



State of Rhode Island
Office of the General Treasurer

James A. Diosa
General Treasurer

5 March 2025

The Honorable Arthur Corvese
Chair, House Committee on Labor

The Honorable Members of the House Committee on Labor

RE: *Concerning 2025-H 5505, An Act Relating to Public Property and Works – Labor and Payment of Debts by Contractors*

Chair Corvese:

I write in support of 2025-H 5505, which would strengthen retirement security for contractors and subcontractors working with our state by limiting an employers' ability to provide a cash payment in lieu of a direct pension or retirement benefit.

Retirement security – in both the public and private sectors – is core to my mission as General Treasurer. Those that work hard should be able to retire comfortably, with dignity and financial autonomy. But in Rhode Island and across the country, employees increasingly opt for a higher salary and sacrifice long-term benefits like health care and retirement. Providing compensation in lieu of benefits may seem appealing to a workforce that is focused on paying today's bills.

This bill, however, recognizes the fundamental importance of retirement benefits. Those that begin to save for retirement early and set aside even a small sum of their weekly paycheck for a 401k or private pension are *significantly* more prepared to retire. And countless studies show the number of individuals that take advantage of retirement packages when they are presented with them is materially higher than similarly situated individuals that are required to seek them out independently. This same rationale underlies the state-facilitated automatic enrollment IRA program – RI Savers – that the General Assembly created within my Office last year.

By limiting an employers' ability to provide cash instead of a real retirement benefit, we are protecting working class Rhode Islanders and making sure they are financially prepared for the future.

If you have any further questions, please do not hesitate to reach out to me directly or to my Director of Policy and Intergovernmental Affairs, Robert Craven, at Robert.CravenJr@treasury.ri.gov.

Respectfully,

A handwritten signature in black ink, consisting of a stylized 'J' and 'D'.

James A. Diossa
General Treasurer