



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

21 May 2024

The Honorable Marvin Abney
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: 2024-H 8243 – *An Act Relating to Towns and Cities – Optional Retirement for Members of Police Force and Firefighters*

Chair Abney:

I write with regard to 2024-H 8243, which would provide public safety professionals with the option to retire if they have at least 25 years of service without early retirement penalties if they defer pension collection until their normal statutory retirement age. The legislation purports to permit public safety professionals to retire early without incurring a statutory penalty. However, a members' benefit – though deferred – would be calculated at the time they retire. As such, a member will not be receiving an increased benefit. Indeed, a member's benefit is likely to be lower than it would have been had they remained in MERS.

The exact impact this legislation may have on the Municipal Employees' Retirement System ("MERS") is unclear at this time. A pension impact note prepared by the state actuary would be necessary to clarify any impact. *See* R.I. Gen. Law § 45-21-42.2.

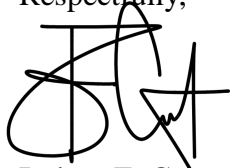
To ensure this legislation does not inadvertently permit certain public safety professions to retire early and collect their pension early without penalty, Treasury recommends the following amendment to proposed Section (b)(1)(5)(i):

Effective July 1, 2024, a member who has completed twenty (20) years of service or more, who has attained an age within (5) years of the eligible retirement age under subsections (b)(1), (b)(2), (b)(3) or (b)(4) of this section, may elect to retire without reduction, as set forth in subsection (b)(5) of this section; provided that, the member shall not be eligible to collect the retirement allowance until the member reaches what would have been ~~twenty-five (25)~~

~~years of completed service~~ their eligible retirement age under subsections (b)(1), (b)(2), (b)(3) or (b)(4).

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