

Chris O'Brien

From: maria leone <mleone0410@gmail.com>
Sent: Thursday, April 25, 2024 10:01 AM
To: House Finance Committee
Subject: Pension Reform and COLA Restoration

Dear House Finance Representatives :

I am writing to you regarding the 2011 Pension changes, effective July 1, 2012 and to support bills H8149, H7343, H8193. I can not attend tonight's hearing and instead I am providing written testimony .

Upon being hired by the State of Rhode Island in 1993, I accepted a defined pension benefit and retirement upon 28 years of service. Beginning with my first paycheck, money was automatically drawn for the defined pension benefit. In 2011, the rules changed, nulling the retirement benefits I accepted upon hire. I'm now working more years for a reduced pension benefit, while dedicating a lifetime career to the State of Rhode Island.

When the changes became effective, I had a little over 19 years vested. I was put into a 401K plan and my defined pension benefit was reduced. In addition, I had 5 years and 8 months added to my retirement date. (Original retirement date: April 2021, new retirement date: December 2026). My current projected pension benefit is approximately 48% of the average of the 5 highest consecutive salary years. At the current time, my 401k balance is less than 1 year's salary. Before the pension changes were made, based on the number of years I now must work (33 years and 8 months), I would have received approximately 74% of the average of the 3 highest consecutive salary years. That's at least a 26% decrease. I never saved for retirement because I had a defined pension benefit. I don't know how I'm going to make up the 26% difference of my pension from a 401K with a balance that is less than 1 year's salary.

These are not the retirement terms I accepted upon being employed by the State of Rhode Island and yet, I've been paying for my pension benefits since I was hired. I was 47 years old when I was put into the 401k, too late in life to leave employment with the State of Rhode Island for another employer with a better retirement package and too late to begin contributing to a 401k to offset the defined pension benefit reduction.

I am asking any bills pertaining to pension reform that pertain to the below list be considered:

1. Increase the defined pension benefit
2. Reduce the number of years required to retire
3. Calculate the pension benefit based on the 3 highest consecutive salary years
4. Reinstate yearly COLAS with an amount that will offset inflation

For 31 years, I've done what was expected of me, as a "state" employee. It's time for the "state" to give back what I expected as a pension when I accepted employment.

Thank you for your attention in this matter.

Sincerely,
Maria Leone