

Bond Case Briefs

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PUBLIC PENSIONS - RHODE ISLAND

Andrews v. Lombardi

Supreme Court of Rhode Island - June 30, 2020 - A.3d - 2020 WL 3527917

Retirees from city's police and fire departments brought action seeking declaratory judgment that state statute and city ordinance terminating their health care benefits and requiring them to enroll in Medicare upon attaining eligibility constituted breach of contract, and violated Contracts Clause, Due Process Clause, and Takings Clause of United States and Rhode Island Constitutions.

Following bench trial, the Superior Court entered judgment in city's favor, and retirees appealed.

The Supreme Court held that city impaired its contractual obligation to retirees.

City impaired its contractual obligation to retired police officers and firefighters, in violation of Contracts Clause, when it adopted ordinance terminating their health care benefits and requiring them to enroll in Medicare upon attaining eligibility, where collective bargaining agreements required city to pay for "equivalent coverage" if retirees obtained other coverage, equivalent coverage would require city to pay for excess or gap coverage, and city was not paying for such excess or gap coverage for retirees who did not opt into settlement agreement with city.