



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 8143, *An Act Relating to Towns and Cities – Retirement of Municipal Employees*

Chair Casey:

I write with regard to 2026-H 8143, which would allow retired police officers and firefighters that are members of Municipal Employees' Retirement System ("MERS") units to be re-employed "in an administrative position without limitation on the number of days worked or the compensation earned." 2026-H 8143. Like all municipal employees, retired police and fire personnel are permitted to work 75 days per year while still receiving their pension. R.I. Gen. Laws § 45-21-54. "Pension payments, however, are suspended when that period is exceeded." *See id.* By expanding an employee's ability to work post-retirement, this legislation is likely to have an adverse impact 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
- (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.

Further, legislation exempting one discrete class of employees from a generally applicable rule increases the likelihood that such exemptions are sought by other groups.

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 § 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). This independent assessment will clarify the impact the proposed legislation will 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 § 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 be "Robert E. Craven, Jr.", written over a faint grid background.

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

cc: The Honorable Julie Casimiro