



State of Rhode Island  
Office of the General Treasurer

**James A. Diossa**  
General Treasurer

24 March 2026

The Honorable Stephen Casey  
Chair, House Committee on Municipal Government and Housing

The Honorable Members of the House Committee on Municipal Government and Housing

**RE:** *2026-H 7660, An Act Relating to Towns and Cities – Optional Retirement for Members of Police Force and Firefighters*

Chair Casey:

I write with regard to 2026-H 7660, which would permit police officers and firefighters to retire without early retirement penalties if they have reached age 57 and have at least 20 years of service. Under current state law, members of MERS police and fire units are eligible to retire:

- (1) At age 55 provided they have completed at least 25 years of service;
- (2) At any age provided they have completed at least 27 years of service; or
- (3) At Social Security retirement age (67) provided they have completed at least five years of service.

*See* R.I. Gen. Laws § 45-21.2-5(b). By ordinance, local legislative bodies may permit retirement of a member on a service retirement allowance at any age provided they have completed at least 20 years of service.

Two years ago, the Rhode Island Pension Advisory Working Group assessed the financial impact associated with this change. *See* Report of the Pension Advisory Working Group, at 36 (the “Report”). As described in the Report, “this [change] would impact a comparatively limited group of public safety professionals. Effectively, it would impact firefighters and police officers older than 57 but younger than [67] with over 20 years of service but less than 25 years of service that intend to retire before their twenty-fifth year of service.” *Id.*

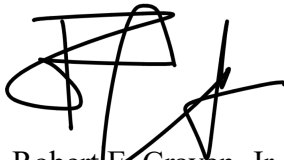
The Report concluded that the financial impact associated with this option is limited, but not *de minimis*:

[T]he employer contribution rate would increase by .42% of payroll, resulting in an annual \$600,000 increase among participating municipalities. Since the change is expressed as a percentage of payroll, it will increase over the 20-year statutory amortization period for the unfunded liability. The collective unfunded actuarial accrued liability across MERS plans would increase by \$5 million, and the cumulative funded ratio would decrease by 0.4% from 86.5% to 86.1%.

Notwithstanding earlier actuarial assessment, some time has passed and State law still requires an updated pension impact note pertaining to this specific bill. *See* R.I. Gen. Laws § 45-21-42.2. (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). The cost associated with enacting this legislation is likely to have changed (positively or negatively) based on system demographics and shifting economic circumstances. The Chair 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 of Representatives. *See* R.I. Gen. Laws § 45-21-42.2.

Please feel free to reach out by email at [Robert.CravenJr@treasury.ri.gov](mailto:Robert.CravenJr@treasury.ri.gov) or by phone at (401) 330-0661 with any further questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'Robert E. Craven, Jr.', with a stylized flourish at the end.

Robert E. Craven, Jr.  
Director of Policy and Intergovernmental Affairs  
Office of the General Treasurer

cc: The Honorable Carol McEntee