%) 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 police officer or police officer 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 MERS, 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. ~~from any cause, whether service connected or non-service connected, shall be made upon the basis of reports on examinations made by three (3) physicians consisting of the treating physician, a physician selected by the City, and a third physician to be selected by the other two (2) physicians. A majority decision by the selected physicians must be reached with regard to (a) determination of disability, and (b) whether the disability is total and permanent, or partial and permanent. The member shall be provided a written determination of the decision within sixty (60) days after the date that the City has received all three (3) physicians' reports.~~

~~For the purposes of this agreement, total and permanent disability shall be determined by the City using the same standard for determining disability status as utilized by for Social Security. For the purposes of this Agreement, presumptive total and permanent disability shall include but not be limited to:~~

- ~~_____ * Amputation of the leg at the hip~~
- ~~_____ * Complete deafness~~
- ~~_____ * Complete blindness~~
- ~~_____ * Confinement to bed because of a long standing condition~~

~~_____ * Confinement to a wheelchair due to a long-standing condition~~

~~_____ * Being in hospice care~~

~~* Spinal injuries which have resulted in an inability to walk~~

~~_____ For the purposes of this Agreement, the term "partially permanently disabled" shall mean that the member who is disabled can no longer perform his or her duties as a police officer based upon his or her employment with the City, but who has not been determined to be totally disabled from all gainful employment, based upon age, education, or impairment.~~

B. Service Connected Disability

~~(1)_____ A member hired on or before August 31, 2019, incurring disability resulting from an act of duty and determined to be totally and permanently 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 be totally and permanently disabled under this provision shall not be subject to the recertification procedures or income offset procedures set forth in this Agreement.~~

~~(2)_____ A member incurring a disability resulting from an act of duty and determined to be partially and permanently disabled, shall be entitled to a service connected disability pension that shall be fifty percent (50%) of the salary including longevity and holiday pay of the rank held at the time of his disability until he reaches full Social Security retirement age. Upon reaching his/her full Social Security retirement age, he/she shall be placed on a regular pension. The member shall then be entitled to receive the higher of either his normal retirement benefit at~~

~~the time of being found disabled or a pension benefit in the amount of twenty-five (25) percent of the salary (including longevity and holiday pay) of the rank held at the time of his or her disability.~~

(3) — A member who is determined to have a disability resulting from an act of duty, ~~whether determined to be total or partially disabled,~~ 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 police department hired on or before August 31, 2019, who has been determined to be ~~totally and permanently~~ disabled, as defined in Article XX, 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 police department who has been determined to be partially and permanently disabled shall be entitled to receive a pension of two percent (2%) of his or her highest salary at the time of disability per year of credited service with the police department.~~

(32) A member of the police 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 police department. If a member has not completed five (5) years of credited service with the police department he will be terminated and any contributions made to the City pension plan shall be returned with interest.

(43) A member who applies for a non-service connected disability, ~~whether said disability is determined to be total or partial,~~ 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).

~~D. — Recertification of Disability~~

~~(1) — A member of the police department who has been determined to be partially disabled, whether service connected or non-service connected, shall be required to submit to an examination at least one (1) time per year for a period of not more than four (4) years from the date the member is placed on disability by a physician appointed by the City to establish that the member remains incapacitated for service as a police officer and is entitled to continue to receive a disability pension. In the event a physician specifically recommends re-examination on a more frequent basis, the City may conduct a second examination within the year, but in no event shall it be more than two examinations per year. The member has the option to be evaluated by his treating physician, if he does not agree with the medical opinion of the City's physician. If the physician chosen by the City and the member's treating physician disagree, they shall both select a third physician whose decision shall be binding by both parties. The City shall cancel a disability pension upon evidence that the member is no longer disabled for such service in accordance with the above procedures. Neither party will engage in "doctor shopping."~~

~~(2) — The disability pension presently being received by the member will be reduced to fifty percent (50%) of the prior disability benefit or the member may~~

