

May 5, 2024

Dear Chairman Abney and Members of the RI House Finance Committee,

I am writing in opposition to House Bill 8193, "An Act Relating To Public Officers And Employees - Retirement System - Contributions And Benefits." Without expanding upon the specifics of the bill, it essentially increases the monthly allowance for state employees and beneficiaries of state employees receiving a service retirement or a disability allowance by three percent of the original allowance. The bill takes effect July 1, 2024 and continues on a monthly basis. An additional change will take effect on January 1, 2025 and every January 1 following. The retirement allowance is determined by a computation involving the Consumer Price Index.

The reason for my opposition to the bill is "The provision of this subsection shall be deemed to apply prospectively only and no retroactive payment shall be made."

I retired on June 30, 2006 after a thirty-two year career at the RI Department of Labor and Training. I was one of 19,835 individuals who were already retired when the pension changes were enacted. For clarification, the number of individuals was provided by the Employees' Retirement System of Rhode Island (ERSRI.) My cost-of-living adjustment (COLA) was terminated when the pension changes were enacted and remains terminated today. It has been nearly thirteen years since I have received any semblance of a COLA.

The only thing that has changed in the past thirteen years is the number of retirees who were already retired when the pension changes were enacted. At the end of the FY 2023 that number had decreased to 17,349. For clarification, the number of individuals was provided by the ERSRI. Ours is a finite number of individuals. It never increases but only decreases. There is only one way that it decreases. The retiree passes away. From the date that the pension changes were enacted until June 30, 2023 a total of 2,486 retirees have passed away. They passed away without ever having their COLAS restored.

The first increases that should be made to any retirement or disability benefits should be to those individuals who were already retired when the pension changes were enacted. Those individuals should be made whole before any adjustments are made to the retirement or disability benefits of anyone else.

Should those retirees be made whole in one payment? That would be a dream come true. But that is very understandably not possible. It is simply too much money to pay at once. It is not financially prudent.

The individuals retired before the pension changes were made have endured the greatest loss and for the longest amount of time. Our going without for thirteen years helped to increase the funding percentage of the pension system. This bill will

compensate others at the expense of those who were already retired when the pension revisions were enacted. That is not fair. That is not just.

I strongly request that House Bill 8193 not be approved.

I thank you for your time.

Respectfully,

Joann C. Lombardi