



**RHODE ISLAND  
FEDERATION OF TEACHERS AND  
HEALTH PROFESSIONALS AFT AFL-CIO**

To: House Finance Committee  
From: James Parisi, Field Representative  
Date: April 25, 2024  
Re: **Relating to Retirement - Rule of Ninety**  
Testimony in Support of 2024-H 7343 (Fellela, et. al.)

The Rhode Island Federation of Teachers and Health Professionals supports H 7343, "The Rule of Ninety" sponsored by Representative Fellela. This bill would allow teachers, municipal, and state workers who are at least sixty years of age and have thirty or more years of service the opportunity to retire without penalty.

A series of pension reduction bills beginning in the mid 2000's and culminating with the 2011 misnamed Retirement Security Act dramatically reduced members retirement income while significantly increasing the number of years worked necessary to be eligible to receive these earned benefits. Employees must now work an extra decade or longer to receive these dramatically reduced pensions.

The 2011 pension bill also included a draconian reduction formula of up to thirty-eight percent for anyone who retires prior to their current age of retirement eligibility. The accrual rate for teachers, municipal, and state employees is one percent per year, which is half as much as the rate other public employees are allowed to accrue.

As employee's pension is now based on the average of five years of salary as opposed to the previous use of three years. In addition, the normal retirement age for ERSRI is the person's normal social security age (approx. sixty-seven for most newer employees.) This is also significant because half Rhode Island's teachers are not allowed to contribute to Social Security.

These harsh changes on teachers, municipal, and state workers serve as a detriment to hiring employees across all sectors. This bill would benefit public employers by allowing them to hire new employees at a substantially lower rate.

An analysis by the actuary for the Employee Retirement System of Rhode Island that was provided to the RI Pension Advisory Working Group in January 2024, projected the annual cost to the employers to be \$2.5 million for state employees, \$9.7 million for teachers, and \$500,000 for municipal employees.

It is important to note that workers in the private sector can begin drawing from their 401K accounts at 59 ½ years of age. Public employees should have the same option. While this bill would give employees the option to retire early, it is unlikely that the majority of employees would be in a position to take advantage of the option due to the need to maintain health insurance benefits to employees and their families.

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