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May 12th, 2026

The Honorable Senator DiPalma
Chair of the Senate Committee on Finance
Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

RE [SB 3251- The Rule of 90](#)

RE: [SB 2842 - The Rule of 85](#)

Dear Chairman DiPalma and
members of the Senate
Finance Committee,

My name is Ryan Kanaczet and I have been teaching for 28 years in the Narragansett School System. I am speaking in support of Senate Bill 3251 the Rule of 90 and Senate Bill 2842 the Rule of 85. While I would also make it clear that as a public employee I support all of the bills presented today regarding pension reform for current and retired public employees.

This is my fourth visit testifying at the house and senate finance committees over the past 5 years. I have also provided written testimony for the Pension Advisory Group of 2024. My colleagues and I are frustrated that as a state we have not developed actionable steps to begin fixing a pension system that does not meet the needs of the current public employee.

The Pension Advisory Group Report of 2024 clearly outlines suggestions for improvement such

1. The Rule of 90 and 85,
2. Adjusting the accrual rate for current employees
3. Address the inequity of those teachers that were vested in 2012 but had less than 20 yrs of service.

Specifically these notations can be found on pages

[PENSION ADVISORY GROUP REPORT](#) (2024)

Pages 11-15

Options to consider on pg 17-20

AGE Recommendation Rule of 90 pg 22

GRS Slide Presentation - [STUDY of OPTIONS FROM WORKING GROUP 1/31](#)

SLIDES 42-54 READ for support Option A-D - Addressing Accrual Rates

SLIDE 57 - Rule of 90 and 85

SLIDE 53-54 - The ability to potentially ENACT legislation similar to the settlement of 2015 where teachers were allowed to suspend their TIAA CREF contributions who had years of service in the system prior to 2012.

It is now time to develop a pension reform plan to recruit, retain, and retire public employees and teachers that align with the same standards of our New England neighbors in Massachusetts and Connecticut.

Senate Bill 3251 the Rule of 90 allows teachers, state and municipal employees to retire upon the earlier of reaching age sixty (60) with thirty (30) years of service or the employee's retirement eligibility date under present state statutes. ***I would go a step further and suggest amending this bill to remove the age of 60 leaving it a true rule of 90.*** This would align more with Senate Bill 2842 the Rule of 85 which I also support which very specifically rewards the teachers service years and teaching at 85 with at least 28 years of service.

Once again this would allow for all municipalities and school systems around the state to develop a strategy using the three R's; Recruit, Retain, and Retire.

Recruit:

The competitive nature of Massachusetts and Connecticut's Pension system of 30 years and a 60% pension is far more appealing to new teachers than 39 years and 39% pension with a hybrid model in Rhode Island. I have also been on many interview committees that have had minimally qualified candidates and have gone through many rounds of interviews coming up empty handed with no candidates. Cities like Cranston, Providence and other cities are having difficulty in filling positions on a greater scale as well. Rhode Island needs to be more competitive with our New England neighbors or we are going to continue to have a hiring crisis with not enough qualified teachers if this continues

1. *This affects the school District - As a result of this, districts would be able to keep their payroll budgets lower and more manageable. Our districts are dealt with higher payroll*

budgets due to the inability to have teachers retire and they are still left with the unfunded pension liability of all teachers that have already retired.

2. *This bill will also benefit public employers who may want to hire new staff at starting pay rate instead of having a staff of top-step. In South Kingstown this is currently happening where they have a budget shortfall as well as a high payroll. This is negatively reinforced by the RI Pension System requirements on a minimum age for retirement where a great deal of the teachers have or need served 35-39 years of service like myself.*
3. *Districts are dealing with less appealing interview pools and/or shortages of teachers. Teaching in Massachusetts and Connecticut is much more appealing than Rhode Island from a long term pension perspective.*

Retain:

Currently as a teacher I have witnessed teachers within their first 10 years of service and now last 10 years of service fleeing the state to work in MA or CT. The writing is on the wall regarding the inadequacies of our system compared to our neighbors. A veteran teacher can leave RI and teach in MA for their last 10 years and earn 2% per year when added to their existing RI pension they would be earning about 10% higher than if they stayed.

