



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

24 March 2025

The Honorable Stephen Casey
Chair, House Committee on Municipal Government and Housing

The Honorable Members of the House Committee on Municipal Government and Housing

RE: *2025-H 5271, An Act Relating to Towns and Cities – Optional Retirement for Members of Police Force and Firefighters*

Chair Casey:

I write with regard to 2025-H 5271. This legislation increases the earnings cap for retired police officers and firefighters within the Municipal Employees' Retirement System ("MERS") that receive an accidental disability pension. This legislation may have some impact – albeit indirect – on MERS police and fire units. To the extent a member exceeds the current earnings cap after a disability retirement, their pension benefit is suspended. During the time a benefit is suspended, it will remain in the pension system. This likely results in an actuarial gain, since the system 'expects' to make those suspended payments, and is funded as such. It is also relevant to note that there are comparatively few retirees that would be impacted by this change. Currently, there are only 10 members of the Employees' Retirement System of Rhode Island or MERS whose benefit is suspended because they have exceeded the post-retirement earnings provision. Notwithstanding that assumed impact, responsible pension practices and state law both require the benefit of a pension impact note to discern the actuarially determined impact.

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,

Robert E. Craven, Jr.
Director of Policy and Intergovernmental Affairs
Office of the General Treasurer