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April 22nd, 2025

Mr. Marvin L. Abney, Chairman
Rhode Island House Finance Committee,
One Capitol Hill, 82 Smith Street,
Providence, RI 02903

RE: Support for H-6238

Dear Chairman Abney and fellow members of the House Finance Committee,

Today you are hearing 2025 H-6238, a bill which, if enacted, will restore Cost of Living Allowances to retired former public employees.

You probably won't see many of these retirees at today's hearing. Even though most retirees would love to come today, there are good reasons why they are not here. Those who can still walk will be at Walmart greeting shoppers; others will be at McDonalds serving food; many are in hospice and in nursing homes; many can't drive. The list of reasons goes on.

Last year the Pension Advisory Working Group offered retirees the opportunity to submit written testimony as to what Governor Raimondo's "pension reform" had done to them. I urge you to contact the Treasurer's Office to read their submissions. You will find that Ms. Raimondo's "pension saving" law in fact has forced retirees to skip medical treatment, to choose between eating and medications, to lose their house, to work in places like McDonalds, to keep their homes at 60 degrees in winter, to rent rooms, to not travel to see their grandchildren, etc., etc.

There is another good reason why you won't know many of the public retirees in your district. Most of us, unlike the lobbyists hired by people seeking your support, simply cannot attend your fundraisers. We see the notices inviting attendance at such functions for a contribution of \$200.00. For many of us attending would mean having to skip food for a month if we came and contributed the requested amount. That is why you don't see us at your fundraisers.

I will address shortly how to fund 2025 H-6238. Before doing so, however, it should be pointed out that Ms. Raimondo's purpose never was to "save the pension." Instead, and as now admitted by GRS, the actuary hired by the Employee Retirement System of Rhode Island ("ERSRI"), the real goal of Ms. Raimondo always was to reduce by over 90% the Annual Required Contribution ("ARC"), the amount that the State and municipalities are required by law to contribute to ERSRI. According to GRS, this 90% saving will occur in 2031.

Bill 2025-H-6238 will bankrupt neither the State nor ERSRI. ERSRI has sufficient funds to pay for 2025 H-6238. The reason is simple. GRS has admitted that Ms. Raimondo's plan is based on the projected death of pre-2012 public retirees. The GRS projection is that most of these pre-2012 retirees, whose average age in 2011 was 74 years, will be dead by 2031. For whatever reason, the Legislature in enacting the 2011 "Pension Reform" substantially lowered the retirement benefits of post-2011 retirees; the pre-2012 retirees get much better benefits. Accordingly, when this law is enacted there will be a temporary cash flow imbalance. However, as more and more of us pre-2012 retirees die, the cash flow will reverse and by 2031 the net income of ERSRI will be greater than its expenditures.

I urge this committee to recommend passage and to forward this bill to the floor of the House.

Sincerely,

John Breguet, retiree