Retire

In 1998 I was offered my first teaching job. At that time the pension system was 80 percent funded. The 2011 reform initiatives in my opinion were too drastic and has impacted many current public employees financial stability and long term financial plans. Specifically those who were already invested in the pension system in 2011 who had their pension percentage reduced. In my case I lost about 10 years of accrual earnings in my TIAA Cref account over new teachers hired after 2012. *The court Settlement rulings of 2015 only made corrections and adjustments to those AB employees where the TIAA Cref contributions were suspended and they earned an additional 1% per year and contributed back into the pension an option not provided for those B1 employees.*

At age 62, my current ERSRI retirement date, I will have accomplished the unforeseen Rule of 101 62 years with 39 years of service. My rule of 95 is actually at age 59 and my rule of 90 would be 57. As a reminder 401k and 403b funds per government regulations can be accessed at age at 59 ½. I am nervous that in the next 10 years when I retire at the age of 62 with 39 years of service that I will need to work another job when I retire. Or perhaps do what my colleagues are doing and resign from teaching and defer my pension and start a new career after 30 years plus of service in education. *The term retirement is unrealistic in Rhode Island because more and more teachers are fearful that they will not be able to survive on 30-45% of their average of their top 3 years.*

These bills acknowledge the true rule of 85 and 90 but I ask that you focus on the specifics of years of service rather than inserting a minimum age.

You have my endorsement for support of Senate Bill 3251 the Rule of 90 and Senate Bill 2842 the Rule of 85. Thank you for your time and I look forward to your support on this matter and feel free to reach out with any questions or points that need clarification and or an invitational seat at the pension reform table to recruit, retain, and retire teachers and public employees.

Sincerely,

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Table 1 and Chart 1 (pg 5 and 6)

TABLE 1

TIAA CREF-HYBRID COMPARISON AB/B1/B2-3

(Note - the first 11 years are the actual rate of returns after that date a 4% rate of return was used. 1998 would be my first year of teaching 2036 would be my retirement age of 62)

	AB	B1	B2-3
1998	\$0.00	\$0.00	\$1,769.36
1999	\$0.00	\$0.00	\$7,722.04

2000	\$0.00	\$0.00	\$13,623.28
2001	\$0.00	\$0.00	\$18,340.07
2002	\$0.00	\$0.00	\$25,471.77
2003	\$0.00	\$0.00	\$36,261.48
2004	\$0.00	\$0.00	\$38,525.85
2005	\$0.00	\$0.00	\$53,686.49
2006	\$0.00	\$0.00	\$68,688.88
2007	\$0.00	\$0.00	\$84,913.36
2008	\$0.00	\$0.00	\$76,296.43
2009	\$0.00	\$0.00	\$81,787.65
2010	\$0.00	\$0.00	\$85,059.16
2011	\$0.00	\$0.00	\$89,312.11
2012	\$1,769.36	\$1,769.36	\$93,777.72
2013	\$7,722.04	\$7,722.04	\$98,466.61
2014	\$13,623.28	\$13,623.28	\$103,389.94
2015	\$18,340.07	\$18,340.07	\$108,559.43
2016	\$19,257.07	\$25,471.77	\$113,987.40
2017	\$20,219.93	\$36,261.48	\$119,686.77
2018	\$21,230.92	\$38,525.85	\$125,671.11
2019	\$22,292.47	\$53,686.49	\$131,954.67
2020	\$23,407.09	\$68,688.88	\$138,552.40
2021	\$24,577.45	\$84,913.36	\$145,480.02
2022	\$25,806.32	\$76,296.43	\$152,754.02
2023	\$27,096.64	\$81,787.65	\$160,391.72
2024	\$28,451.47	\$85,059.16	\$168,411.31
2025	\$29,874.04	\$89,312.11	\$176,831.88
2026	\$31,367.74	\$93,777.72	\$185,673.47
2027	\$32,936.13	\$98,466.61	\$194,957.14
2028	\$34,582.94	\$103,389.94	\$204,705.00
2029	\$36,312.08	\$108,559.43	\$214,940.25
2030	\$38,127.69	\$113,987.40	\$225,687.26
2031	\$40,034.07	\$119,686.77	\$236,971.63
2032	\$42,035.78	\$125,671.11	\$248,820.21
2033	\$44,137.57	\$131,954.67	\$261,261.22
2034	\$46,344.44	\$138,552.40	\$274,324.28

2035	\$48,661.67	\$145,480.02	\$288,040.49
2036	\$51,094.75	\$152,754.02	\$302,442.52

CHART 1

The below chart is a visual representation of Table 1 showing the benefits of a hybrid model over a 37 year time period for B2-3 teachers and employees. Note- that AB teachers suspended contributions into TIAA Cref and now contribute 100% into the pension system and earn 2% per year instead of 1% for B1 and B2-3.

Again a similar 2015 proposal for B1 Employees to recoup their long term investment shortcomings and contribute back into the pension system 100%.

TIAA CREF - 37 YEAR COMPARISON

