



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

13 May 2026

The Honorable Louis DiPalma
Chair, Senate Committee on Finance

The Honorable Members of the Senate Committee on Finance

RE: *2026-S 3152 – An Act Relating to Public Officers and Employees – Retirement System – Membership and Service Credits*

Chair DiPalma:

I write with regard to 2026-S 3152, which would make the following changes to the pension benefits of active and retired members of the Rhode Island State Police:

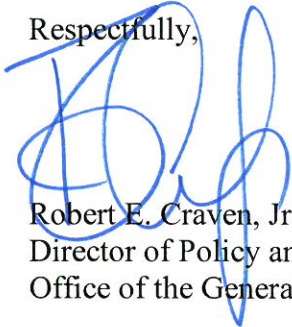
- (1) Amend the final average salary formula from the highest 5 years of compensation or the highest 3 years of compensation (depending on a member's date of hire and service year) to the highest 12 consecutive months of compensation, inclusive of overtime for eligible members;
- (2) Amend the base benefit and retirement eligibility for members hired prior to July 1, 2007 to 50% of the member's "whole salary" after 20 years of service, with an annual 3% accrual for each additional year up to 65% of a member's "whole salary" after 25 years of service;
- (3) Amend the base benefit and retirement eligibility for members hired on or after July 1, 2007 to 50% of the member's "whole salary" after 25 years of service, with an annual 3% accrual for each additional year up to 65% of a member's "whole salary" after 30 years of service;
- (4) Amend the prevailing cost-of-living adjustment ("COLA") provision by removing the statutory formula used by the remaining plans within the Employees' Retirement System of Rhode Island and reintroducing a \$1,500 compounding adjustment each year; and
- (5) Provide a prospective benefit adjustment for retired members who would have received a higher benefit under this provision had it been in effect at the time of their retirement.

An independent actuarial assessment determined this legislation would increase the total state contribution to the pension system by \$8.39 million in Fiscal Year 2027. This figure represents the annual budgetary increase attributable to this change. This increase is largely attributable to a significant rise in the employer contribution rate, which would increase by 24.03% - from 20.59% to 44.62% - as a result of this change. 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 unfunded actuarial accrued liability would increase by approximately \$73.52 million, and the funded ratio would fall 18.99%, from the current 88.42% to 69.43%.

Please note that this assessment *only* accounts for the relative cost of changes to the pension system. See R.I. Gen. Laws § 36-10-39. It does not consider any employer savings that may be associated with the proposed change outside of pension savings (such as salary of the average state trooper). However, the state actuary included a brief discussion of longevity compensation for the benefit of the Committee, based upon data provided by the State Police.

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

Respectfully,



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

cc: The Honorable Todd Patalano