



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

13 April 2026

The Honorable Marvin Abney
Chair, House Committee on Finance

The Honorable Members of the House Committee on Finance

RE: *2026-H 7806– An Act Relating to Public Officers and Employees – Retirement System – Contributions and Benefits*

Chair Abney:

I write with regard to 2026-H 7806, which purports to allow retired members of the Employees' Retirement System of Rhode Island ("ERSRI") to be rehired as a full-time employee by any municipality within the Municipal Employees' Retirement System ("MERS") without suspension of pension benefits.

Currently, retired members of ERSRI are permitted to work up to 75 days per year for a municipality in MERS after they retire.¹ See R.I. Gen. Law § 36-10-36. This proposed amendment does not repeal this provision. Rather, it repeals a different section of the law that authorizes full-time employment after retirement for certain fiscal positions with the express authorization of the highest elected official in a city or town. The proposed change would thus create a conflict in the law between these two provisions that would need to be addressed by an amendment if this bill is to progress.

Notwithstanding that ambiguity, this legislation will expand an employees' ability to work post-retirement and will have an adverse effect on the pension system. Post-retirement employment legislation can have an appreciable impact on a pension system, depending on the extent to which it alters employee behavior. This impact is twofold:

- (1) Some members could choose to proactively retire earlier than they otherwise may have with the intent to return to employment and receive both a salary and retirement benefits; and

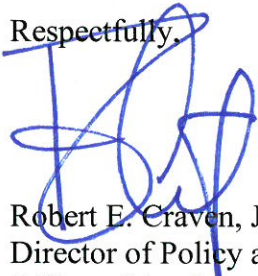
¹ The system does not similarly limit post-retirement employment opportunities by non-MERS municipalities.

- (2) MERS is likely to lose revenue since contributions will decrease if recent retirees are rehired in the place of full-time employees whose payroll would have been eligible for retirement contributions.

Consistent with Rhode Island law, legislation concerning the pension system should not be approved without the benefit of a pension impact note. *See* R.I. Gen. Law § 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 any 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. Law § 36-10-39.

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

cc: The Honorable Alex Finkelman