



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

24 April 2024

The Honorable Marvin Abney
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: *2024-H 7481 – An Act Relating to Public Officers and Employees – Retirement System – Contributions and Benefits*

Chair Abney:

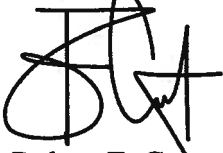
I write with regard to 2024-H 7481. This legislation includes the Deputy Chief of Inspection and Inspectors in the Department of Corrections pension system. Currently, the Deputy Chief of Inspection and Inspectors are in the Employees' Retirement System of Rhode Island (ERSRI). Since this legislation purports to alter retirement benefits for a class of individuals, it may have an impact on the state's pension system.

As currently drafted, the proposed legislation would have a prospective impact on members of ERSRI currently employed as a Deputy Chief of Inspection or Inspector. As such, this class of employees would accrue time under the Department of Corrections' plan going forward and could apply time previously accrued under ERSRI to their retirement under the Department of Corrections' plan pursuant to a statutory formula.

Consistent with Rhode Island law, legislation concerning the pension system should not be approved without the benefit of a pension impact note. *See* R.I. Gen. Law § 36-10-39 (Legislation impacting the pension system "shall *not* be approved by the general assembly unless an explanatory statement or note . . . is appended to the proposed legislation which actuarially calculates . . . the projected twenty (20) year cost of the proposed legislation") (emphasis added). This independent assessment will clarify any impact the proposed legislation may have on both the State budget, and the sustainability of the pension system. The Chairperson of the House Finance Committee – with the approval of the Speaker of the House – can request a pension impact note concerning proposed legislation originating in the House. *See* R.I. Gen. Law § 36-10-39.

Please feel free to reach out by email at Robert.CravenJr@treasury.ri.gov or by phone at (401) 330-0661 with any further questions.

Respectfully,

A handwritten signature in black ink, appearing to be 'R. Craven, Jr.', written over a horizontal line.

Robert E. Craven, Jr.
Director of Legislative Affairs
Office of the General Treasurer

cc: The Honorable Matthew Dawson