



RHODE ISLAND
FEDERATION OF TEACHERS AND
HEALTH PROFESSIONALS AFT
AFL-CIO

To: House Finance Committee
From: James Parisi, Field Representative
Date: April 22, 2025
Re: **Public Employee Retiree COLA Improvement**
Testimony in **support** of 2025-H 5472 (Rep. McEntee et.al.)
Testimony in **support** of 2025-H 5525 (Rep. Serpa et. al.)
Testimony in **support** of 2025-H 5766 (Rep. O'Brien et. al.)
Testimony in **support** of 2025-H 6238 (Rep. Serpa et. al.)

The Rhode Island Federation of Teachers and Health Professionals supports all four bills being heard today that improve the pension benefits of retired teachers and state workers.

H 5472 would grant a one-time 2.89% COLA to those who retired after July 1, 2012. Last session, those retiring before July 1, 2012, had their full COLA (based on both investment returns and inflation) restored but those retiring after July 1, 2012, still only receive 25% of that COLA. We support Rep. McEntee's bill to award a one-time COLA for those retirees who did not benefit from COLA improvements enacted last session. The bill also increases payments for the Teacher Survivor Benefit (TSB) program, a state insurance program designed to provide death benefits for survivors of deceased teachers who did not participate in Social Security. Finally, H 5472 exempts public employee pension from income taxes. This bill provides comprehensive relief to retirees and survivors of teachers who were prevented from participating in social security. This bill is an initiative of the Rhode Island AFT retiree chapter and has our full support.

The RIFTHP also supports H 5525 by Rep. Serpa that would provide the full COLA (based on both investment returns and inflation) as long as the individual has been retired for at least three full calendar years. Retirees with less than three full years would be eligible to receive the 25% COLA benefit currently provided by law. This bill would assist those retirees who did not get pension improvements enacted last year to accommodate increased costs due to inflation.

We support H 5766 by Rep O'Brien, a bill that has been introduced for several years. The bill would provide a 3% COLA (not a COLA based on investment returns and inflation) if the investment returns for the pension fund exceed ten percent. This bill would provide relief to public employee retirees provided the stock market does well.

Finally, the RIFTHP supports H 6238 by Rep. Serpa that would eliminate the current public employee COLA formula (based on investment returns and inflation) and replace it with a formula based solely on inflation. The bill would also have this COLA apply to the full retirement amount, not just the dollar amount capped by law.

We urge you to obtain cost estimates from the actuaries on all of these COLA proposals and enact improvements based on those estimates and budget considerations.

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