



State of Rhode Island  
Office of the General Treasurer

**James A. Diossa**  
General Treasurer

12 May 2026

The Honorable Louis DiPalma  
Chair, Senate Committee on Finance

The Honorable Members of the Senate Committee on Finance

**RE:** 2026-S 2842 – *An Act Relating to Education – Teachers’ Retirement*

Chair DiPalma:

I write with regard to 2026-S 2842, which would decrease the retirement age for teachers, state employees, and municipal employees from the current ‘Rule of 95’ – wherein an employee’s combined age and years of service must equal at least 95 to be eligible to retire – to the ‘Rule of 85,’ a ten-year reduction in required service.

Retirement age and benefits for teachers, state employees, and municipal employees are set by statute and calculated by formula. Under current law, teachers, state employees, and municipal employees are eligible to retire:

- (1) If they have reached Social Security retirement age and completed at least five years of contributory service since July 1, 2012; or
- (2) If they have reached Social Security retirement age and completed five or more years of contributory service before July 1, 2012, a proportional formula is used to calculate retirement, but in any event must be no less than age 59.

*See* R. I. Gen. Laws §§ 16-16-12 (c)-(d), 36-10-9 (c)-(d); 45-21-16 (B)-(C). This proposal would still preserve retirement eligibility under either provision.

The ‘Rule of 95’ is an alternative full benefit retirement eligibility date, which allows members to retire earlier than their schedule-based eligibility date. “Under the Rule of 95, members can retire when their age plus their years of service equal 95 provided that they are at least 62 years old.” Robert Hiltonsmith, *Rhode Island’s New Hybrid Pension Plan Will Cost the State More While Reducing Retiree Benefits*, Economic Policy Institute Issue Brief #366 (June 20, 2013), at 3.; *see*

also R. I. Gen. Laws §§ 16-16-12 (c)-(d), 36-10-9 (c)-(d); 45-21-16 (B)-(C). As such, an individual is eligible to retire where:

- (1) They have reached at least 65 years of age with 30 years of service; or
- (2) They have reached at least 64 years of age with 31 years of service; or
- (3) They have reached at least 63 years of age with 32 years of service; or
- (4) They have reached at least 62 years of age with 33 years of service.

This proposal would allow teachers, state employees, and municipal employees to retire if they have at least 28 years of service and their combined age and years of service equals at least 85. Therefore, an individual would be eligible to retire where, for example:

- (1) They have reached at least 60 years of age with 25 years of service; or
- (2) They have reached at least 59 years of age with 26 years of service; or
- (3) They have reached at least 58 years of age with 27 years of service; or
- (4) They have reached at least 57 years of age with 28 years of service.

Where the prevailing rule expressly includes a minimum age requirement, this legislation requires a minimum amount of service. Though there is no minimum age set out explicitly, 57 would be the earliest age in which a member would be able to retire since an individual must serve *at least* 28 years to be eligible.<sup>1</sup>

It bears mention that the retirement eligibility under this proposal would encroach upon eligibility for public safety professionals in the Employees' Retirement System of Rhode Island ("ERSRI") and the Municipal Employees' Retirement System ("MERS"). Generally, public safety professionals are provided with an earlier eligibility date given the physical demands often associated with their job responsibilities. Under current law, police officers and firefighters 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 provided they have completed at least five years of service.

See R.I. Gen. Laws § 45-21.2-5(b). This legislation would require teachers, state employees, and municipal employees to work just three more years than police officers and firefighters in certain circumstances.

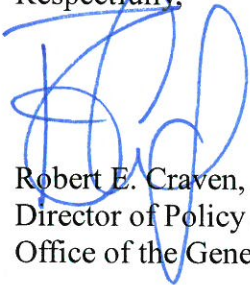
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<sup>1</sup> To demonstrate, consider a hypothetical member that entered state service early at age 20. After serving the minimum required 28 years, they would be age 48. However, for their age and years of service to equal 85, they must work at least another nine years, until they are 57 years old.

Since this legislation would expand retirement eligibility for teachers and state and municipal employees, it will have an impact on the state's pension system. 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 §§ 36-10-39; 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 any impact the proposed legislation may have on both the State budget, and the sustainability of the pension system. The Chairperson of the Senate Finance Committee – with the approval of the Senate President – can request a pension impact note concerning proposed legislation originating in the Senate. *See* R.I. Gen. Law §§ 36-10-39; 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,



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Director of Policy and Intergovernmental Affairs  
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cc: The Honorable Brian Thompson