



State of Rhode Island  
Office of the General Treasurer

**James A. Diossa**  
General Treasurer

22 April 2025

The Honorable Marvin Abney  
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

**RE:** 2025-H 5764 – *An Act Relating to Public Officers and Employees – Retirement System – Contributions and Benefits*

Chair Abney:

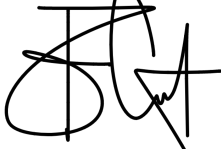
I write in opposition to 2025-H 5764, which would require the Employees' Retirement System of Rhode Island ("ERSRI") re-amortize the state's unfunded pension liability "commencing with fiscal year 2026." At the outset, it is unclear whether this legislation would require re-amortization over the statutory 20-year period or over some other period, whether shorter or longer. *See* R.I. Gen. Laws § 36-10-2.1 ("[f]uture actuarial gains and losses occurring within a plan year will be amortized over individual new twenty (20) year closed periods").

And if coupled with a benefit enhancement, it can be irresponsible to finance any such change through re-amortization because it shifts the burden of funding increased benefits to the taxpayer and may jeopardize the long-term solvency of the plan. Generally, the longer the amortization period, the higher the cost associated with paying off an unfunded liability.

Since this legislation would undoubtedly have an impact on the state pension fund, it must have the benefit of a pension impact note. *See* R.I. Gen. Laws § 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 the 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. Laws § 36-10-39.

Please feel free to reach out by email at [Robert.CravenJr@treasury.ri.gov](mailto: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.', with a large loop at the start and a horizontal line at the end.

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

cc:                   The Honorable Patricia Serpa