~~elect to revert his benefit to a normal retirement benefit, based upon a two percent (2%) accrual rate for each year of credited service prior to his disability, reduced by the early retirement factor set forth in Section 1 of this Article for each year the member elects to receive benefit prior to attaining age fifty three (53).~~

~~(3) — If the member elects to no longer receive any form of pension benefit from the City, the member may elect to receive a refund of the excess, if any, of the contributions made by the member, including interest, over the amounts received by the member on the disability pension.~~

~~———— (4) — Should a retiree refuse to submit to such medical examination, his or her pension may be suspended until his or her withdrawal of such refusal, and should his or her refusal continue for one (1) year, all rights to his or her pension may be suspended indefinitely by the City.~~

~~———— (5) — Should a retired employee receive a disability pension again become an active employee for the City, his/her disability retirement pension shall cease and he/she shall immediately become a member of the retirement system as of the date of his/her reemployment. His/her creditable service at the time of his/her disability retirement shall be restored in full force and effect. Reentry into service shall be at the direction of the City.~~

~~DE. — Outside Income Offset~~

~~———— (1) — Any member receiving a disability pension, whether service connected or non service connected, shall be required to submit to the City at least once a year a sworn written report of his/her earned income for the preceding twelve (12) months on a form supplied by the City, together with supporting data as may~~

~~reasonably be required. Any adjustment in disability pension payments shall be based upon such statements of income.~~

~~(2) Earned income is defined as amounts received as compensation for services rendered. The member's pension amount for the following twelve (12) months after the filing of the report of earned income shall be reduced dollar for dollar by any amount the actual earned income when added to the disability pension benefit, exceeded the salary paid including holiday and longevity pay to a permanent member with the same rank and seniority on active duty at the time such reports are filed.~~

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.

Section 4. Copy of Plan/Actuary Study

~~The City agrees that a copy of the City of Central Falls Pension Plan, Plan Document, will be provided to each member and which will include information about the City's Actuarially Required Contribution ("ARC"). The City also agrees that each year it will provide all members covered under this Article an actuarial study report on the City Pension Plan.~~

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 XX 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.

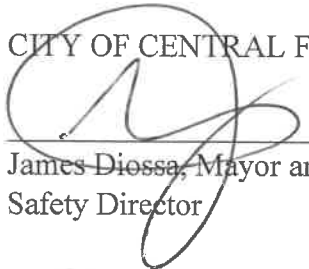
9. The parties recognize that this agreement is contingent not only upon ratification by the FOP and approval by the City, but upon retiree members of the City Pension Plan pursuant to § 5-21.4-3 and acceptance by ERSRI.

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 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 G.L. 1956 § 45-21.4-1 et seq. during the term of the CBA.

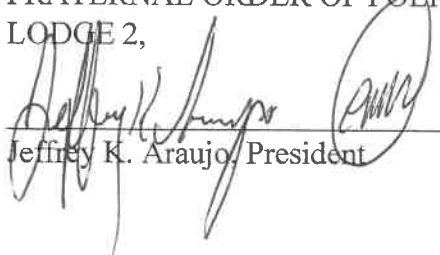
CITY OF CENTRAL FALLS,


James Diossa, Mayor and Public
Safety Director

Date:

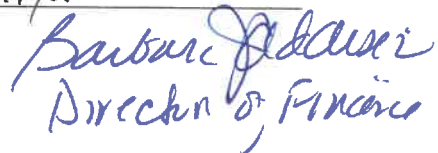
7/29/19

FRATERNAL ORDER OF POLICE,
LODGE 2,


Jeffrey K. Araujo, President

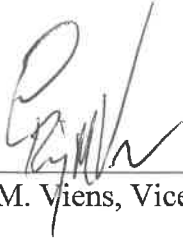
Date:

7/29/19


Barbara J. Adams 7-30-19
Director of Finance

Approved as to form and correctness:





Craig M. Viens, Vice-President

Date:

