

My name is John Breguet. I retired in October 2007. For 13 years I received no Cost of Living Allowance. As the cost of living went up 41% in those 13 years, the purchasing power of my retirement benefit was almost reduced by half.

In 2024 this body enacted Article 12 in the FY 2025 budget. That article resulted in my receiving a supplement of \$958.00 in addition to my normal retirement pay. That supplement amounts to \$2.62 per day.

S-2818 will finally bring some relief to all retirees. The bill contains four specific provisions:

1. A Cost of Living Allowance for all retirees three years after their retirement;
2. A 3% compounded COLA.
3. Elimination of the \$31,500.00 cap on which the amount of COLA is based
4. No retroactive payment of COLAs under this bill if the bill is enacted

It should be noted that the initial draft of the bill had a 2035 sunset clause; that provision (has been eliminated from S-2818A) (is being eliminated in S-2818A that Senator Ciccone is introducing)

A few labor groups do not support S-2818. For example, the current President of RIAFL-CIO, Mr. Patrick Crowley, on April 16, 2026 testified before the House Finance Committee that he opposed the bill on two grounds: (1) That the proposal would bankrupt the ERSRI Fund and (2) that the bill only applies to pre-2012 retirees. As to the second objection (that the bill only applies to pre-2012 retirees) obviously Mr. Crowley did not read the bill; it clearly states that it applies to all retirees. As to the second assertion – that the bill would bankrupt the ERSRI fund – he is simply mistaken. The goal of the 2011 legislation always has been to eliminate the pension plan. The Treasurer the ERSRI to reach 100% funding as quickly as possible; when that occurs, the public employers will pay almost nothing to the fund. The Treasurer has figures showing that reaching 100% will diminish the public employer contributions to ERSRI by 5 billion dollars over the next ten years. This bill – according to the State's actuary – would cost 1.4 billion dollars over that same period. This bill merely will reduce State savings in employer contributions to 3.6 billion dollars over those next ten years.

Unions that are more sophisticated than Mr. Crowley now support our bill. I understand that a major concern of many unions is focused on Senator Ciccone's bill, S-3251 (95-90, 30 + 60) and Senator Thompson's bill, S-2842, (95 to 85). These unions now realize that the mere passage of those bills without S-2818 will allow employees to retire without a COLA to a poverty level life style.

The Treasurer in his letter to the House Finance Committee stated that the original draft of the bill would prevent changes in the funding of the ARC for ten years. As the Treasurer has

been informed, that provision (has been)(will be) eliminated in S2818A. However, and more important, this concern by the Treasurer is misleading. As stated above and as shown in documents introduced at this hearing by witnesses Brian Kennedy and Aldo Palazzo show, the Treasurer expects that the State's contribution will drop dramatically in the near future. It appears that the Treasurer is concerned that when this drop-off occurs he will not be able to keep every penny of the 5 billion dollars anticipated savings.

The Treasurer also states that a pension impact statement is required. As the Treasurer well knows, a subsequent statute overrides an earlier conflicting law. If this bill passes it will supersede any pension impact statement requirement. When Article 12 of the FY 2025 – the article that gave pre-2012 retirees a small COLA - was passed by this body in 2024 there was no pension impact statement. Not only has the ERSRI fund not collapsed since 2024, it has grown by 14% in the ensuing two years.

Our group has been appearing before this committee for the last three years. Each time we get a sympathetic hearing; each time nothing happens. The pre-2012 retirees have been waiting for 15 years; the post-2012 retirees since the day that they retired. If you don't pass this bill this year, at least another thousand will die before the 2027 legislative session. COLA is not a gift – we paid for it. We are entitled to it. It is time for you to vote this bill out of committee.