

April 24, 2024

Dear Chairman Abney and House Finance Committee Members:

I write in opposition to House Bill Number 7343 entitled "An Act Relating To Education - Teachers' Retirement.

This Bill reduces the retirement requirements for teachers, state and municipal employees.

My reason for opposing this Bill follows.

I completed thirty-two years of state service at the Department of Labor and Training.

I retired prior to the pension changes of 2011.

It has been thirteen years since I have received any semblance of a cost-of-living adjustment (COLA.)

The Rhode Island Retirement Security Act of 2011 (RIRSA) stipulates that COLAS will be frozen until the Employees' Retirement System of Rhode Island (ERSRI) attains a funding level of a minimum of 80 percent. It is expected that the funding level will be reached in either 2030 or 2031. The 80 percent funding level requirement is also contained in the 2015 Pension Settlement Agreement.

Retirement requirements were also adjusted in RIRSA 2011. They were reduced in the 2015 Pension Settlement Agreement. In her Decision C.A. No. PC 2015-1468, Judge Sarah Taft-Carter stated that one of her reasons for approving the 2015 Pension Settlement Agreement was "The settlement reduces the impact of an early retirement (Page 6.)"

I strongly urge against passage of House Bill Number 7343:

1. The ERSRI has not attained the 80 percent funding required to restore COLAS.
2. Judge Taft-Carter retained the 2011 RIRSA retirement requirements in the 2015 Pension Settlement Agreement reasoning that "The settlement reduces the impact of an early retirement."
3. Reducing the retirement requirements will result in less individuals contributing to the ERSRI and more individuals receiving pension benefits. That is not a prescription for attaining an 80 percent funding level.

Joann C. Lombardi