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16 April 2026

Chairman Abney
House Committee on Finance
82 Smith Street
Providence, RI 02906

Chairman Abney and Members of the House Finance Committee

Subj: H-8147, H-7160 and H-7390

I wish to state my overwhelming support for the following House Bills: H-8147, H-7160 and H-7390. That being said, I will focus on H-8147.

H-8147 Funding would come from the Pension Fund which was over \$13.156 Billion as of 28 February 2026! These are the latest figures available on the General Treasurer's Website as of 15 April.

The Annual Cost of ERSRI Benefits is approximately \$1.1 Billion. (Ref ERSRI 2025 Annual Rpt Pg5)

Contributions to all defined benefit plans from both employers and employees on June 30, 2025, were \$862.4 million (Ref ERSRI 2025 Annual Rpt Pg 5)

Given the current Pension Fund Value, \$13.156 Billion and one year return, 13.8%, that equates to an income of approximately \$1.855 Billion!

The 5-year Return is 9% or 2% Higher than the 7% Benchmark!!!

The 10-year Return is 9.7% or 2.7% Higher than the 7% Benchmark!!!

Minus the \$1.1 Billion in Benefits, the Investment Return would yield a surplus Contribution to the Pension Fund of approximately \$755 Million!!!!

Adding this \$755 Million to the approximately \$862 Million in State / Municipal Contributions results in an additional \$1.6 Billion to the ERSRI Pension Fund!

After ALL benefits are paid out, there is an approximate \$1.6 Billion Plus SURPLUS!

Bottom line? There is absolutely no reason NOT to enact RIRSA 2026, that is H-8147 this session!

If you have any questions, please feel free to contact me at home: 401-996-4985 or via e-mail: agpalazzo@gmail.com.

Your time and effort in support of this matter is greatly appreciated.

Very respectfully,

A.G. Palazzo
CDR USN (Ret)

Cc: Members of the House Finance Cmte, Speaker Shekarchi, Rep Serpa, Rep Fellela, Ms. Nicole McCarty and Ms. Sharon Reynolds.

Ref: ERSRI Actuarial Valuation as of 30 June 2025
https://www.ersri.org/sites/default/files/2025-12/ERSRI_Val2025.pdf

Attachments:

- (1) ERSRI Data Points
- (2) Feb 28 2026 Pension Fund Value and Performance Graph
- (3) ERSRI 2025 Annual Report Dtd 31 Dec 2025 (Abridged Extracts)
- (4) Kennedy - The Fallacy of Don't Touch the Trust Fund II
- (5) The Legacy of RIRSA 2011 – “The Arlington Slide”
- (6) The Legacy of RIRSA 2011 - B Side

HFC Testimony 16 April

Chairman Abney and Members of this Cmte, Advocates have provided you with an awful lot of information to you in a short time.

I have already submitted “Cliff Note” versions of our talking points for later reference and they are available to you online.

If you desire, we can also forward them as files for further dissemination to other members of the General Assembly if you so desire.?

My peers have discussed most of our issues and I am going to cover some items they might have inadvertently skipped over.

As I mentioned earlier, you understand the issues as do we, and we are hopeful that this Cmte will be the Champion for not only the approximately 30K ERSRI Retirees but also the approximately 30K Actives who were negatively impacted by RIRSA! (Rule of 95! TIAA Limitations etc.)

You should know many Current Employees have stated that they wish they could invest THEIR Money elsewhere! Just ask the question..... But that question is better addressed by the ERSRI Board’s Active Representatives and their Labor Organizations,

The “target date” set by ERSRI for the “return” of COLAs, i.e., when the Pension reaches 75% funding, is 2029! (See Slide 29 of the GRS Actuarial Valuation Reference)

That being said, there are two exhibits that I wish to bring to your attention. The first is the information in what I call the ERSRI Data Points Slide. The second is the 28 February Pension Fund Value and Performance Graph.

Taken together, these two slides present simple logical justifications to pass H-8147.

There should be no further delay in restoring benefits as outlined in Rep Serpa’s Legislation.

In our opinion, GRS and ERSRI ignore their Fiduciary Responsibility to its Members by camouflaging the reliance of the Mortality Rate in the RIRSA 2011 Plan. It is a 20 year “plan” crafted for people with a 20-year life expectancy! This sinister “solution” is, in our opinion, disguised as sound fiscal management in the GRS Report. The “solution is basic – flatline benefits until the beneficiaries die!

In our opinion, the Actuarial Valuation Report should include (a) the number of retirees in 2012, (b) the number of Pre-2012 retirees now (living and dead), and (c) the projected number of Pre-2012 retirees (living and dead) in 2030. This data has been used to define and trumpet a “successful” program which should “stay the course.” Where is the Fiduciary responsibility towards the retirees with that methodology of program evaluation – the program’s “customers’ are ignored?

If you look at what I refer to as the “Arlington Slide”, delaying COLA restoration until 2029, will add another 4,000 crosses to that image! Those are your constituents who will die in the interim!

As we have pointed out, **“THERE ARE NO MORE UNINTEDED CONSEQUENCES!”** The passing of those Retirees who followed all the Rules and Paid into the ERSRI System as directed will have been betrayed by that very System through no fault of their own!

How can you morally justify ANY delay? Please tell us WHY you would delay restoring their Retirement Benefits given the FACTS that we have presented!

These Bills will do much to remedy the current situation for both Retirees and Active ERSRI Employees.